

ASX ANNOUNCEMENT

1st June 2010

Marmota Energy Limited
ACN: 119 270 816
ASX: MEU

Exploration Office:
Unit I, 5 Butler Blvd
Burbridge Business Park, SA 5950

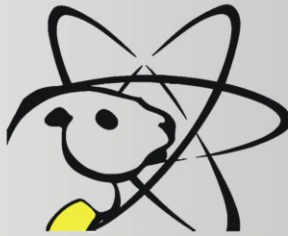
P: +61 8 8375 4300

F: +61 8 8375 3999

E: info@marmotaenergy.com.au

W: www.marmotaenergy.com.au

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr D J Calandro, who is a Member of the Australian Institute of Geoscientists. Mr Calandro is employed full time by the Company as Managing Director and, has a minimum of five years relevant experience in the style of mineralisation and type of deposit under consideration and qualifies as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Calandro consents to the inclusion of the information in this report in the form and context in which it appears.



MARMOTA
ENERGY LIMITED

A.B.N. 38 119 270 816

Copper mineralisation intersected at the Miranda Target on the Melton copper-gold project, South Australia

- Marmota Energy is nearing completion of a maiden broad-spaced diamond drilling program at the Melton Project on the Yorke Peninsula, located within two hours drive of Adelaide.
- Anomalous copper results have been returned from the first hole drilled at the Miranda target (MIRDD01), with 21m at 0.11% Cu from 451 metres, including 7m at 0.28% Cu, containing 3m at 0.42% Cu.
- Assay results from nearby drill hole MIRDD04 are pending which have also intersected observable sulphide mineralisation (chalcopyrite and pyrite).

Melton Copper – Gold Project

Marmota Energy Limited (ASX: MEU) 50% mineral rights with Monax Mining Limited (ASX: MOX)

Marmota Energy Limited ('the Company') is pleased to announce the initial drilling results from the first hole drilled (MIRDD01) at the Melton project ('the project') on the northern Yorke Peninsula in South Australia. Copper mineralisation has been intersected in the first hole of the program, which had been drilled into the southern end of the 'Miranda' geophysical target. Drill hole MIRDD04 also intersected the equivalent alteration system with observable sulphide mineralisation. Cutting of drill core from MIRDD03 and MIRDD04 is underway in preparation for laboratory analysis over coming weeks.

Drill holes MIRDD01, MIRDD03 and MIRDD04 intersected observable sulphide mineralisation (pyrite and chalcopyrite). Drill holes in the Miranda target intersected copper mineralisation associated with an amphibole-magnetite-pyrite-chalcopyrite alteration system. The alteration is interpreted to be related to the intrusion of an extensive mafic body into metasediments and granites.

The Miranda Target is a large geophysical anomaly demonstrating a significant magnetic and a larger sized coincident gravity response which extends for more than four kilometres in length (Figure 4). Four holes were drilled into the Miranda Target to test for the presence of mineralisation at different parts of the large anomaly with three drill holes intersecting observable sulphide mineralisation.

Drill hole MIRDD01 was drilled to test a coincident magnetic and gravity high in the southern part of the Miranda anomaly. The drill hole intersected zones of detectable copper mineralisation in the majority of the basement interval from depths of 244 to 615 metres, confirming the presence of mineralisation within that part of the target.

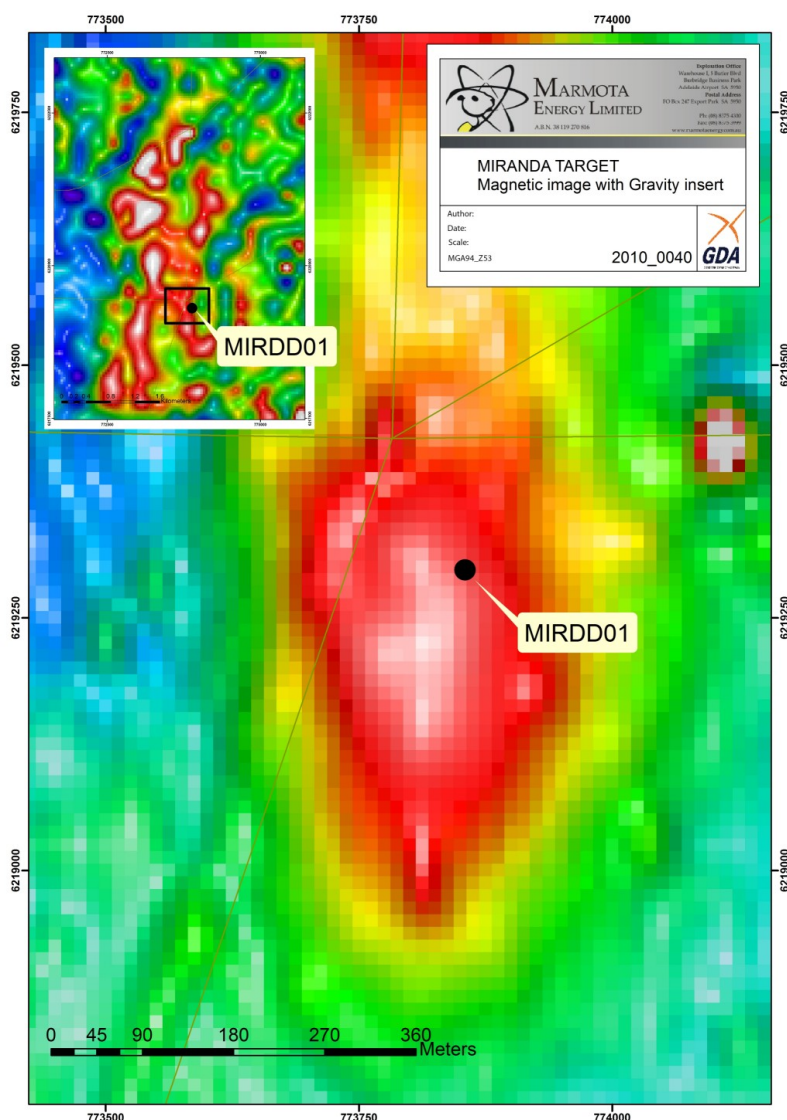
Anomalous copper results returned from analysis include 21m at 0.11% Cu from 451 metres including 7m at 0.28% Cu from 465 metres containing 3m at 0.42% Cu from 469 metres.*

Broader intercepts include 60m at 0.045% Cu from 447 metres, and 3m at 0.051% Cu from 526 metres.* MIRDD01 also contained some anomalous intercepts of silver (Ag), nickel (Ni) and molybdenum (Mo) which will assist in further understanding the nature of the mineralisation within this large anomaly.

The Company will await the return of analysis results from MIRDD03 and MIRDD04 before remodelling the mineralising and structural characteristics of the target in conjunction with geophysical data acquired over the region by the Company.

Downhole geophysics are planned for MIRDD01 and MIRDD04 over coming weeks to further map the extent of potential mineralisation.

**The stated intersection grades are an average value, not weighted as the samples were taken at one metre intervals, no cuts offs have been applied. The widths described are not true widths as it is an angled hole, the precise geometry of the zones of mineralisation are yet to be determined.*



Background - Melton Copper Gold Project

Marmota Energy Limited (ASX: MEU) 50% mineral rights with Monax Mining Limited (ASX: MOX)

Marmota Energy is currently completing the initial drill testing of three large scale anomalies at its Melton iron-oxide copper gold (IOCG) project in South Australia. The Melton project is located on the northern Yorke Peninsula and contains a 15km section of the highly prospective Pine Point Fault Zone (PPFZ – see Figure 2).

Reprocessing of high-resolution aeromagnetic data over the Melton project outlined five significant magnetic anomalies, of which three in particular have been interpreted to be associated with the PPFZ. The reprocessed data has highlighted the strong magnetic signatures of these anomalies, as well as delineating the prominent north-south trending structural grain together with northeast-southwest and northwest-southeast trending cross-structures.

Drilling at Rex Minerals' neighbouring Hillside discovery highlighted the correlation between magnetite and copper mineralisation. The reprocessed aeromagnetic data is the first step in developing a drilling program and the addition of detailed gravity data has provided a better understanding of the geology of the region.

Data from the surface gravity survey has been processed and, together with the high-resolution magnetic survey has assisted in targeting interpreted potential mineralised zones within the regional targets. Marmota's drilling program targeted zones of coincident magnetic and gravity anomalies, as well as independent gravity and magnetic targets. This will assist in providing a clearer understanding of what each feature represents and assist in the design of potential future follow up drilling programs.

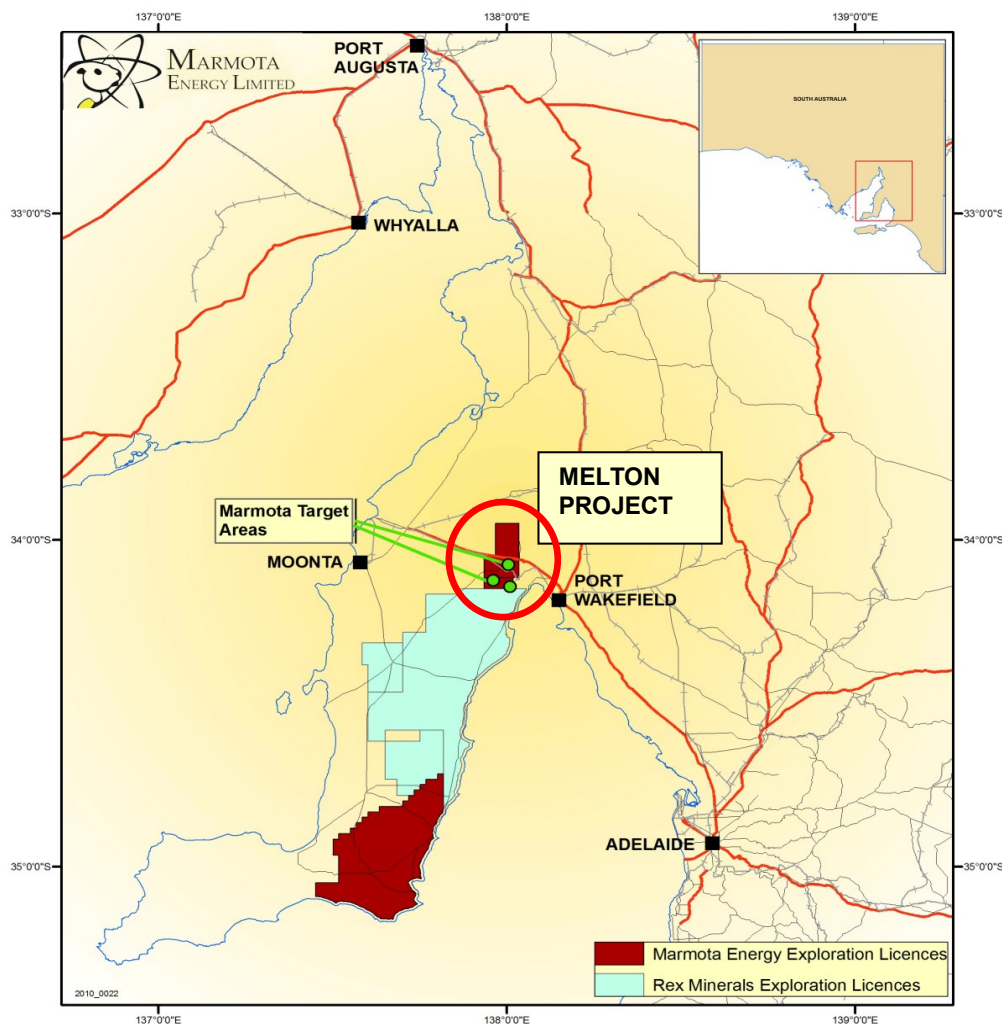


Figure 1. Melton project location diagram

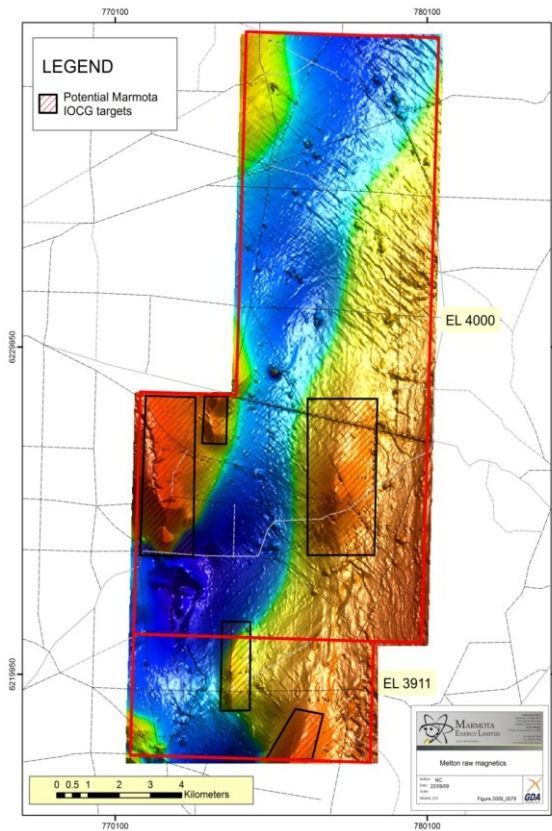


Figure 2. New high resolution magnetic data over the entire Melton project, with potential target zones defined (in red hash).

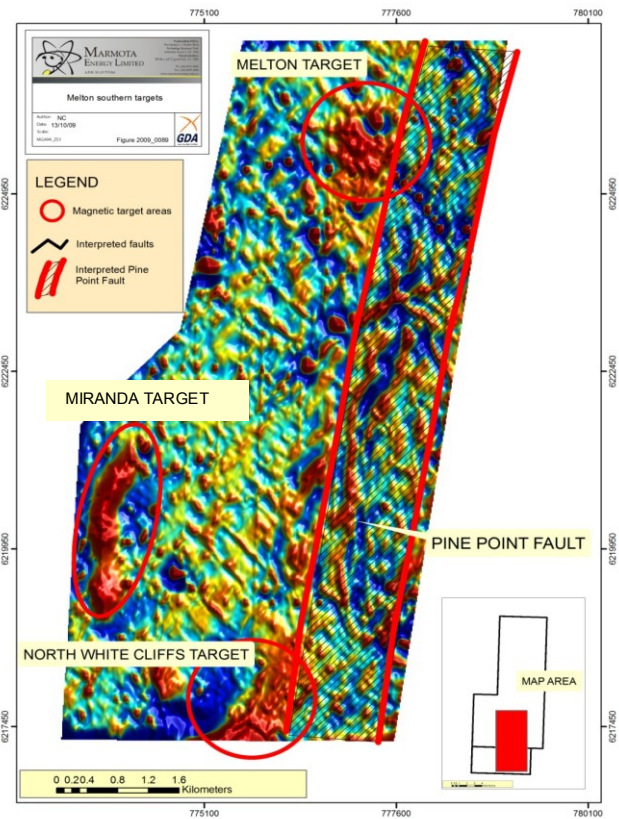


Figure 3. Reprocessed total magnetic intensity, covering the first three of five anomalies on the Melton project.

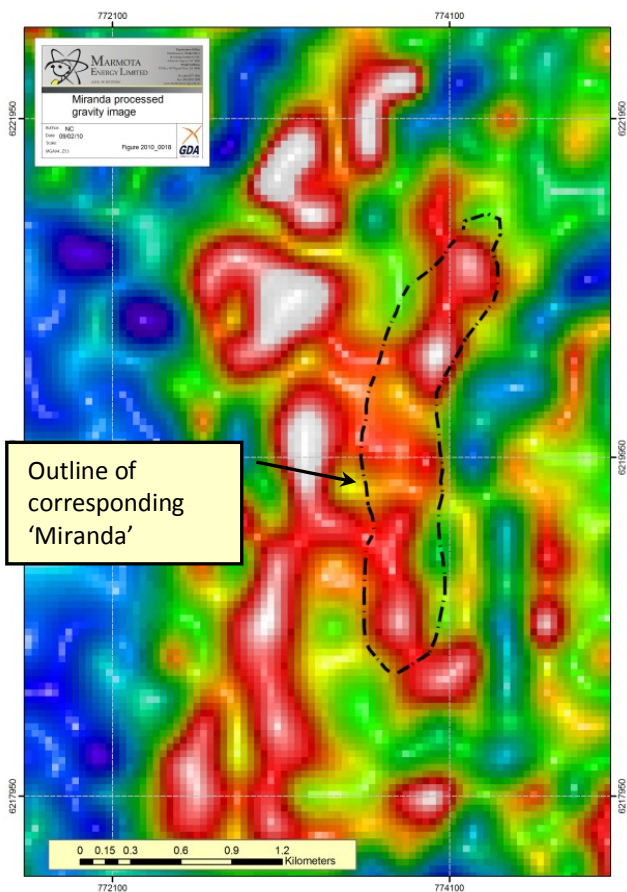


Figure 4. Reprocessed gravity data (red - white: high gravity response), over the Miranda target area with coincident magnetic anomaly location outlined in black dashed line.

Figure 4 shows the gravity data over the high-priority Miranda target. The Miranda target represents the strongest gravity anomaly and is up to 4km in length, with the magnetic feature also exhibiting a significant gravity response.

Due to time constraints relating to landholder requirements, seven of the eight to ten drill holes planned will be completed as part of this maiden program. Drilling of the final hole of the program testing the Melton target is currently underway.

Results from this program will be assessed and integrated into modeling processes in preparation for potential follow up drill testing.

Further assay results from drill holes will be announced as they are returned from the laboratory over coming weeks.

Mr Dom Calandro
MANAGING DIRECTOR

1 June 2010