

ASX RELEASE

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US\$10.5 MILLION INCREASE IN COMPANY'S SENIOR SECURED CREDIT FACILITY

Marion Energy Limited (ASX:MAE) advises that it has recently commenced the process of renegotiating its existing banking facilities and is pleased to announce that as the first step, it has secured an increase in its Senior Secured Credit Facility of US\$ 10.5 million to US\$36.0 million. The facility is secured by the Company's assets, including its Utah and Oklahoma projects, and the increase is fully available.

As part of the renegotiation of the existing facilities, a second bank, Fortis Bank Netherlands (FBN) (owned by the Dutch Government) will provide half of the increased facility. Of the US\$36.0 million new term loan, US\$18 million will be provided by FBN and US\$18 million by the Company's original USA lender, Fortis Capital Corp, currently owned by the Fortis Bank NV (Belgium).

The terms and conditions of the increased facility are set out below.

Commenting on the renegotiated facility, Mr Jeff Clarke, Marion CEO said that "the increased facility and the added support provided by the introduction of a second bank is a very encouraging indicator of the positive view the two banks have taken with regard to Marion and its operations and assets. They strongly support the company in its effort to develop its current production base and subsequently to develop the recently independently assessed total recoverable resource potential of between 2.4 and 4.3 Tcf (trillion cubic feet) of gas, and 1P and 2P reserves independently assessed at 30 June 2007 of 312 Bcf (billion cubic feet) of gas. It is a particularly pleasing development given the current status of global credit markets. Marion is pleased to have secured the additional facility to support its current operations and looks forward to a continuing strong and ongoing relationship with both its bankers".

Summary of key terms

- Increase in limit from US\$ 25.5 million to US\$ 36 million
- Interest margins and facility fees unchanged
- US\$ 360,000 up front fee
- Issue of 7 million unlisted options, strike price 30 cents, expiry date 18 September, 2012

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