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ASX Release

GAS FLOWS COMMENCE FROM UTAH FUELS #2 WELL AT CLEAR CREEK PROJECT

Marion Energy Limited (ASX: MAE, MAEO, MAEOA) advises that natural gas production has commenced at the Utah Fuels #2 well (UF #2) located at its Clear Creek project.

This well is one of the original wells drilled in the 1950's and has been shut in since the mid 1960s. The Company commenced workover operations on the well several days ago with the installation of an electrical submersible pump in the well bore. Production operations were started overnight. The well immediately responded to the pumping operations with gas commencing to flow. The gas flow is expected to increase as the water level is drawn down in the well bore and the back pressure is lowered on the reservoir.

The Company is pleased that the well has responded so quickly but also stresses that the gas flow rate, at this early stage, is showing significant fluctuations and therefore it would not be appropriate at this time to give any guidance with regard to expected production levels. Nonetheless management is encouraged by initial operations on this well.

As with the other workover operations currently underway on the Oman 2-20 and USM #1 wells at Clear Creek, it is anticipated that pumping operations will need to draw down the fluid level in the well bore of this well to about 200 feet above the pump before optimum producing conditions will be achieved.

The Company has a 100% working interest in the Clear Creek project.

Further updates will be provided as the rate of gas produced stabilises.

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