

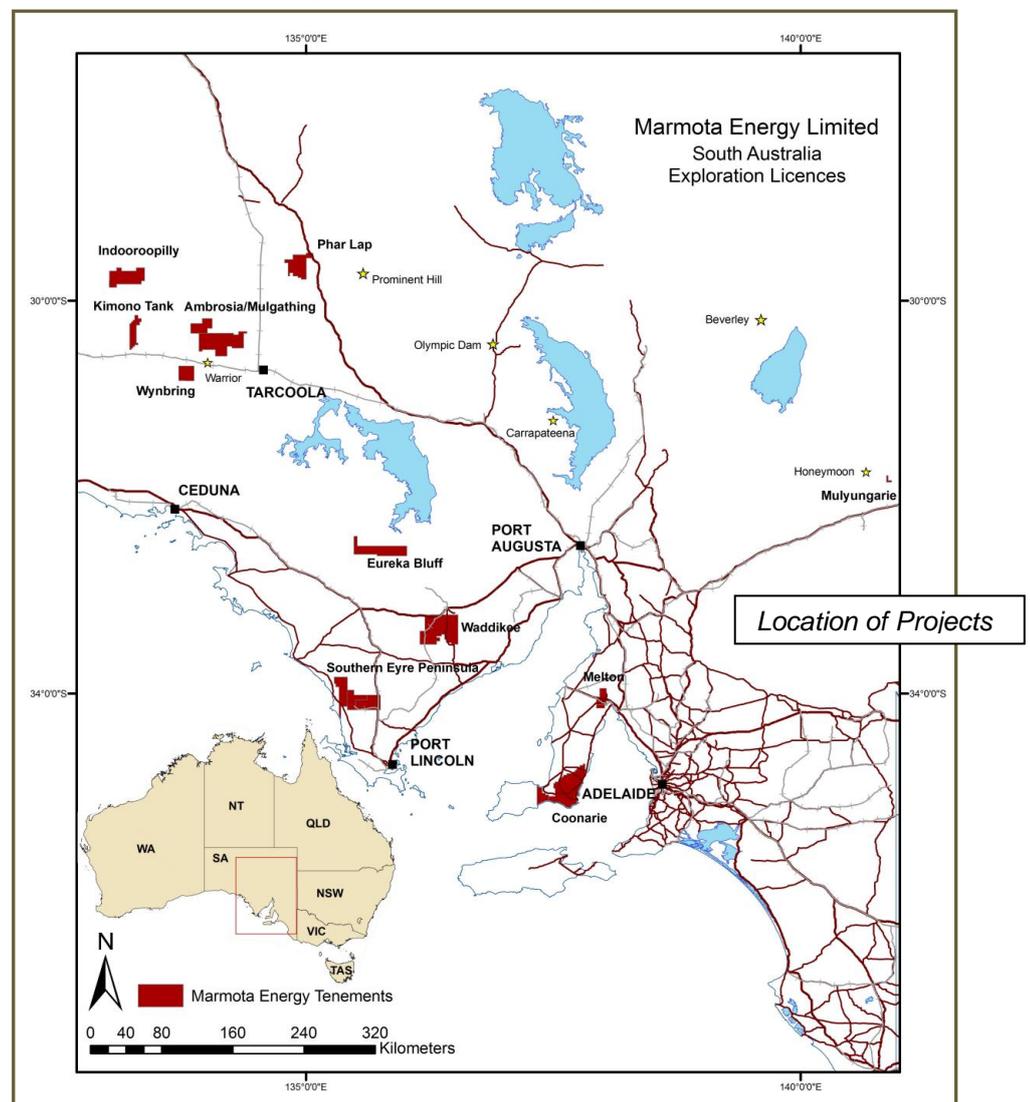
Marmota Energy



Marmota Energy
Limited (ASX: MEU)

Highlights

- Targeted 8,500 metre drilling program underway on Ambrosia and Mulgathing.
- Encouraging results confirming the presence of potential uranium bearing systems in the Ambrosia project area. Anomalous down hole gamma readings obtained and organic rich lignites intersected in several holes drilled in the first target area in central Ambrosia.
- Anomalous uranium levels found in surface samples in the Waddikee project on Eyre Peninsula in South Australia.
- Acquisition of high resolution airborne magnetic and radiometric infill and TEMPEST airborne electromagnetic surveys were completed across Marmota exploration licenses. New data further enhancing prospective palaeochannel definition, and defining discrete basement targets with IOCGU potential.



Review of Operations

Corporate Activities

The June Quarter of 2008 has been very active with the Company completing its geophysical surveys over its portfolio of ELs in South Australia. The Company is very pleased with the results which indicate the presence of palaeochannels which the Company believes are prospective for sandstone – hosted uranium in rollfront settings.

During the quarter the company commenced a significant drilling program designed to test both sedimentary uranium and basement IOCGU potential targets on its Ambrosia - Mulgathing project in South Australia. Drilling is currently underway with initial results confirming the presence of the right geological setting for sandstone-hosted uranium.

Finance

As at 30th June 2008, Marmota Energy had available funds of \$11.9 million, of which the majority is held in term deposits with an Australian Bank. During the June quarter, total net operating expenditure by the company was \$1.4 million.



“Drilling is currently underway with initial results confirming the presence of the right geological setting for sandstone-hosted uranium.”

Exploration Activities

Ambrosia Mulgathing

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

(Marmota earning 70% under Farm in and JV Agreement with Monax Mining Limited)

The Ambrosia-Mulgathing Project tenement totals 1,112 km² of pastoral lease land and is located approximately 100 kilometres north west of Tarcoola in the north of South Australia. The area is highly prospective for sedimentary uranium and IOCGU style uranium.

and gravity geophysical surveys were completed over the project area. Using this data the Company has accurately mapped palaeodrainage systems and discrete conductive basement priority targets.

Drilling Program

The initial phase of drill testing of the Ambrosia palaeodrainages will comprise a series of 80-90 rotary-mud holes. Drilling commenced in the Dusty Bore target region in the centre of the project area. Later in the program, testing of the palaeodrainage system immediately north of the Warrior uranium prospect is planned. This area is believed to be close to uranium-bearing granites. Drillholes have been sited on the basis of the recent geophysical data acquired by Marmota and previous



On the Ambrosia project (EL 3358) Marmota is earning 50% equity across all commodities from Monax Mining Limited, and 70% equity for uranium only on Mulgathing (EL 3684) from Monax Mining Limited.

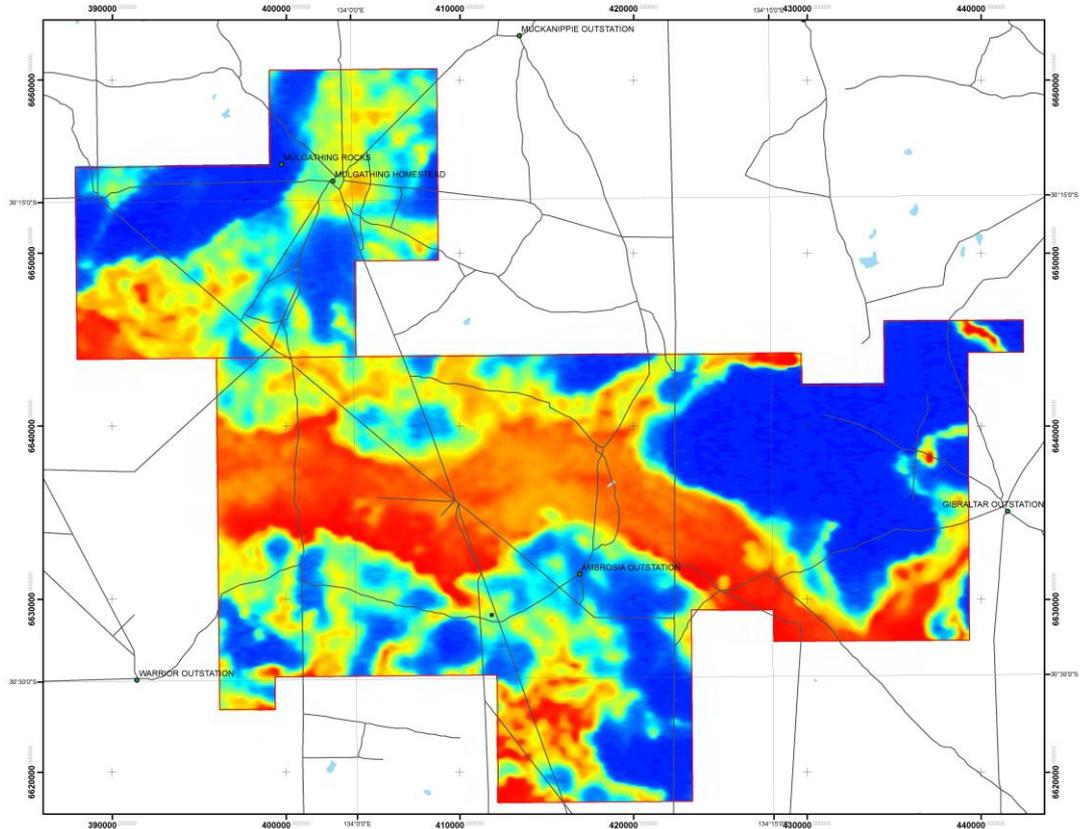
High resolution magnetic, radiometric, airborne EM



Drilling at Ambrosia.

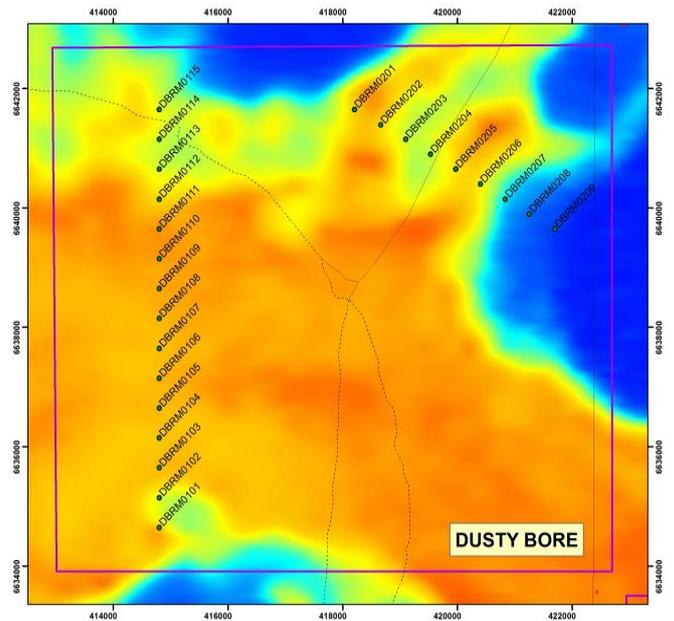
company drillhole data. The program is designed to provide an understanding of the channel forms and the detail of the channel sediments as well as directly testing for the presence of uranium mineralisation. All holes are being down-hole logged using gamma probes and samples collected for analyses.

Right: Ambrosia – Mulgathing AEM image.



Two adjoining holes drilled 500 metres apart (DBRM0205 and DBRM0206) in the Dusty Bore target region have intersected lignite layers. Lignite is a reducing agent necessary to aid in the deposition of uranium mineralisation in rollfront and tabular systems. Down-hole logging in these holes indicates zones with gamma radiation levels higher than background. Samples have been collected for laboratory analysis. The Company believes that results achieved during this early stage of the program confirm the presence of potential uranium bearing systems in the project area.

Several bedrock-hosted iron-oxide-copper- gold -uranium (IOCGU) targets, interpreted to be at shallow depths, have been identified from the airborne EM survey. These will also be drill tested. A number of other discrete conductive anomalies that coincide with gravity or magnetic anomalies are also present within the project area. Modeling of these responses has been completed with drill testing planned later in the current program.



Above: Dusty Bore target region drillhole locations over AEM data in central Ambrosia project area.

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

The Waddikee project covers 1004 Km² south of Kimba on South Australia's Eyre Peninsula.

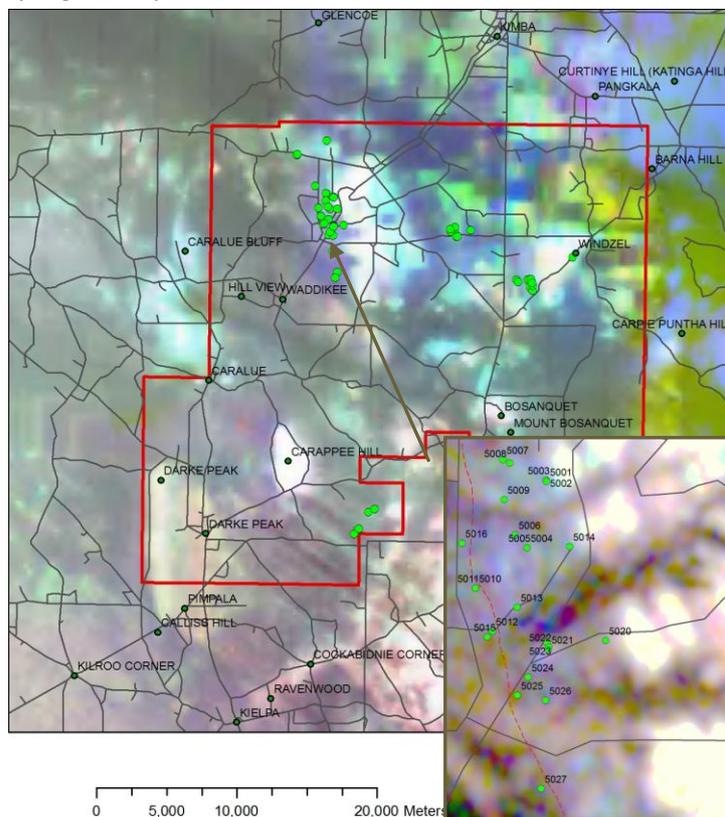
Previous company exploration found vein type, primary uranium in fault breccias. Radiometric data show significant areas of anomalous uranium on Waddikee. They are located in the areas shown as the white response on the radiometric map. Marmota believes that Waddikee is strongly prospective for bedrock-hosted uranium (including unconformity style) and sandstone-hosted uranium that was eroded from the uranium-bearing rocks and deposited in palaeochannels known to occur in the project area.

Joint venture partner Monax Mining Limited recently completed a sampling program focusing on manganese potential in the project area. Marmota believed that the location of some of the Monax planned sample sites were also significant to Marmota uranium concepts for the

project area. Marmota commissioned analysis of some samples the Company considered may have potential for uranium anomalism. Surface samples collected at two adjacent locations yielded anomalous results. Sample 5025 and 5026 returned anomalous results of 79.01 and 117.22 ppm uranium respectively. These samples were taken from surface outcrop at the margin of a significant radiometric anomaly which extends for approximately 10 kilometres. A detailed uranium focused sampling program is planned for late

in the third quarter concentrating on selected regions within the project area in line with the Company's mineralisation concepts. This will be followed up with planned drill testing late in the calendar year. Waddikee's proximity to good infrastructure coupled with a strong exploration history and potential for multiple styles of uranium mineralisation makes this a high priority project for Marmota Energy.

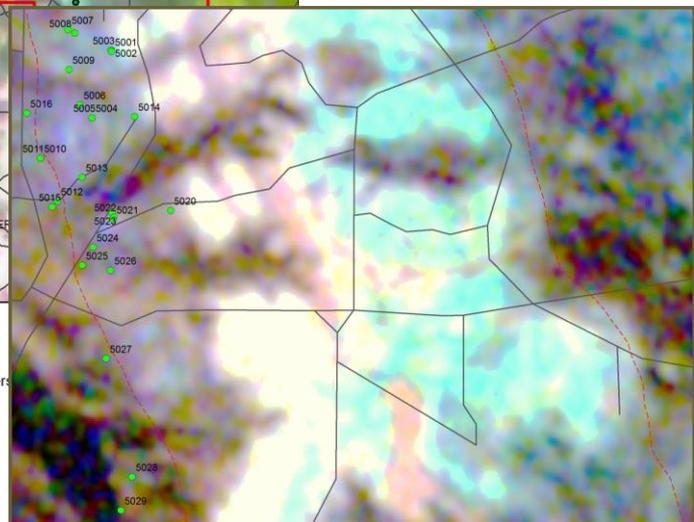
"Sample 5025 and 5026 returned anomalous results of 79.01 and 117.22 ppm uranium respectively."



Left: Waddikee radiometric ternary image with the Monax sample point locations marked with green circles.

Below: Zoom of sample region, red dashed line bounding interpreted radiometric anomaly.

Red – Potassium
 Green – Thorium
 Blue – Uranium
 (White – High in all three above elements)



Timing	Action	Tenement	Project Name
Late 2Q - 3Q 2008	Drilling	EL 3358, EL 3684	Ambrosia, Mulgathing
3Q 2008	Radon Surveys	EL 3910, EL 3358, EL 3684, EL 3355, 3356, 3561, EL 3357, EL 3907, 3908	Mulyungarie, Ambrosia, Mulgathing, Southern Eyre Peninsula, Waddikee, and Coonarie
3Q 2008	Geochemical sampling	EL 3357	Waddikee
4Q 2008	Drilling	EL 3910	Mulyungarie
1Q 2009	Drilling	EL 3357	Waddikee

Marmota Energy Limited

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www.marmotaenergy.com.au

General

The Company undertook consultation with the Commonwealth of Australia, communities and landholders regarding future exploration activities it intends to undertake on its Ambrosia, Mulgathing, Wynbring, Kimono Tank, Indooroopilly, Phar Lap, Southern Eyre Peninsula and Waddikee projects in South Australia. Marmota has signed an Indigenous Land Use Agreement (ILUA) with the Antakirinja people in respect of Exploration Licences 3775, 3685, 3684, 3358 and 3359.

This will allow Marmota to have heritage clearances completed relatively quickly. Marmota has successfully completed heritage surveys for Mulgathing and Ambrosia.

Marmota commenced negotiations for a Native Title agreement under Part 9B of the *Mining Act, 1971* (Act) in respect of EL 3910 (Mulyungarie). This process is almost complete which will enable planned drilling to proceed in the 4th quarter of 2008.



Dom Calandro
Managing Director

Future Exploration

Acquisition of high resolution Airborne Electromagnetic (AEM) surveys over many of the Company's project areas has been completed. Data are currently being processed. This will enable the outline and depth of the palaeochannels to be mapped across many of Marmota's projects. The AEM survey data along with the new gravity data acquired significantly improved the selection process for target drillhole locations on the Ambrosia – Mulgathing projects. This data will aid in defining drillholes across the Company's suite of tenements and sampling programs to continue into the 3rd and 4th quarter of 2008.



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 June 2008

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(1,326)	(1,932)
(b) development	-	-
(c) production	-	-
(d) administration	(148)	(463)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	116	210
1.5 Interest and other costs of finance paid	-	(4)
1.6 Income taxes paid	-	(1)
1.7 Other (provide details if material))		
GST	(65)	(136)
Other	-	-
Net Operating Cash Flows	(1,423)	(2,326)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(84)	(235)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	(97)	(97)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)		
Loans repaid to other entities	-	(87)
Net investing cash flows	(181)	(419)
1.13 Total operating and investing cash flows (carried forward)	(1,604)	(2,745)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,604)	(2,745)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	4	15,850
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	-	(1,192)
	Net financing cash flows	4	14,658
	Net increase (decrease) in cash held	(1,600)	11,913
1.20	Cash at beginning of quarter/year to date	13,517	4
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	11,917	11,917

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	125
1.24	Aggregate amount of loans to the parties included in item 1.10	97

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), legal fees paid to a legal firm in which a director is a partner. The amount at 1.24 represents contributions to the establishment of a 50% owned associate company that will provide management services to the entity from 1 July 2008.

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	Nil
3.2	Credit standby arrangements	Nil	Nil

Note:

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	1,771
4.2	Development	-
Total		1,771

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	347	417
5.2 Deposits at call	11,570	13,100
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	11,917	13,517

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	N/A		
6.2	Interests in mining tenements acquired or increased	N/A		

+ 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	63,400,009		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	14,233	14,233	\$0.25	\$0.25
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	-	<i>Exercise Price</i> \$0.40	<i>Expiry Date</i> 11/07/12
7.8 Issued during quarter				
7.9 Exercised during quarter	14,233	14,233	\$0.25	30/06/08
7.10 Expired during quarter	19,920,270	19,920,270	\$0.25	30/06/08
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 ~~not~~* (*delete one*) give a true and fair view of the matters disclosed.

Print name: Virginia Suttell..... Date:31/7/2008.....
(~~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.