DURKIN COPPER/NICKEL PROJECT EXPLORATION UPDATE

- **Ground geophysics crews have mobilised to Durkin to commence ground gravity data acquisition in coming days.**

- **Airborne electromagnetic survey planned to commence within coming weeks.**

Durkin copper/nickel prospect – Pundinya project

(Marmota Energy Limited (ASX: MEU) 100%)

Gravity Survey

Marmota Energy (ASX:MEU) is pleased to announce that ground geophysics crews have mobilised to the Durkin copper/nickel project to commence high resolution ground gravity surveys. The survey crew is scheduled to arrive on site Sunday to commence acquisition of data across the Pundinya Tenement which hosts both Durkin copper/nickel and Pundinya uranium prospects.

A 500x500 metre fixed grid gravity station network will be acquired across the Durkin Cu/Ni prospect. The survey will complement the multi component infill surface sampling which has focused on the large coincident copper and nickel-in-calcrete anomaly (Figure 1).

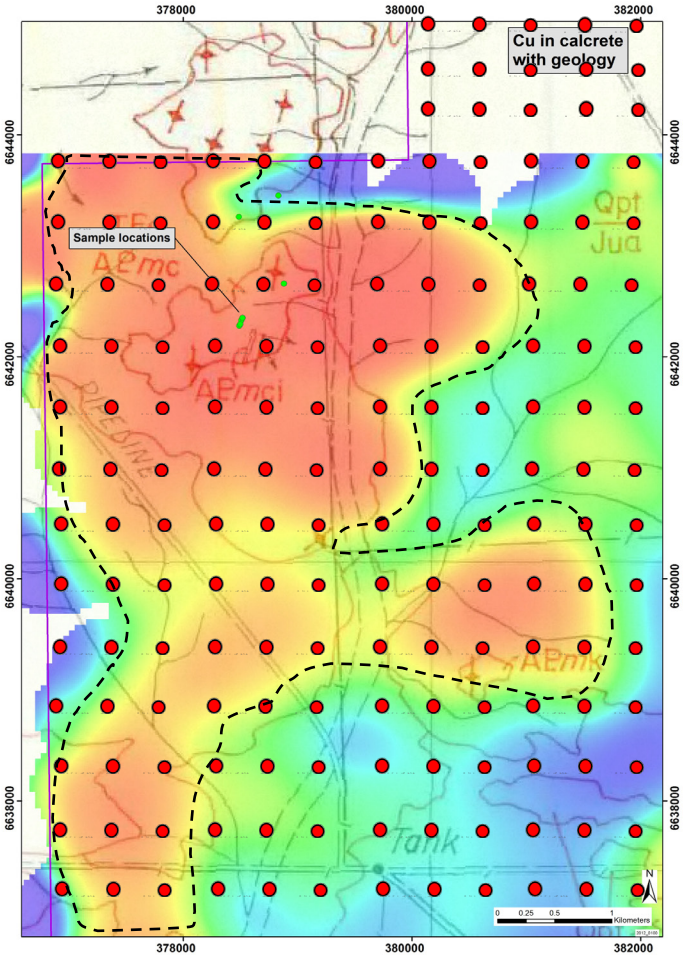

Figure 1: Planned gravity station locations over copper- in- calcrete image with regional geology - Durkin prospect.

The new survey will replace regional spaced historic gravity data acquired at an approximate 4 mile spacing during the 1970's pre GPS.

It is anticipated that the gravity data will assist in mapping potential host intrusions and the sulphide bodies that usually have much higher densities than those of the surrounding rocks. The resulting gravity anomalies will also be useful in defining the subsurface geometries of these bodies. With implementation of appropriate density thresholds during modelling that are estimated to separate potential nickel mineralised rock from non-mineralised rocks, this will allow for efficient targeting for drill testing.

The gravity data will also assist with further palaeochannel definition south of Durkin. This will offer further information to assist in expansion drilling of the Pundinya uranium prospect.

Combining the gravity data with good quality conductivity data over the target area will significantly improve the potential for drilling success. The airborne electromagnetic survey is on schedule to also commence in coming weeks.

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

26 October 2012