

ASX ANNOUNCEMENT

7th April 2011

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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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MARMOTA BEGINS PHASE 3 DRILLING AT JUNCTION DAM URANIUM PROJECT IN SOUTH AUSTRALIA

- Expansion drilling has commenced on the Saffron uranium prospect at the Junction Dam project near Broken Hill to further aid in a preliminary resource calculation.
- New high resolution ground electromagnetic survey significantly extends the size of potential high grade target zone.
- Marmota is set to increase its ownership of project's uranium rights from joint venture partners.

Junction Dam uranium project

(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 commenced a drilling campaign, designed to increase the zone of high grade sedimentary uranium mineralisation at the Saffron prospect at Junction Dam. This phase of drilling follows on from the successful previous drilling campaigns completed by Marmota during 2009 and 2010 at the Junction Dam project. Multiple high grade occurrences have been encountered in more than 80% of drill holes on the project from these highly successful programs.

The Phase 3 drilling follows the completion in late March 2011 of a high resolution ground electromagnetic survey over potential high grade target zones in the adjoining 'Bridget' target (Figure 2). The survey was designed to define potential extensions to high grade areas on the Junction Dam project for continued drill testing.

The results of the survey, when combined with other high resolution geophysical datasets that Marmota has acquired over the project (Figure 2), have successfully defined potential extensions to the high grade target zones where drilling has previously confirmed mineralisation. Marmota is delighted with the new results which appear to greatly increase the extent of the Yarramba palaeochannel on the project.

One hundred shallow rotary mud drill holes are planned as part of this program, which are expected to be completed in mid-September 2011. It is planned that drilling updates will be made periodically as part of this program. eU₃O₈ readings from down-hole gamma probe processes will be collected at each hole and analysed as each hole is drilled. The aim of the Phase 3 program is to continue to expand the extent of mineralisation at Junction Dam. The results from the drilling will further assist the Company in a preliminary resource calculation.


 Target areas of high potential planned to be tested in Phase 3

Figure 1: Junction Dam project with target areas highlighted.

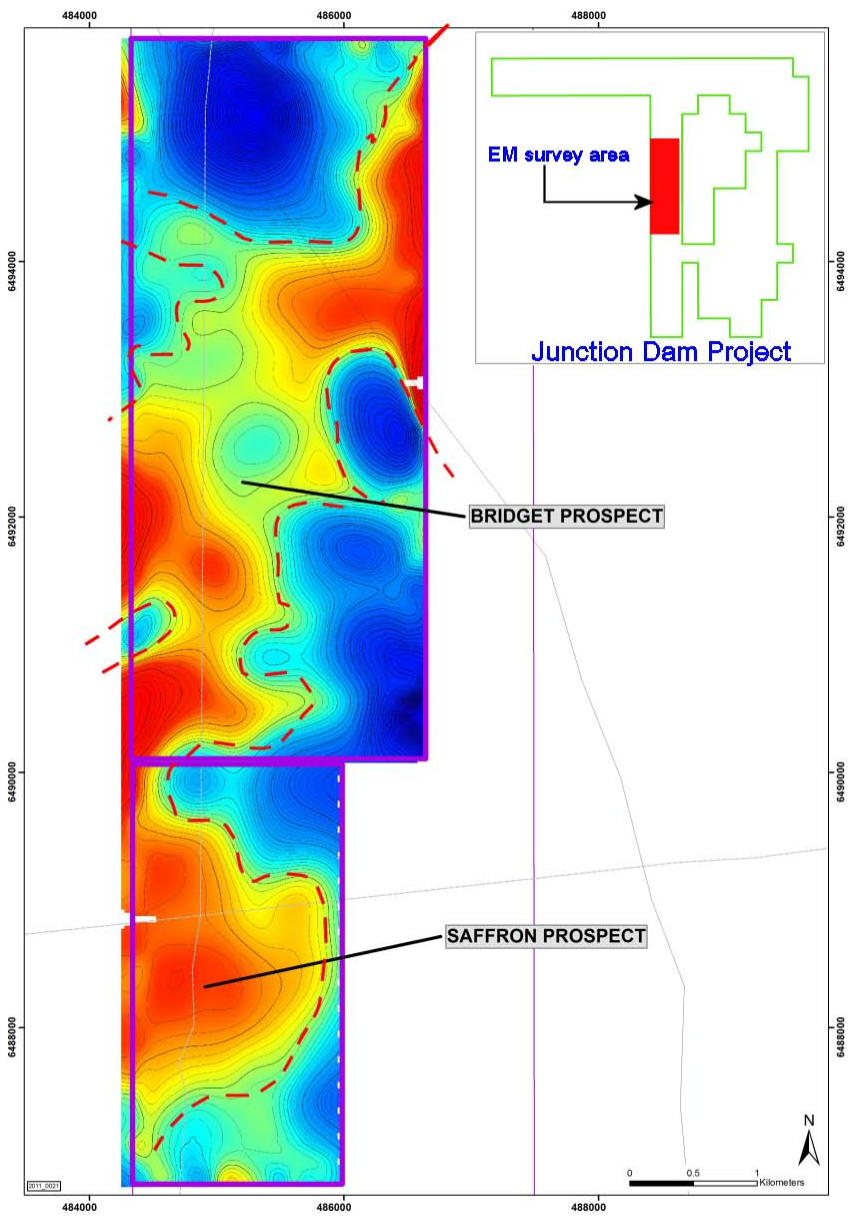
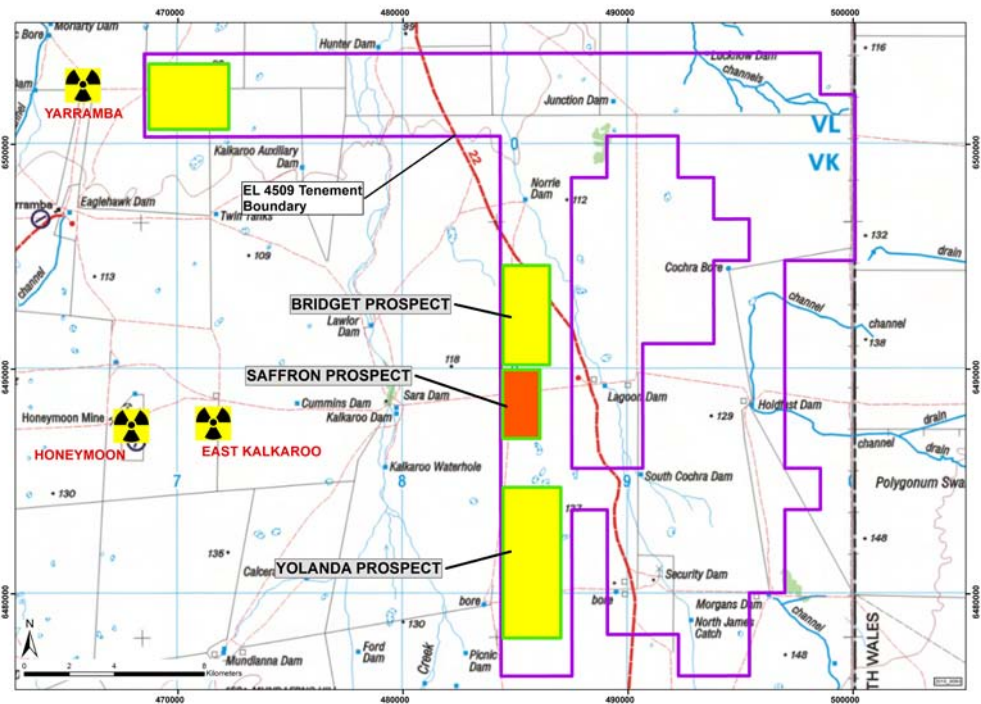


Figure 2: Ground EM survey result over Saffron and Bridget prospects. Interpreted palaeochannel outlined with red dash line.

Increase in ownership interest

Marmota Energy is set to further increase its ownership interest for the uranium rights at Junction Dam. Marmota has been notified by Teck and its partners that they do not intend to contribute to the 2011, Phase 3 drilling program. Following planned expenditure on the Junction Dam project in 2011, Marmota is set to further increase its ownership interest in the uranium rights from the **current 74.5%** interest it holds in the joint venture.



Figure 3: Photograph of drilling at Junction Dam.

A handwritten signature in black ink, appearing to read "D. Calandro".

Mr Dom Calandro
MANAGING DIRECTOR

7 April 2011