

**2012 drilling program commences at Junction Dam uranium project in South Australia near NSW border.****Resource expansion drilling follows on from outstanding assay results.**

- 2012 drilling program underway to expand the resource base at Junction Dam across adjoining uranium prospects to the north (Bridget prospect) and south (Yolanda prospect).
- Drilling follows laboratory assays announced in February this year confirming Saffron's true high grades of uranium of up to 8,143 ppm U<sub>3</sub>O<sub>8</sub>
- New high resolution ground electromagnetic survey identifies several potential high grade target zones within the Yolanda prospect.

**Junction Dam uranium project**

*(Marmota 87.3% 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 its 2012 drilling campaign, to increase the previously announced resource base at the Saffron Deposit at Junction Dam. This phase of drilling follows successful previous drilling by Marmota at Junction Dam which encountered multiple high grade occurrences in more than 80% of drill holes.

The commencement of the 2012 drilling schedule follows the completion in January of a high resolution ground electromagnetic survey over potential high grade target zones in the adjoining 'Yolanda' target area immediately south of the Saffron deposit (Figure 1).

The results of that survey, when combined with other high resolution geophysical datasets acquired by Marmota over Junction Dam have defined several potential uranium target zones where drilling has previously confirmed mineralisation. Marmota says the new results offer several additional zones of uranium potential within the extent of the Yarramba palaeochannel within Junction Dam.

The Company in February this year announced high grades of up to 8,143 ppm U<sub>3</sub>O<sub>8</sub> from assays of samples of cored drill holes completed across the Saffron deposit and into the Bridget prospect immediately to Saffron's north.

The assay results from the core confirm significantly higher and true grades of uranium within the project compared to conventional industry practice of downhole radiometric logging. This indicates that downhole gamma logging has been understating the true grades of U<sub>3</sub>O<sub>8</sub> at Junction Dam by a factor ranging up to 2.25.

The assay grades are comparable to the uranium grades at the new Honeymoon in-situ leaching uranium mine, just 10 kilometres to the west of Junction Dam. Both Honeymoon and Junction Dam are contained within the same highly prospective Yarramba Palaeochannel.

Saffron deposit is one of four prospects identified to date by Marmota at Junction Dam. The Company has also expanded its exploration target to 15–20Mt U<sub>3</sub>O<sub>8</sub> at a grade of 0.03-0.05% uranium. Its Phase 3 drilling campaign conducted over 2011 defined a zone of uranium mineralisation extending for approximately 15km, encompassing Yolanda, Saffron and Bridget.

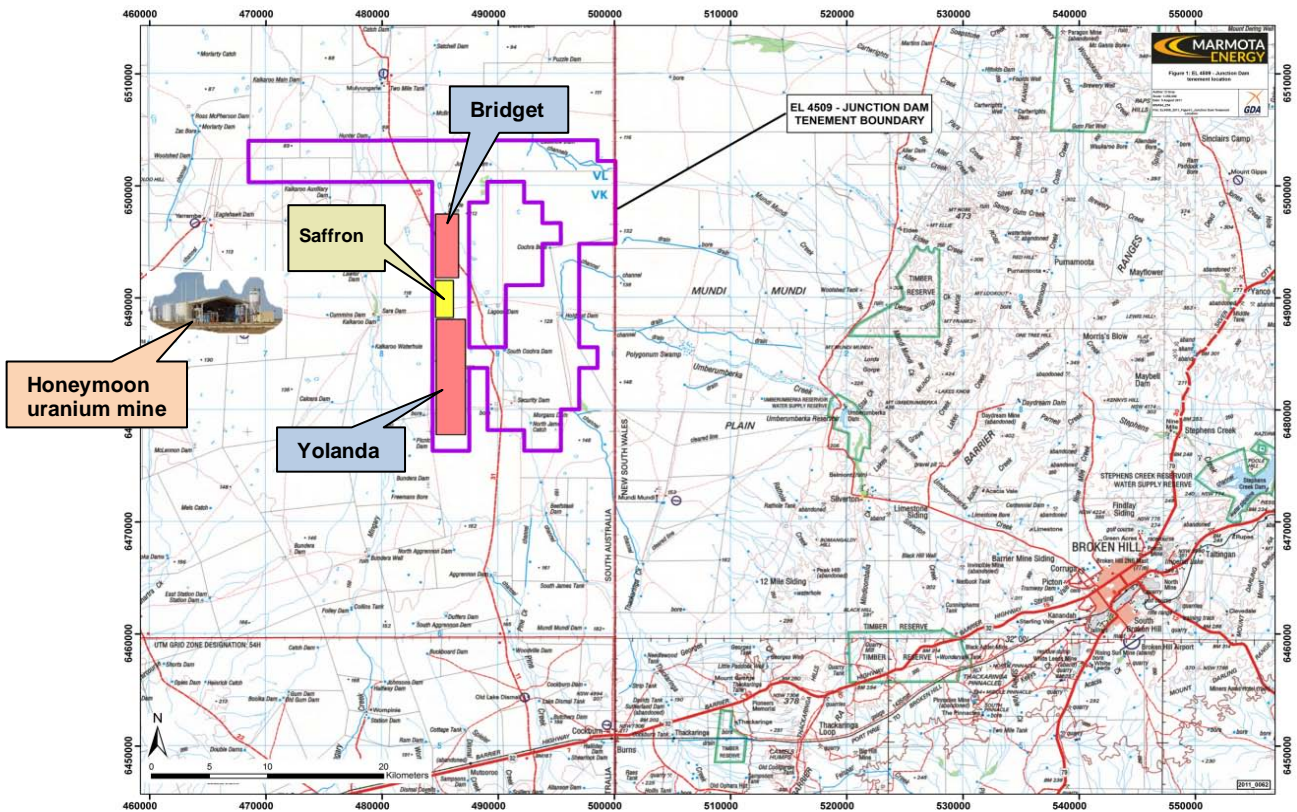


Figure 1: Junction Dam location map.

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**

**17 April 2012**

The estimates of exploration target sizes mentioned above should not be misunderstood or misconstrued as estimates of Mineral Resources. The estimates of exploration target sizes are conceptual in nature and there has been insufficient results received from drilling completed to date to estimate a Mineral Resource compliant with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.