

ASX ANNOUNCEMENT

14th December 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

Marmota moves to 74.5% equity position at Junction Dam uranium project, South Australia

- Marmota Energy moves to a 74.5% share of the uranium rights on its high grade uranium project at Junction Dam in South Australia.
- Work area clearance agreements for projects in the Frome Embayment region allow for the commencement of exploration activities in 2011 targeting high grade uranium mineralisation.

Junction Dam uranium project

(On Junction Dam, Marmota 74.5% 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") is pleased to announce that it has moved to a 74.5% share of the uranium rights on its Junction Dam uranium project in northeastern South Australia.

Marmota has substantially increased its equity interest in the uranium rights by an additional 23.5% through exploration expenditure completed during its highly successful 2010 exploration program.

Further exploration is currently underway over the 'Bridget' target area immediately adjacent to the 'Saffron' prospect. Bridget is one of three additional targets considered by Marmota to be as prospective as the Saffron prospect for high grade uranium mineralisation.

Ground electromagnetic data which played a significant role in target vectoring processes over the Saffron, is being acquired over the Bridget target area and is planned to be completed by the end of January 2011.

Frome Embayment uranium projects

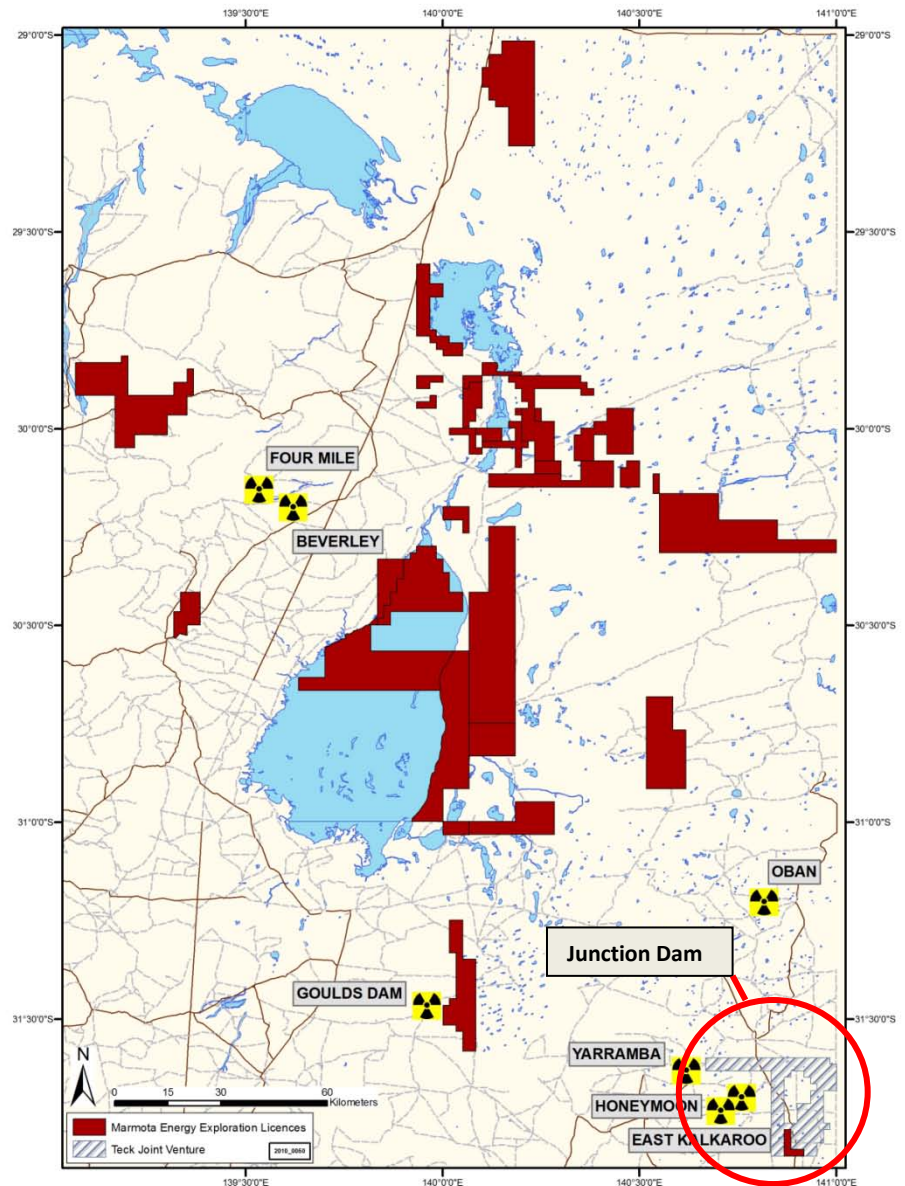
(100% Marmota Energy Limited)

Marmota has signed 'Work Area Clearance Agreements' with the Adnyamathanha Traditional Lands Association (ATLA) for its projects in the uranium rich Frome Embayment region.

The agreements provide Marmota with the ability to move forward with its planned exploration programs across its tenements for 2011.

The Frome Embayment region is considered very prospective for uranium, with Marmota tenements in close proximity to the Beverley and Four Mile uranium projects. Other Marmota projects within the region have listed mineral occurrences which the Company will follow up in the course of its planned exploration.

Figure 1: From Embayment uranium project locations (red areas) with Junction Dam shown in the grey hash pattern.



About the Junction Dam uranium project

The Saffron Prospect on Junction Dam was discovered by Marmota Energy in late 2009.

The project is strategically located less than an hour drive from the major regional centre of Broken Hill, and is approximately ten kilometres from the Honeymoon uranium mine. Marmota has earned a 74.5% interest in the uranium rights on this highly prospective project.

Drilling completed in the recent Phase 2 program confirmed an extension to the strike length of the Saffron prospect to approximately **two kilometres**, open to the north and south. Uranium mineralisation at Junction Dam is predominantly contained in uraninite, coffinite, and uranium phosphate minerals, suggesting amenability to in-situ leach extraction.

Further geophysical exploration is being completed across the nearby Bridget prospect over coming weeks. 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 2).

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. From the results achieved to date, Marmota believes there is significant potential for further extension to the Saffron Prospect and the discovery of additional zones of uranium on Junction Dam.

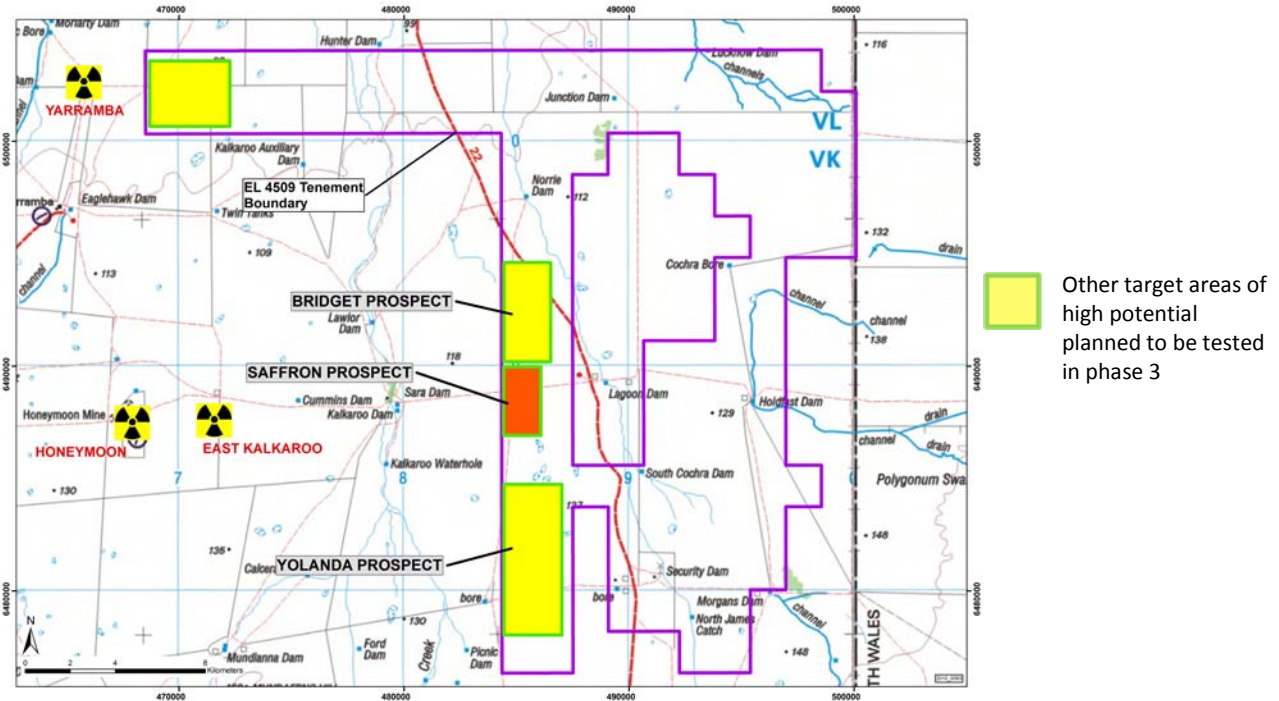


Figure 2. Junction Dam location map

Mr Dom Calandro
MANAGING DIRECTOR

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