

# ASX RELEASE

**25 March 2014**

## Operations Update

### Work Program

As previously announced, following the refinancing of its balance sheet in June 2013, Marion Energy (ASX: MAE, “**Company**”) began operations on its shut in wells at Clear Creek. The work was multifaceted, involving the cleaning out of well bores, the replacement of pumps and tubing, the fracture stimulation of the Oman 2-20 well and the recompletion of two of the older, original wells from the operations in the field from the 1950’s. Furthermore new compression was added and power generation installed in the field, where necessary. The gathering pipeline system has been tested, repaired and upgraded and the water disposal well has been tested, all to the satisfaction of the Company and the relevant regulatory authorities.

In summary, most of this work program is now complete.

### Wells

The following wells drilled and/or completed by Marion have now been brought into production:

- Ridge Runner 13-17
- Ridge Runner 11-17
- Ridge Runner 2-19
- Ridge Runner 11-20
- Ridge Runner 1-30
- Alpine School District 6-17
- Oman 2-20.

In addition, the Utah Fuel #10, drilled in the 1950’s, has been cleaned out, refurbished and also brought into production making a total of 8 wells currently in production.

The Utah Fuel #8, also drilled in the 1950’s, is in the same process as the #10 and operations are almost complete. The Company expects that this well will be brought into production within days.

The Oman 10-29, drilled by Marion, has yet to be fracture stimulated. Despite earlier plans to fracture stimulate this well, the Company has made the decision to delay the process until late spring in the United States due to unfavourable weather conditions and the difficult road access to this well bore at this time.

### **Next steps**

As is usual in the type of reservoir found at Clear Creek, when wells first enter production, the producing wells need to be “pumped down” to lower the water levels in the well bores. As this occurs it becomes easier for the gas to overcome the back pressure of the water in the well bore, which should increase production and allow the wells to achieve stable and consistent production levels. At this time the Company cannot give guidance as to the time frame required for production to increase and then stabilise. The Company will make announcements as appropriate when further information comes to hand.

### **Chairman’s comment**

Mr. Stephen Watts, Chairman of the Board commented, “This is an important milestone for the Company in bringing its reserves at the Clear Creek field into the proved producing category thereby potentially creating significant value for the shareholders. While I am encouraged by early indications, I look forward to making further announcements when meaningful and stable production figures are known. However, a notable milestone for the Company has been achieved which means that, for the first time, the group will enjoy the revenues which will be generated from gas production.”

### **Re-listing process**

The Company is working as quickly as it can towards the goal of re-listing the securities of the Company for trading on ASX. However, due to a number of issues and given the length of time that the securities have been suspended, this has not been an uncomplicated process. However, pending final regulatory approval, the Company expects to achieve this goal by the end of this financial year.

For and on behalf of the Board



Nick Stretch  
Company Secretary