ASX ANNOUNCEMENT

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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

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EXPLORATION UPDATE – Phase 2 drilling completed at Junction Dam, PFN data confirms uranium mineralisation at the Saffron prospect

- **High grades of uranium (>1000 ppm eU_3O_8) continue to be intercepted in the final weeks of Phase 2 drilling at Junction Dam.**
- **Prompt Fission Neutron (PFN) tool successfully trialled at the Saffron prospect further confirming the uranium deposit.**
- **Further exploration to be conducted over second target area immediately north of the Saffron prospect.**

Junction Dam uranium project

(On Junction Dam, Marmota 51% of uranium under JV Agreement with Teck Australia Pty Ltd (Teck), PlatSearch NL (ASX: PTS) and Eaglehawk Geological Consulting Pty Ltd)

Marmota Energy Limited (ASX: MEU) has completed the second phase of drilling at the Saffron prospect on Junction Dam. Drilling completed as part of Phase 2 continued to return high grades over thick intervals as well as defining an extension to the zone of mineralisation.

A total of 76 drill holes have now been completed over the Saffron prospect as part of the Phase 1 and 2 programs. Eighty seven percent of holes drilled at the Saffron prospect to date have intersected uranium mineralisation.

Multiple holes in the final weeks of Phase 2 continued to return peak uranium grades of more than 1000 ppm eU_3O_8*. Outstanding high grade intercepts coupled with significant intervals of mineralisation have been intersected across both phases of drilling (Table 1). A number of the recently completed holes drilled continued to return grade-thickness accumulations in excess of 0.045 m% eU_3O_8 (intersections of greater than 0.045 m% eU_3O_8 are considered significant and important in evaluating the economic viability).

As part of this recently completed drilling, Marmota Energy successfully trialled the use of a Prompt Fission Neutron (PFN) tool. This tool directly measures the content of uranium in sands surrounding the boreholes whilst recording the gamma field from uranium and its daughter products in the same zone, thus enabling direct comparisons of the two methods. A common finding in roll front style uranium deposits is that the uranium is not in equilibrium with its daughter products, and as a result the gamma measurements may over or under estimate the actual uranium content of the sands. The PFN tool which directly measures the uranium is not affected by disequilibrium issues.

The initial results from the holes trialled indicate there were no instances of high gamma response without an accompanying high PFN response (Figure 2).

HOLE ID	EASTING	NORTHING	DEPTH FROM (metres)	THICKNESS (metres)	AVERAGE GRADE eU3O8*(ppm)	PEAK GRADE eU3O8*(ppm)	GRADE THICKNESS m%eU3O8
JDRM0111	484800	6488818	124.8	0.8	588.237	1152	0.047
JDRM0114	485000	6488530	124.07	3.15	174.605	830	0.055
JDRM0115	485000	6488330	128.86	0.75	648.597	1676	0.049
JDRM0116	485000	6488130	123.98	0.85	540.732	1411	0.046
JDRM0117	485000	6487850	116.42	0.9	509.983	1095	0.046
			123.27	0.85	674.378	1996	0.057
JDRM0118	484799	6488726	124.03	5.95	423.793	7551	0.252
JDRM0121	484800	6488530	127.88	2.7	427.609	3226	0.115
JDRM0122	484810	6488330	126.1	3.15	238.561	1328	0.075
SARM002	484784	6488669	124.69	6.85	67.845	135	0.046
SARM003	484794	6488617	123.88	5.5	106.763	459	0.059
SARM004	484798	6488567	129.84	0.85	825.935	2510	0.070
SARM007	484805	6488385	128.2	1.85	693.498	1935	0.128
SARM008	484749	6488715	124.75	1.7	1272.899	5192	0.216
SARM009	484749	6488533	125.7	6.55	117.728	935	0.077
SARM012	484596	6488740	125.32	4	156.526	888	0.063
SARM013	484594	6488645	123.66	3.15	633.658	2720	0.200
SARM021	484706	6488438	126.16	3.85	357.926	2565	0.138
SARM022	484695	6488358	126.15	4.15	584.18	3674	0.242
SARM027	484803	6488038	118.65	1	459.641	1204	0.046
SARM028	484657	6488501	124.95	3.7	161.195	663	0.060
SARM029	484646	6488402	125.15	4.05	328.41	1927	0.133
SARM032	484739	6488300	127.55	1.8	409.594	2075	0.074
SARM037	484698	6489195	128.1	1.15	766.124	2416	0.088
SARM039	484373	6488010	129.44	0.85	535.907	1163	0.046
SARM046	484490	6488651	126.9	1	926.326	3221	0.093
SARM050	484895	6488118	124.99	4.2	300.341	1457	0.126
SARM063	484700	6488403	125.2	4.7	161.647	543	0.076
SARM066	484794	6488067	125.55	1.75	496.171	2132	0.087

Uranium peak grade greater than 1000 ppm
Grade thickness greater than .030 m%eU3O8
Grade thickness greater than .045 m%eU3O8

Table 1: Best high grade down hole readings from Junction Dam from 2009 and 2010 phases of drilling. The widths shown are true widths with a 100 ppm cut off applied.

**Hole prefix 'JDR': *Equivalent grades (eU_3O_8) from Borehole Wireline Pty Ltd gamma probe 3024, calibrated at Adelaide Test Pits. Dead time 6.06656e-6, k factor 2.47442e-5, 108mm hole, water filled.*

**Hole prefix 'SAR': *Equivalent grades (eU_3O_8) from Borehole Wireline Pty Ltd gamma probe 3785, calibrated at Adelaide Test Pits. Dead time 4.27264e-6, k factor 2.2702e-5, 108mm hole, water filled.*

A small number of holes were trialled with PFN, with encouraging results supporting the further use of the tool in future Junction Dam drilling programs. Greater coverage of holes using PFN is planned to be rolled out in the next phase of drilling at the Saffron prospect. The results from PFN data in the next planned phase of drilling will offer greater confidence in potential resource calculations.

Drilling completed in the Phase 2 program also confirmed an extension to the strike length of the Saffron prospect to approximately **two kilometres**, open to the north and south. Further geophysical exploration is planned across the nearby Bridget prospect over coming months. The results will be utilised in planning for a Phase 3 drilling program which will also test the 5 kilometre long Bridget prospect immediately adjacent to the Saffron prospect (Figure 1).

Marmota will assess all results achieved from Phase 1 and 2 drilling programs for its suitability to outline a potential maiden inferred resource at Junction Dam over the coming months. From the results achieved to date Marmota believes that there is significant potential for further extension to the Saffron prospect and the discovery of additional zones of uranium on Junction Dam.

Mr Dom Calandro
MANAGING DIRECTOR

15 September 2010

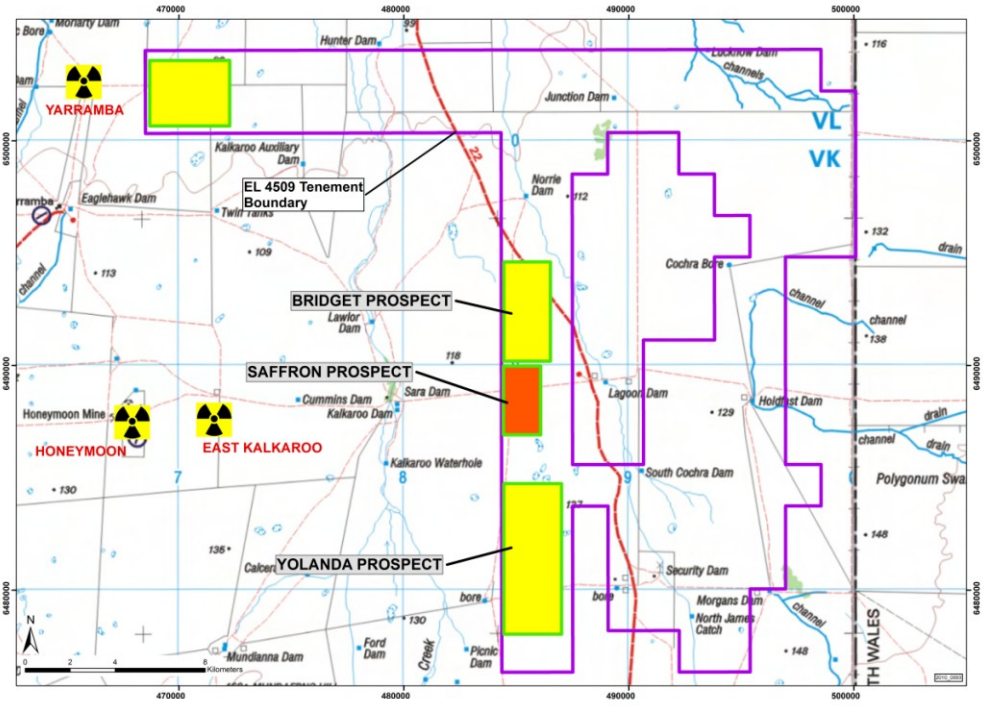

Figure 1. Junction Dam location map

Other target areas of high potential planned to be tested in phase 3

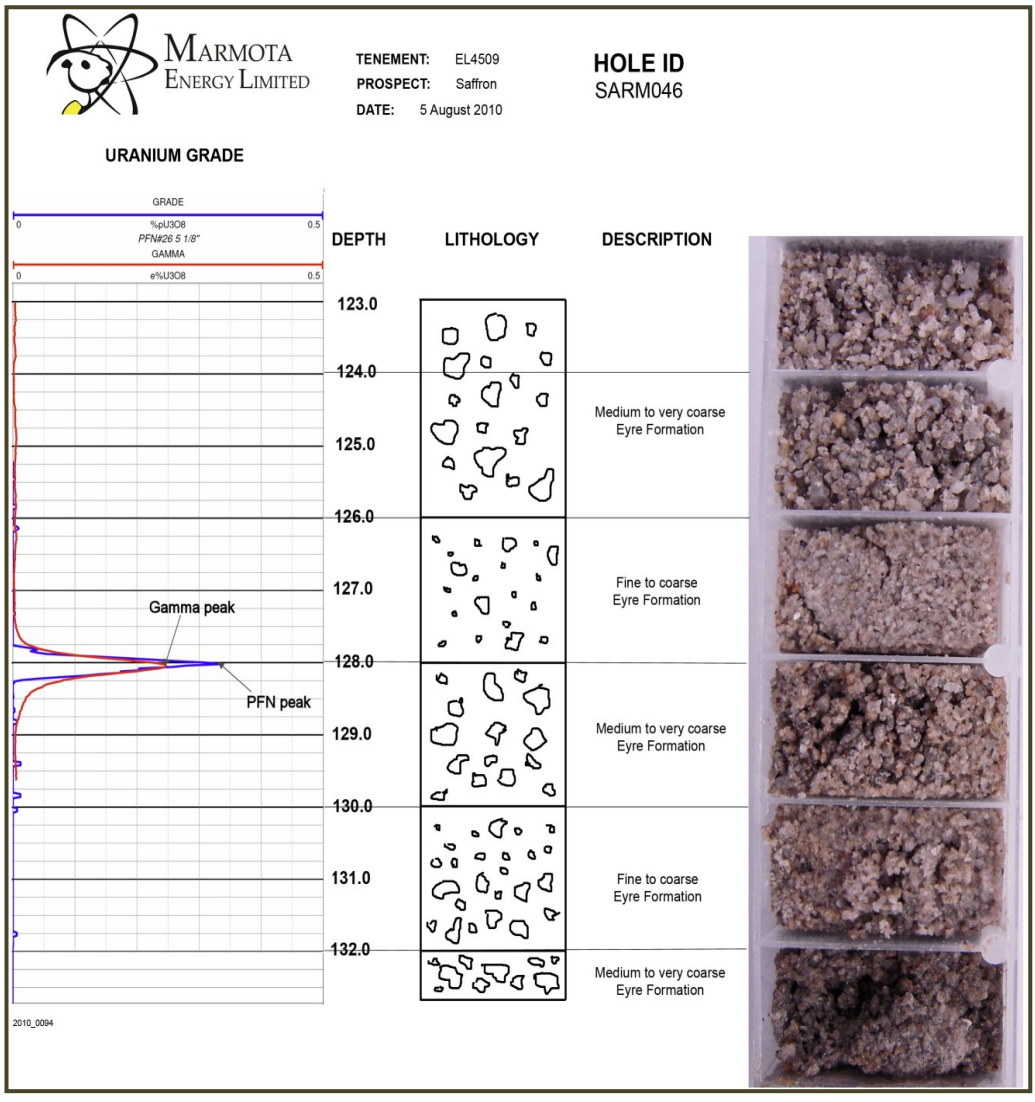

Figure 2. Result from PFN test on hole SARM046, gamma trace in red, PFN trace shown in blue. Interpreted corresponding stratigraphy schematic also shown.