Exploration Update

Indooroopilly and Aurora Tank gold projects:

- **Significant geochemical results identify high priority gold targets at the Indooroopilly and Aurora Tank gold projects located west and east of Challenger gold mine.**
- **Drilling scheduled to commence next quarter, pending regulatory and land access clearances**

Western Spur

- **Gravity survey design finalised over high priority iron outcrop zone.**
- **Drilling scheduled to commence later in the quarter, pending regulatory and land access clearances**

Marmota Energy (ASX: MEU) is pleased to announce soil sampling results at its 100%- owned Indooroopilly and Aurora Tank projects located west and east respectively of Kingsgate's Challenger Gold Mine (Figure 1), which produces 100,000oz gold annually. The results have defined large scale gold targets which the company considers to be a high priority for drilling.

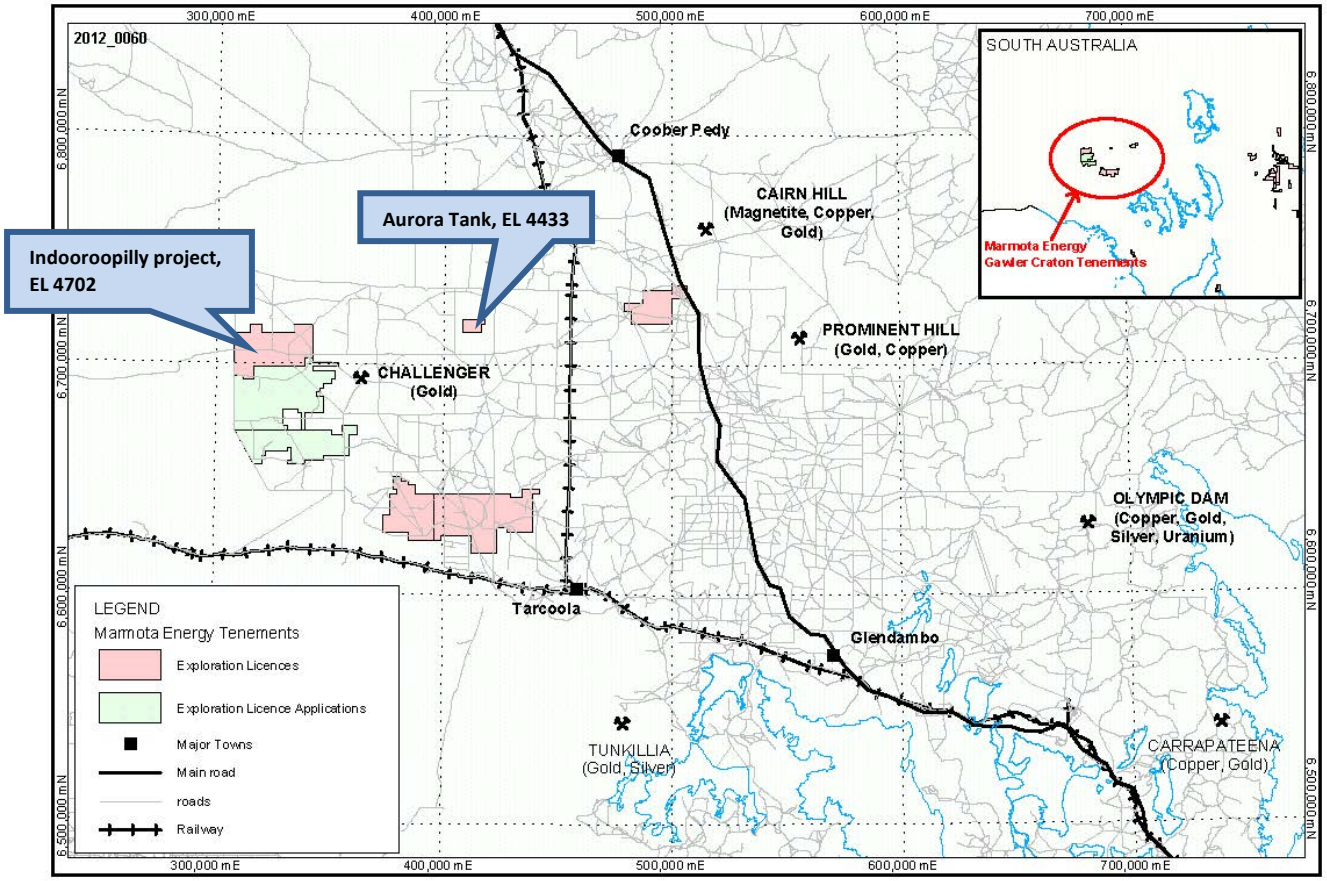

Figure 1: Indooroopilly and Aurora Tank location map

Indooroopilly copper-gold project

(Indooroopilly 100% Marmota Energy Limited)

Recent work at Indooroopilly includes detailed ground gravity survey over 4 key target areas. This, along with magnetic data has defined four areas of mineral potential with the two highest ranked targets considered by the Company ready to drill. The Moonbi gold target is a magnetic high with coincident gold and copper in calcrete anomalies over a large area covering 5.5km x 4.5km. This target is open to the south and east, and Marmota was awarded collaborative South Australian government funding for drilling. As with the Challenger gold resource the Moonbi target lies on the edge of a regional-scale gravity high, as do the majority of significant Archaean age lode gold sites in the region.

The second ranked target, 'Camel', is a gold in calcrete and magnetic anomaly, located on the western side of the tenement. This target is a 800m x 650m gold in calcrete anomaly with 30 samples returning significant results in excess of 10 ppb Au, with the highest sample recording a 47 ppb Au (Table 3). To the southwest of the calcrete anomaly is a discrete magnetic anomaly. This anomaly is open to the north and south, with calcrete sampling planned to extend the anomaly, followed by RC drill testing.

The underlying geology of this project is the Archaean, Mulgathing Complex which also hosts the nearby Challenger Gold Mine. The basement geology in this area is considered to be prospective for a range of commodities including Archaean gold deposits, similar to Challenger, possible IOCGs, iron deposits and sandstone hosted uranium in the younger Mesozoic and Cainozoic sediments.

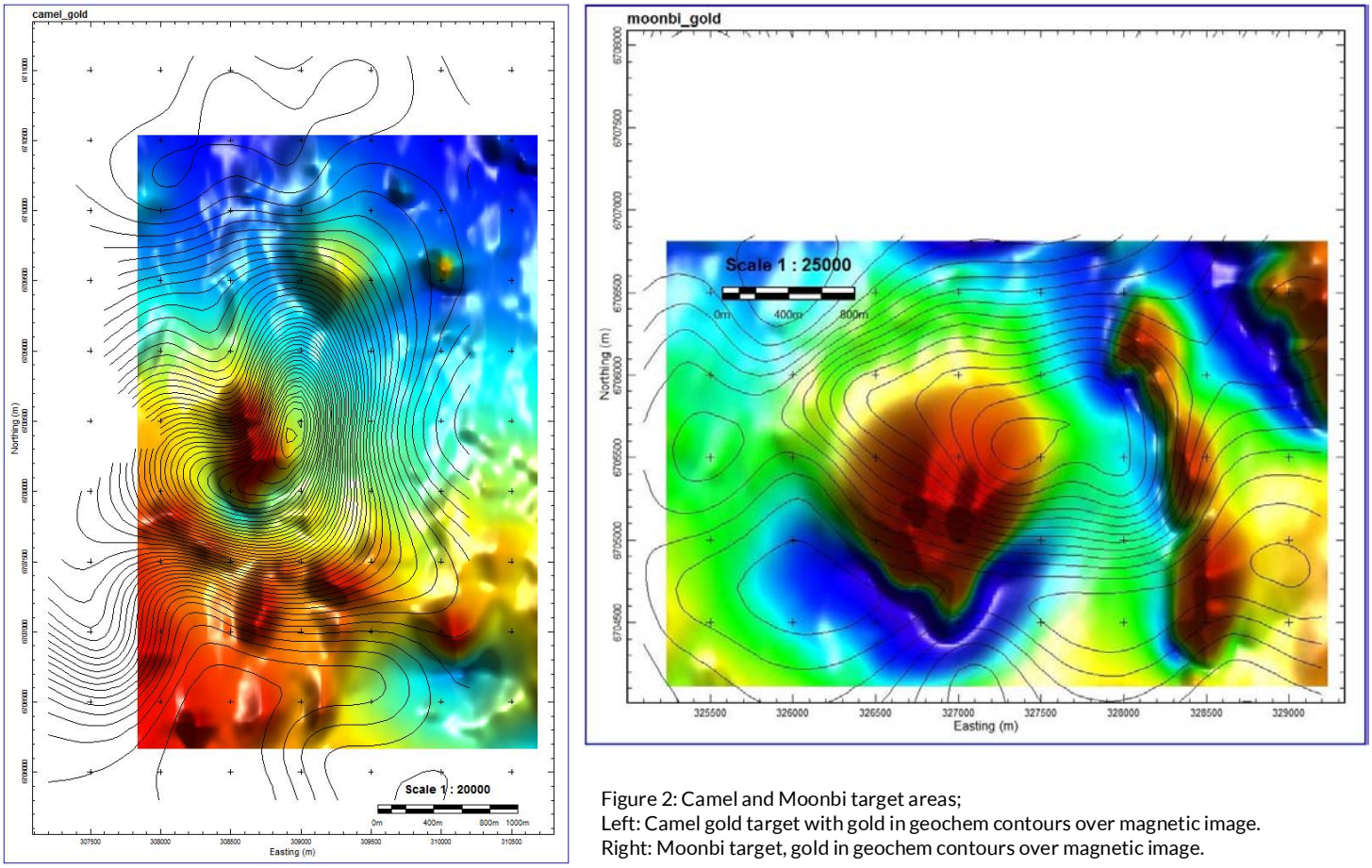

Figure 2: Camel and Moonbi target areas;
Left: Camel gold target with gold in geochem contours over magnetic image.
Right: Moonbi target, gold in geochem contours over magnetic image.

Aurora Tank gold project

(Indooroopilly 100% Marmota Energy Limited)

The Aurora Tank prospect is located 50km northeast of Kingsgate's Challenger Gold Mine within the northern Gawler Craton (Figure 1). Exploration completed on the tenement has identified targets with potential for Challenger style gold mineralisation.

A total of 1473 calcrete samples over the project have been used to identify key zones of anomalous gold. Key target zones with anomalous gold in excess of 10ppb, have been identified. Samples were obtained on a 1.6km reconnaissance grid with infill grids of 50m to delineate drill targets. A detailed aeromagnetic survey was also completed over the project with results assisting in target definition. A 1700m long zone of anomalous gold in calcrete has been defined along the eastern margin of a magnetic body, that trends NE, with discrete peaks of anomalous gold ranging up to 59ppb Au (Table 2).

A second zone, 800m on the north western side of the magnetic body was also defined with anomalous gold ranging up to 38 ppb Au. The magnetic body is interpreted to be a shear zone within the basement Christie Gneiss. Previous drilling in the project area intersected primary Archaean gold mineralisation in both calcrete anomaly zones. Drill holes returned 4m @ 0.6g/t Au (RCAT-8) and 4m @ 1.6 g/t Au (RCAT-13). Both of these intersections were encountered on the end of drill traverses and are open for further drill testing.

RC drilling is planned to continue to test the existing gold mineralisation, following approval from a planned Aboriginal Heritage Clearance.

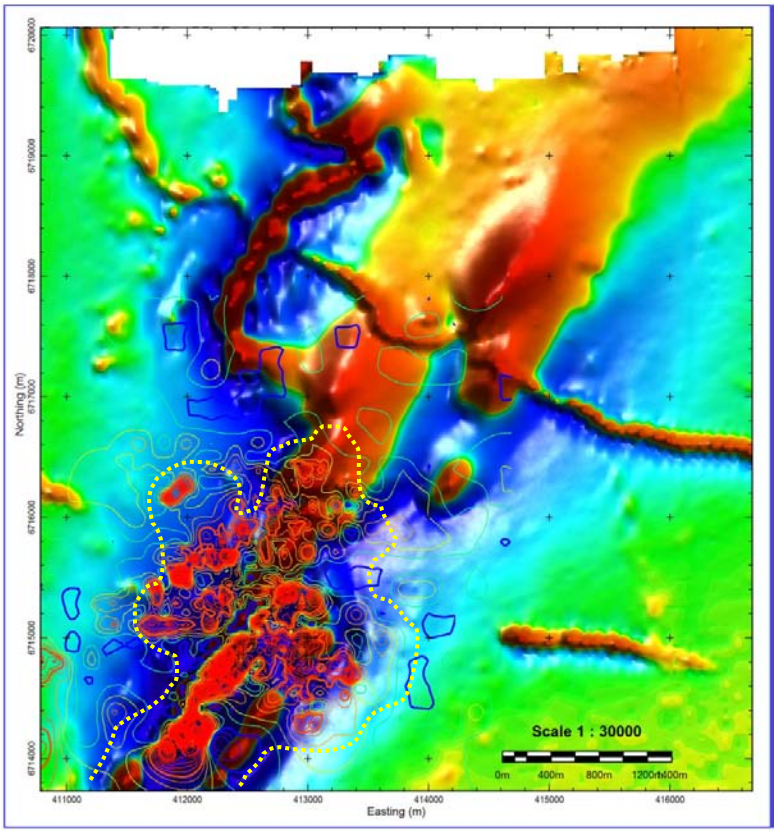

Figure 3: Aurora Tank gold target, gold in calcrete contours over magnetic image. Target area highlighted in yellow dashed line.

Drillhole	East	North	Zone	Depth	Angle	Az(mag)	from (m)	to (m)	Au g/t
RCAT-8	412200	6714200	53	150	-60	310	104	108	0.68
RCAT-13	411950	6715500	53	150	-60	310	120	124	1.6

Table 1: Aurora Tank previous drilling with gold intercepts

Western Spur iron project

(Western Spur 100% Marmota Energy Limited)

High resolution ground gravity surveys have been designed to cover iron outcrops defined at the Western Spur iron project.

The survey has been designed to cover the iron outcrop zone containing two large scale outcrops which extend for 3km and 1.5km respectively. Previously announced assays of samples from these outcrops have produced grades ranging up to **58.9% Fe**, and **28.07% Mn.** Surface sampling was conducted by Marmota over outcrops and one mine shaft.

The Company believes portions of Western Spur's zone of mineralisation remain unexposed, potentially complementing the large scale iron exposures. The survey is designed to also cover these zones between the large scale outcrops along with a 1500 metre buffer zone surrounding the outcrops. It is anticipated that the low cost survey can be completed quickly due to ease of access to the survey area.

A staged 30 hole drilling program is proposed across these locations which is planned to include several fully cored holes to enable good comparison with the WMC drill logs. An Exploration Work Application (EWA) has been submitted to the government regulator for assessment. Marmota is currently in discussion with the Traditional Owner group to progress land access processes and obtain the necessary approvals for drilling of the iron targets.

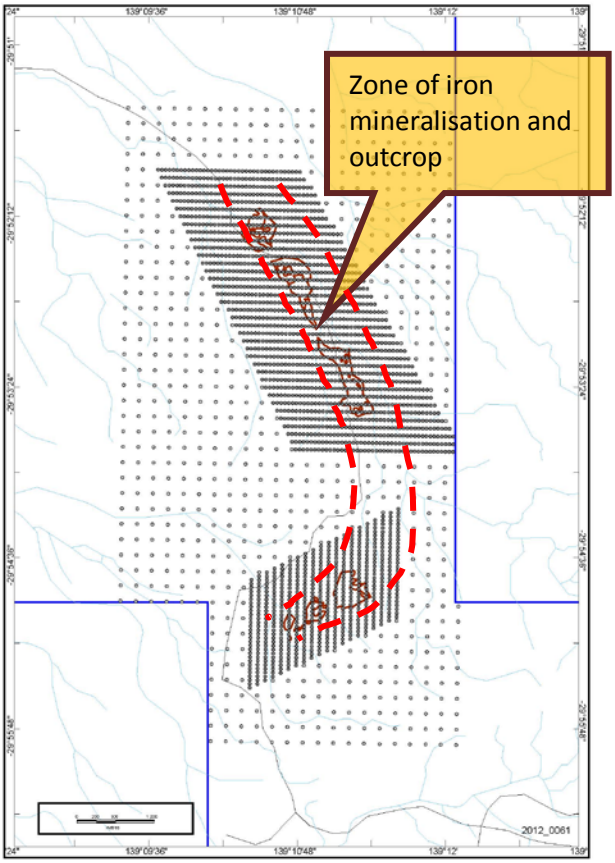

Figure 4: Design of gravity survey planned to be completed over iron outcrop zone.

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 sufficient 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.

Mr Dom Calandro
MANAGING DIRECTOR

4 July 2012

Appendix: Significant calcrete assay results on Aurora Tank and Indooroopilly gold projects.

Sample ID	East	North	Au_ppb
AT/F-25	412150	6714250	59
AT/F-204	412250	6714750	53
AT/F-10	412100	6714150	51
A17F-21	412000	6714200	45
AT/F-482	411950	6715500	38
AE2-174	412050	6714350	36
A17F-19	411900	6714200	35
AT/F-49	412050	6714350	34
AT/F-216	412300	6714800	34
AE2-181	412250	6714750	33
AT/F-161	412250	6714700	32
AE2-168	411950	6714200	31
AT/F-12	412000	6714150	27
AT/C-011	412000	6714200	27
AT/F-13	411950	6714150	26
AT/C-066	412200	6714600	26
AT/F-28	412000	6714250	24
AE2-187	412000	6715450	24
AT/F-162	412300	6714700	24
AE2-179	412350	6714650	24
AT/F.35	412100	6714300	21
AT/F-615	412450	6715900	20
AE2-202	412850	6715350	20

Table 2: Aurora Tank significant calcrete geochemistry results for gold 20 ppb and greater.

Sample ID	East	North	Au_ppb
810982	308928	6708472	47
810980	308928	6708571	42
810987	308928	6708571	38
810979	309028	6708772	35
810990	308928	6708671	25
811003	308929	6708876	24
811000	309028	6708772	22
811004	309029	6708867	22
546545	315278	6709151	21
811012	309029	6708971	20
811017	309129	6709071	20
810989	308829	6708672	19
811002	308828	6708871	19
810978	308828	6708771	18
810985	309329	6708572	18
810972	309128	6708972	17
810973	308928	6708972	17
810999	309128	6708771	17
810723	314725	6709443	16
810988	308819	6708572	16
546545	315278	6709151	14
810969	309028	6709172	14
810992	309129	6708671	14
810993	309223	6708672	14
810997	309328	6708771	14
546699	308867	6708964	13
562081	323147	6709157	13
810986	309228	6708572	13
811013	308928	6708972	13
811014	308828	6708971	12
811020	309028	6709172	12
546546	313588	6708961	11
810998	309229	6708772	11
811005	309128	6708872	11
811016	309028	6709072	11
811019	309129	6709171	11
813130	319917	6712350	11
73104	329300	6707200	11

Table 3: Indooroopilly significant calcrete geochemistry results for gold above 10 ppb.