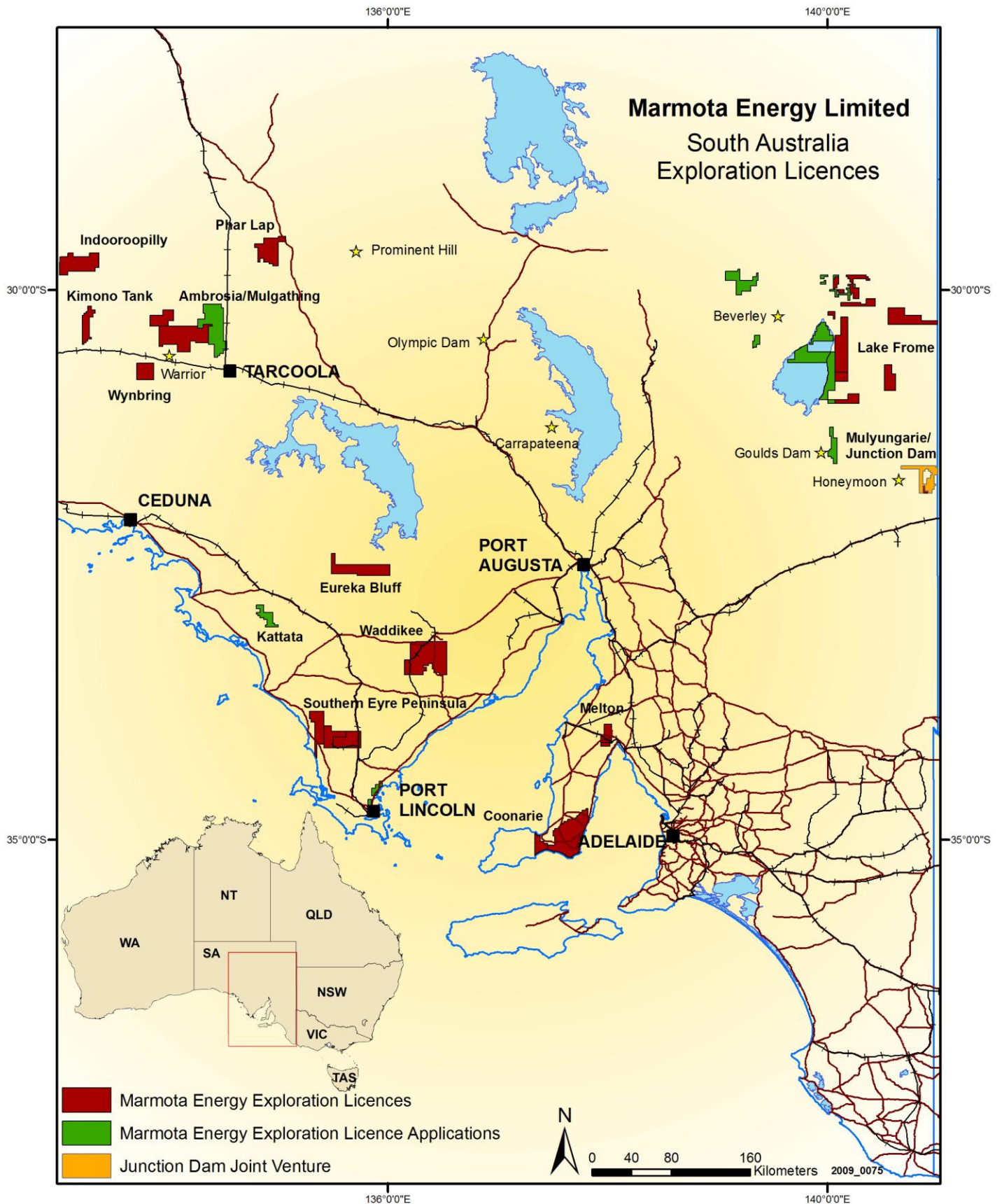


Highlights

- Marmota Energy is maintaining its strong cash position, while intensifying focused exploration across a growing portfolio of projects in South Australia.
- Joint venture signed with Global Mining Group (Teck) and its partners for the Junction Dam project near to the Honeymoon uranium mine, exploration underway.
- New uranium prospect discovered at Mulyungarie, near to the Honeymoon uranium mine.
- Joint venture signed for the highly prospective Melton Copper Gold project along the Pine Point Fault in the Northern Yorke Peninsula, South Australia, exploration commenced.
- New exploration licences 100% owned by Marmota granted in the highly prospective Lake Frome region near the Beverley Uranium mine and Four Mile development.
- Strategic alliance formed with accomplished high grade gold producer Ramelius Resources for gold project generation in the third largest gold producing region in the world.



Marmota Energy tenement locations

Review of Operations

Corporate Activities

In the September Quarter of 2009, the Company finalised agreements giving it access to mineral rights on two high potential and strategic projects in South Australia. These new agreements are in line with the Company's diversified commodity strategy, offering access to copper, gold and uranium opportunities. Marmota is continuing to focus its resources on a twofold strategy to develop a pipeline of projects that will offer a

combination of short-term and sustainable longer term revenue potential. This strategy will assist in maintaining Marmota's strong cash position while promoting an expanded program of focused exploration. Marmota has strong technical capabilities and state-of-the-art techniques that will enable it to undertake low-cost exploration without significant dependence on external providers. Large scale phase 1 exploration has been completed across most of Marmota's key

projects in its first year of operation, lifting the prospectivity of its projects.

Finance

As at 30 September 2009, Marmota Energy had available funds of \$8 million, of which the majority is held in term deposits with Australian Banks. During the September Quarter, total net operating expenditure by the company was \$398 thousand.

"The Company finalised agreements giving it access to mineral rights on two high potential and strategic projects in South Australia."

Exploration Activities

Melton Copper Gold Project

(Marmota earning 50% under Melton JV Agreement with Monax Mining Limited)



Marmota Energy successfully negotiated a new Joint Venture agreement with Monax Mining Limited to explore for Iron Oxide Copper-Gold deposits on its Melton tenements on northern Yorke Peninsula, South Australia. The new joint venture will enable both companies to rapidly advance this exciting project.

The region hosts the historical deposits of the Moonta-Wallaroo copper-gold district. Marmota Energy considers this region prospective for the discovery of new deposits of copper, gold and uranium. More recently the prospectivity of the region, in particular the Pine Point Fault, has been demonstrated by the discovery of significant copper-gold-uranium mineralisation by Rex Minerals at their Hillside Project on eastern Yorke Peninsula where the company intersected 259m @ 1.7% copper and 0.4 g/t gold.

Under the terms of the agreement Marmota Energy has the right to earn a 50% interest across all commodities in the Melton tenement by spending a total of \$400,000 over a period of two years.

The two tenements (EL3911 and EL4000) that comprise the Melton project, cover the northern extension of the Pine Point Fault and contain a number of discrete magnetic and gravity features interpreted to be consistent with IOCG mineralisation elsewhere along the fault. As part of its earn in requirement, Marmota Energy has commenced a program of detailed geophysical data acquisition across the tenements to better define anomalies and identify targets intended for drill testing soon after.

The results from the recently completed airborne magnetic survey have successfully improved the definition of three large anomalies exhibited in previous existing broad scale data. Two additional anomalies, each 1 to 2 kilometres in length, have also been identified from the survey bringing the total number of targets on the project to five (Figure 2).

This aeromagnetic survey data will play a vital role in target assessment processes as there appears to be a strong correlation between magnetite and copper in the region. Results from recent drilling at Rex Mineral's Hillside project to the south along the Pine Point Fault, confirms this relationship.

The new high resolution data will enable the subtle structural characteristics of each anomaly to be more clearly defined, and facilitate better mapping of potential magnetic rocks. When compared to the previous open file broad spaced airborne magnetic data the new high resolution data has significantly more structural character and these structures may have acted as pathways for mineralising fluids.

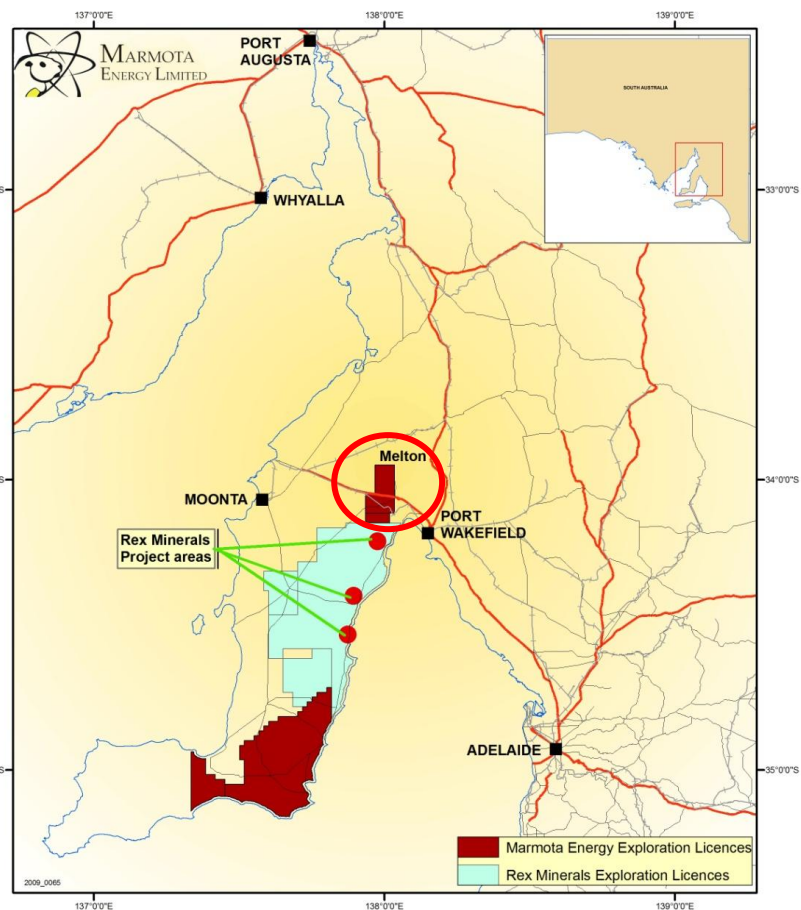
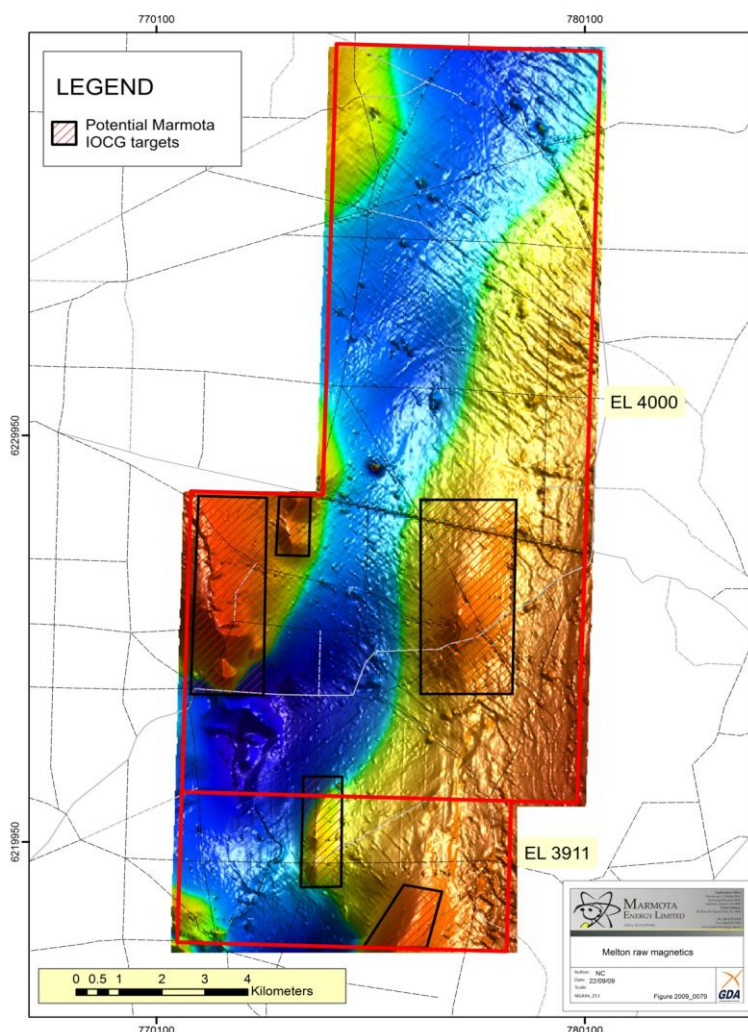


Figure 1. Melton project area

The new magnetic survey has defined **five** distinct north-south trending anomalies, the largest of which extends for more than 4 kilometres, with the smallest extending approximately 1.6 kilometres (Figure 2). Further processing of this data will be undertaken to define the structural characteristics of each target zone. This will be integrated with the soon to be acquired detailed gravity data, and together these datasets will assist in finalising an initial drill program testing the multiple anomalies.

The two tenements (EL3911 and EL4000) that make up Marmota's project, cover the northern extension of the Pine Point Fault and contain a number of discrete magnetic and gravity features consistent with copper - gold mineralisation elsewhere along the fault.

Figure 2. New high resolution magnetic data over the Melton project, with potential target zones defined (in red hash).



Mulyungarie Project

(Marmota earning 70% Uranium under JV agreement with Monax Mining Limited)

Encouraging results have been returned from the Company's broad spaced maiden 24 hole drilling program testing shallow sedimentary uranium targets on EL 3910 – Mulyungarie.

Mulyungarie is located 18km south east of the Honeymoon Uranium Mine (a 6.5 million pound inferred resource owned by Uranium One and Mitsui) and 50km west of Broken Hill. The project's proximity to the major regional centre of Broken Hill and good access to road and rail infrastructure makes this a strategically significant project for Marmota Energy.

The Company's drilling program focused on the northern part of the project area (Figure 1). All holes intersected the prospective Namba and Eyre Formations, which host other known uranium deposits in the region. The Namba Formation in the region is known to contain favourable lithologies of carbonaceous silts, clays and minor sands and is the upper unit within the palaeochannels of the region. The lower sequences of the palaeochannels is known to contain fluvial carbonaceous, pyritic sand including fine grained beds of clays as well as lignites.

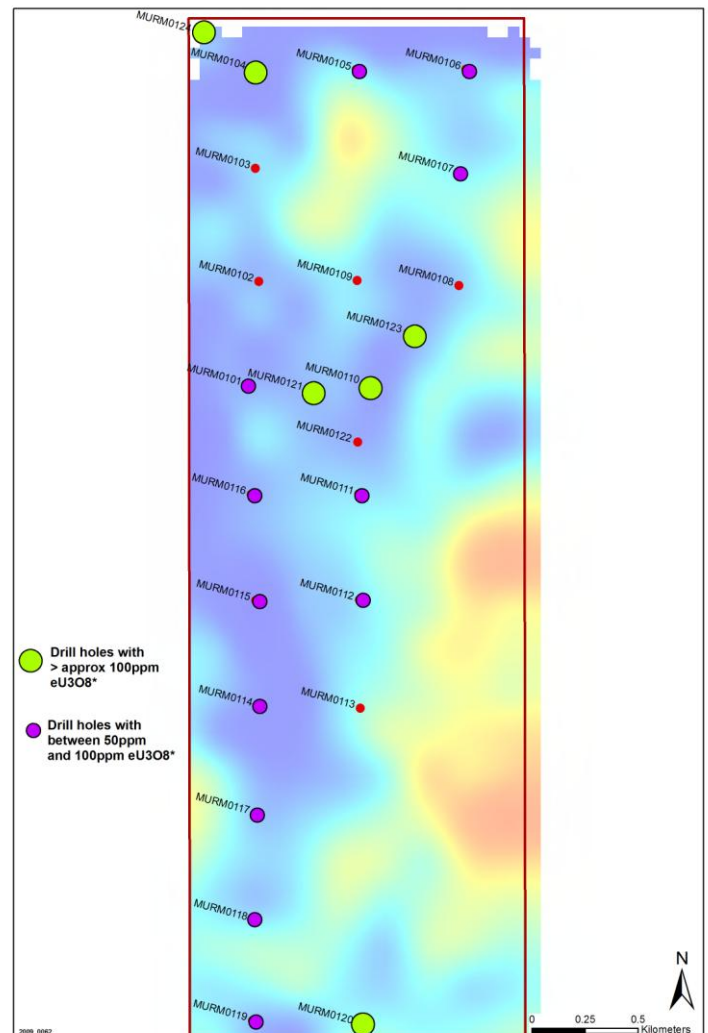


Figure 3: Drillhole locations with $eU_3O_8^*$ grades over Bouguer gravity image.

Significant gamma anomalism from the downhole geophysics was encountered in 6 holes with a cut off equivalent grade of about 100ppm $eU_3O_8^*$, with 12 other holes returning positive results for uranium mineralisation within the seven square kilometre target area. The best intersection was in hole MURM0124 showing two distinct peaks from the downhole gamma tool, indicating equivalent grades of 256 ppm $eU_3O_8^*$ (1122 counts per second) and 173 ppm $eU_3O_8^*$ (761 counts per second.) Marmota interprets this as the limbs of a 'classic roll front' downhole gamma signature. Marmota believes that this drill hole in particular has intersected the two limbs of the tail of potential roll front style uranium mineralisation (Figure 4).

*Equivalent grades (eU_3O_8) from Borehole Wireline Pty Ltd gamma probe 4174, calibrated at Adelaide Test Pits. Dead time 4.0474e-6, k factor 2.27899e-5, 108mm hole, water filled.

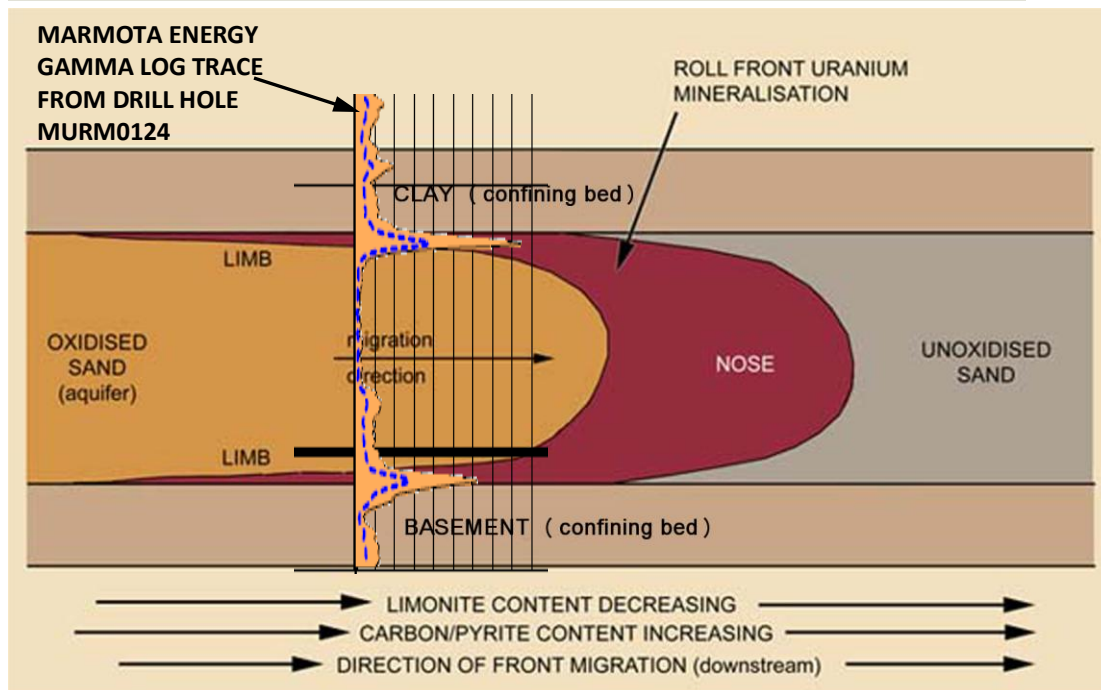


Figure 4: Roll front uranium schematic model cross section overlain by downhole gamma trace from drill hole MURM0124. (Adapted from published sources)

The upper limb of the interpreted tail of the roll front is within oxidised sands of the Eyre Formation, just below the contact of an above clay unit. The lower limb is within the same oxidised sand unit of the Eyre Formation as the upper limb, but just above the contact with the basement. This sequence of the Eyre Formation is what hosts the nearby Honeymoon Uranium Deposit, as well as other uranium deposits such as Yarramba and East Kalkaroo which are contained within the Yarramba palaeochannel system.

Follow up drilling will commence in October 2009 within the Mulyungarie project, which will be designed to test the full extent of any potential mineralised zone. This zone may continue on to the adjacent Junction Dam joint venture project area, which also will be tested as part of this program.

Junction Dam uranium project

(Marmota earning 51% under JV Agreement with Teck Australia Pty Ltd (Teck), PlatSearch NL and Eaglehawk Geological Consulting Pty Ltd)

Marmota Energy Limited (ASX: MEU) has entered into a Joint Venture agreement with Teck Australia Pty Ltd, a subsidiary of major international mining group Teck Resources Limited, PlatSearch NL (ASX: PTS) and Eaglehawk Geological Consulting Pty Ltd to explore for uranium deposits on the Junction Dam project (EL 3328). The joint venture will give Marmota Energy access to an additional 341 square kilometres in this well established uranium province.

The Junction Dam project is located 10 km east of the Honeymoon uranium mine (a 6.5 million pound Inferred Resource owned by Uranium One and Mitsui) and 50 km west of Broken Hill. The project adjoins Marmota Energy's Mulyungarie project EL 3910 (figure 5) and contains more than 15 kilometres of the highly prospective Yarramba Palaeochannel which hosts the nearby Honeymoon mine.

As with Marmota Energy's adjoining Mulyungarie project, Junction Dam has confirmed Eyre and Namba Formation sediments, prospective for large tonnage low operating cost uranium deposits. The Eyre Formation hosts the Honeymoon mine and Beverley Four Mile development, while the Namba hosts the Beverley uranium mine.

Under the terms of the agreement, Marmota Energy has the right to earn a 51% interest of the uranium rights on the tenement by spending a total of \$600,000 in staged increments.

The Junction Dam project, covers significant portions of the eastern extension of the Yarramba Palaeochannel. Historic exploration confirms the presence of sediments prospective for sedimentary hosted roll front uranium. As part of its earn in requirement, Marmota Energy has completed a program of detailed geophysical data acquisition across the tenement to further define palaeochannel extents and identify targets for drill testing scheduled to begin October 2009.

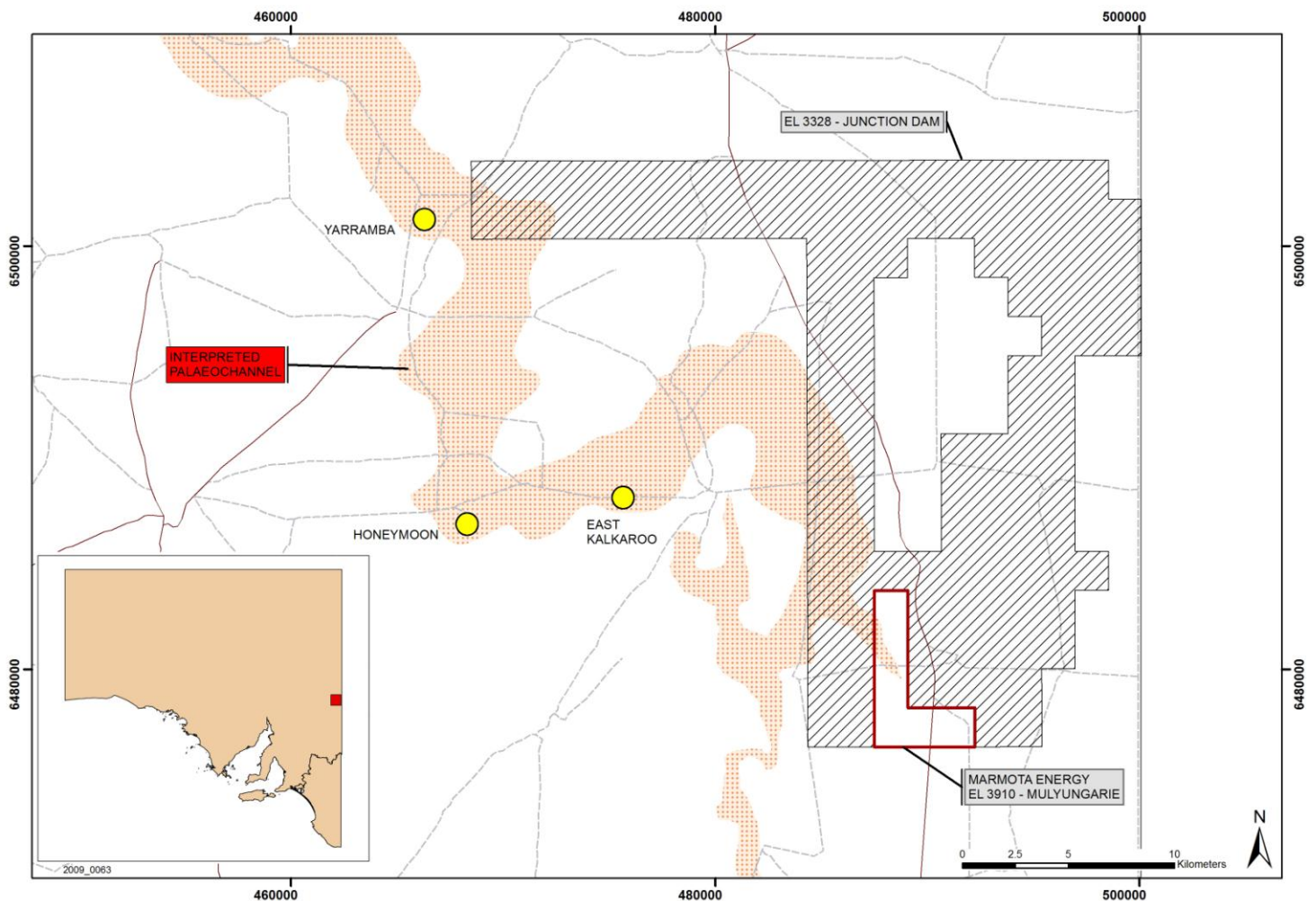


Figure 5: Location of the Junction Dam project.

Marmota and Ramelius in alliance for gold project generation in Nevada

Marmota Energy Limited has entered into an agreement with Ramelius Resources Limited (ASX: RMS) for gold project generation in the gold fields of Nevada, considered to be the gold mining capital of the United States.

Marmota will have the right to earn 40% of any interest in any gold projects that Ramelius sources under the terms of the agreement. The terms and timeframes of individual projects will be announced as they emerge.

Gold mining is a major industry in Nevada and is one of the largest sources of gold in the world. Nevada currently produces 82% of all the gold mined in the United States, with 5.7 million ounces mined in 2008. A number of major mining companies, including Newmont Mining and Barrick Gold operate gold projects in the State.

Marmota believes that the agreement with Ramelius will offer Marmota's shareholders exposure to projects with high gold potential in a region of proven high grade, large tonnage mine capability. This is in line with Marmota's corporate strategy of acquiring advanced projects or a known resource with significant expansion potential, located in established mining provinces.

General

Marmota Energy Limited has moved to increase its exploration licence footprint in the highly prospective Lake Frome region in South Australia. The tenements are believed to contain the same package of sediments that hosts the nearby Beverley uranium mine and Four Mile deposit. Lake Coonee (EL 4252) has confirmed uranium mineralisation from regional spaced drilling that was completed in the 1970's by Union Corporation Pty Ltd.

Marmota has increased its exploration tenement portfolio on the Eyre Peninsula in South Australia. Three new licences with listed uranium occurrences have been successfully applied for by Marmota Energy. The Kattata project east of Streaky Bay in South Australia has a historic gold mine in the north of the project and a listed uranium occurrence defined by roadside drilling in the south of the project area. The projects are 100% owned by Marmota Energy and their proximities to good infrastructure make these new projects strategically important.

Marmota Energy is continuing to assess opportunities for focused gold and uranium exploration across Australia and overseas, in line with its twofold corporate strategy. Gold is seen as offering strong short-term revenue potential, with uranium providing a sustainable longer term investment within the context of growing worldwide demand for nuclear energy.

Forward Program

Undertaking low cost exploration utilising Marmota's own equipment and resources such as ground radon surveys, ground magnetic surveys and sampling programs will be carried out over the next Quarter in preparation for drill testing of targets. Further drill testing of uranium targets on Mulyungarie and Junction Dam is also likely in the fourth Quarter of 2009.

Target area	Timing	Action
Mulyungarie / Junction Dam Southern region adjoining EL 3910	September 2009	High resolution ground: <ul style="list-style-type: none"> soil; gravity data; and radon surveys.
Melton		High resolution airborne magnetic surveys
Mulyungarie / Junction Dam Southern region adjoining EL 3910	October – November 2009	Reconnaissance drilling
Melton		High resolution gravity
	December 2009	Assessment of results
Melton	January - February 2010	Reconnaissance drilling (north White Cliffs)



Mr Dom Calandro
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We're on the Web!

See us at:

www.marmotaenergy.com.au

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Marmota Energy Limited

ABN

38 119 270 816

Quarter ended ("current quarter")

30 September 2009

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(288)	(288)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(160)	(160)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	4	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material))		
	GST	36	36
	Other	10	10
Net Operating Cash Flows		(398)	(398)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)		
	Loans repaid to other entities	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(398)	(398)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(398)	(398)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Payments relating to issue of shares / options	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(398)	(398)
1.20	Cash at beginning of quarter/year to date	8,447	8,447
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	8,049	8,049

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	133
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

The amount at 1.23 above represents non executive directors' fees and executive director's salary (including SGC superannuation) and legal fees paid to a legal firm in which a director is a partner.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil
3.2	Credit standby arrangements	Nil

Note:

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	750
4.2 Development	-
Total	750

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	66	66
5.2 Deposits at call	7,983	8,381
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	8,049	8,447

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	EL3908	Uranium rights - Relinquished	70%	0%
6.2 Interests in mining tenements acquired or increased.	ELA 2009/240 ELA 2009/263 ELA 2009/286	Acquired Acquired Acquired	0% 0% 0%	100% 100% 100%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	120,721,009	66,309,009		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	28,000,000 625,000	- -	<i>Exercise Price</i> \$0.40 \$0.04	<i>Expiry Date</i> 11/07/12 23/12/13
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~/does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Print name: Virginia Suttell..... Date:29/10/2009.....
(~~Director~~/Company Secretary)

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.