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ASX Release

OPERATIONS UPDATE: CUMULATIVE DAILY PRODUCTION REACHES 600,000 CUBIC FEET OF GAS

Marion Energy Limited (ASX: MAE, MAEO, MAEA) advises that the cumulative daily production rate from its Utah and Oklahoma based projects has now reached 600,000 cubic feet of gas per day and is steadily increasing. Rates higher than this level are being periodically measured on a non-stabilized, fluctuating basis from gas production from the five Clear Creek wells currently undergoing workover operations.

The Company's management is very encouraged by the results from operations to date as they are in line with expectations for the well workover program, particularly at this early stage of operations.

The Company expects the daily production number to continue to increase as pumping operations at Clear Creek progress. It is anticipated that the fluid level in the wells at Clear Creek will need to be drawn down to approximately 200 feet above the pump to achieve maximum production conditions. During this process production rates will fluctuate and may be interrupted temporarily from time to time for technical and operational reasons.

The Company currently has five wells at Clear Creek undergoing workover operations and which have now commenced production: two of these were completed by the Company as part of its drilling program and three are wells that were shut in during the 1960's and 1970's and which management now believes may be able to be profitably put back onto production. The well workover program will ultimately target up to fifteen wells at Clear Creek being put onto production.

The Company has a 100% working interest in the Clear Creek Project.

Further updates will be provided as workover operations progress

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