

ABN 38 119 270 816

MARMOTA ENERGY LIMITED

Exploration Office
Warehouse I, 5 Butler Blvd
Burbridge Business Park
Adelaide Airport SA 5950

Postal Address
PO Box 247 Export Park SA 5950

Ph: (08) 8375 4300
Fax: (08) 8375 3999
www.marmotaenergy.com.au

20 October 2009

Offer to Participate in Marmota Energy Limited Share Purchase Plan

Dear Shareholder,

Marmota Energy Limited (ASX: MEU) is pleased to offer you an opportunity to participate in a Share Purchase Plan (SPP). The plan entitles eligible shareholders who were on the register by 26 October 2009 to purchase a parcel of up to \$15,000 worth of fully paid ordinary shares in the capital of the Company, free from any brokerage and commissions. New shares under the SPP will be issued at 14 cents per share, the same price as a private share placement recently undertaken by the Company, to raise up to an additional \$5.83 million.

The funds raised from the SPP will be used in the next phase of exploration on the Company's key copper, gold and uranium projects in South Australia. Funds will enable the significant acceleration of projects, particularly the Melton copper gold project (adjacent to the 'Hillside' prospect recently discovered by Rex Minerals), where Marmota has identified five large-scale high priority targets. The additional funds will also be used to rapidly advance potential resource definition programs on Marmota's Mulyungarie and Junction Dam uranium projects (in close proximity to the Honeymoon Uranium Mine, west of Broken Hill).

Accompanying this letter is a document entitled 'Share Purchase Plan Terms and Conditions' which explains how the new shares will be issued should you participate in this offer. Also included is a personalised application form which you need to complete in accordance with the instructions provided and return to Computershare with payment, in the reply paid envelope or BPAY so that it is received no later than 5.00pm CDST on **13 November 2009**.

The SPP will open on **30 October 2009** and close on **13 November 2009** with shareholders registered as at the close of business on **26 October 2009** eligible to participate in the offer. **Under the SPP, shareholders can purchase new shares at \$0.14 per share in parcels of 107,142 shares (\$15,000), 71,429 shares (\$10,000) or 35,714 shares (\$5,000), or 17,857 shares (\$2,500).**

I urge you to return your acceptance form as soon as possible to avoid missing out on the SPP. If the offer is oversubscribed, the company has reserved its rights to scale-back shareholders (either on a 'first in, best dressed' and/or pro rata basis) and/or close the offer early.

The Company has commissioned RADAR Investor Relations ("RADAR") to undertake a telephone campaign to assist shareholders in their consideration of the SPP. An officer from RADAR may be in contact with you shortly to confirm that you have received your SPP documentation and will attempt to answer any queries you may have. If you have any concerns about what to do, you should contact your broker or other financial adviser. You can also call the Company and ask to speak to either myself or the Company Secretary on (08) 8375 3900.

On behalf of your Directors, I thank you for your past support and invite you to consider this opportunity for future investment in the Company.

Mr Dom Calandro
MANAGING DIRECTOR



ABN 38 119 270 816

MARMOTA ENERGY LIMITED

Computershare

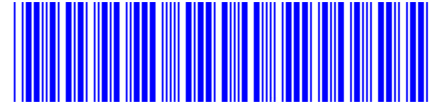
Please return completed form to:
Computershare Investor Services Pty Limited
GPO Box 2987 Adelaide
South Australia 5001 Australia
Enquiries (within Australia) 1300 136 309
(outside Australia) 61 3 9415 4295
web.queries@computershare.com.au
www.computershare.com

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SAM



MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



I 1234567890 I N D

For your security keep your SRN/HIN confidential.

Entitlement Number:

Record Date: 26 October 2009

Offer Closes: 5:00pm (Adelaide time) 13 November 2009

Price per Share: A\$0.14

SHARE PURCHASE PLAN APPLICATION FORM

This personalised form can only be used in relation to the securityholding represented by the SRN or HIN printed above. This is an important document and requires your immediate attention. If you are in doubt about how to deal with this document, please consult your financial or other professional adviser.

Pursuant to the terms and conditions of the Marmota Energy Limited Share Purchase Plan (SPP) contained in the letter to Marmota Energy Limited securityholders dated 20 October 2009, Marmota Energy Limited is offering eligible securityholders the opportunity to purchase Shares up to a maximum value of A\$14,999.88 per eligible securityholder, subject to a minimum application of A\$2,499.98.

If you do not wish to purchase additional shares under this offer there is no need to take action.

By making your payment, you agree to be bound by the Constitution of Marmota Energy Limited and agree that the submission of this payment constitutes an irrevocable offer to you by Marmota Energy Limited to subscribe for Marmota Energy Limited Shares on the terms of the SPP. In addition, by submitting the slip below you certify that the aggregate of the application price paid by you for:

- the Shares the subject of the slip below; and
- any other shares and interests in the class applied for by you under the Share Purchase Plan or any similar arrangement in the 12 months prior to the date of submission of the slip below, does not exceed A\$15,000.

METHOD OF ACCEPTANCE

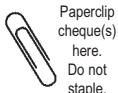
You can apply for Shares and make your payment utilising one of the payment options detailed overleaf. Marmota Energy Limited may make determinations in any manner it thinks fit, in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP whether generally or in relation to any participant or application. Any determinations by Marmota Energy Limited will be conclusive and binding on all eligible securityholders and other persons to whom the determination relates. Marmota Energy Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions and to suspend or terminate the SPP at any time. Any such amendment, variation, suspension or termination will be binding on all eligible securityholders even where Marmota Energy Limited does not notify you of that event.

MEU

SPRB

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▼ PLEASE DETACH HERE ▼



Paperclip
cheque(s)
here.
Do not
staple.



**MARMOTA
ENERGY LIMITED**

ABN 38 119 270 816

Please see overleaf for Payment Options



Biller Code:

Ref No:

I/We wish to purchase:

☐ 107,142 shares A\$14,999.88 or ☐ 71,429 shares A\$10,000.06 or ☐ 35,714 shares A\$4,999.98 or ☐ 17,857 shares A\$2,499.98

* These share amounts may be subject to scale-back in accordance with the terms of the SPP.

Payment Details – Please note that funds are unable to be directly debited from your bank account

Drawer	Cheque number	BSB number	Account number	Cheque amount
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

Make your cheque or bank draft payable to Marmota Energy Limited – Share Purchase Plan

Contact Details

Please provide your contact details in case we need to speak to you about this slip

Name of contact person

Contact person's daytime telephone number

How to accept the Share Purchase Plan

Payment Details

You can apply for shares by utilising the payment options detailed below. There is no requirement to return the slip below if you are paying by electronic means. By making your payment using either electronic means or by cheque, bank draft or money order, you confirm that you:

- agree to all of the terms and conditions of the Share Purchase Plan as enclosed with this Application Form;

Your cheque, bank draft or money order payable to Marmota Energy Limited – Share Purchase Plan in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian branch of a financial institution. Please ensure you submit the correct amount. Incorrect payments may result in your application being rejected. Complete cheque details in the boxes provided. **Please note that funds are unable to be directly debited from your bank account. If paying by cheque, return the slip below and Cheque, Bank Draft or money order in the envelope provided.**

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the slip below where indicated. Cash will not be accepted. A receipt for payment will not be forwarded.

Contact Details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding the slip below.

Lodgement of Application

If you are applying for shares and your payment is being made by BPAY®, you do not need to return the slip below. Your payment must be received by no later than 5:00pm (Adelaide time) on 13 November 2009. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order, the slip below must be received by Computershare Investor Services Pty Limited (CIS) Adelaide by no later than 5:00pm (Adelaide time) on 13 November 2009. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for securityholders in Australia. New Zealand holders will need to affix the appropriate postage. Return the slip below with cheque, bank draft or money order attached.

Neither CIS nor the Company accepts any responsibility if you lodge the slip below at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by CIS, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications.

You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

If you have any enquiries concerning this form or your entitlement, please contact CIS on 1300 136 309.

This form may not be used to notify your change of address. For information, please contact CIS on 1300 136 309 or visit www.computershare.com (certificated/issuer sponsored holders only).

CHESS holders must contact their Controlling Participant to notify a change of address

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Payment Options:



Biller Code:

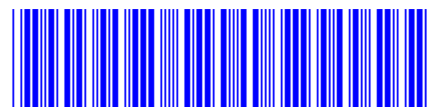
Ref No:

Telephone & Internet Banking – BPAY

Call your bank, credit union or building society to make this payment from your cheque or savings account. More info: www.bpay.com.au



By Mail
Marmota Energy Limited
Computershare Investor
Services Pty Limited
GPO Box 2987
Adelaide, South Australia, 5001
AUSTRALIA



Entitlement Number: <xxxxxxxxxx>

SAMPLE CUSTOMER
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLETOWN TAS 7000

MARMOTA ENERGY LIMITED
ACN 119 270 816
SHARE PURCHASE PLAN – OFFER DOCUMENT

Share Purchase Plan (SPP)	The SPP provides eligible holders of shares in Marmota Energy Limited (Company) with the opportunity to acquire up to 41,616,302 additional shares in the Company (Shares). There is a maximum of approximately \$5.83 million of Shares available under the SPP. Accordingly, applications will be accepted on a first come, first accepted basis, and/or scaled back on a pro-rata basis, as the Company's directors decide. All offers are made on the same terms and conditions.
Eligibility	Registered holders of fully paid Shares at 7:00 pm (Adelaide time) on 26 October 2009 and having a registered address in either Australia or New Zealand are eligible to participate in the SPP (Eligible Shareholders).
Issue Price	The price per Share issued under the SPP will be 14 cents each. This price is approximately 18% lower than the daily volume weighted average price of Shares over the five ASX trading days up to and including 12 October 2009 (being the last day of trading before the SPP was announced).
Amount to invest	You may apply under one of the alternatives below: <ul style="list-style-type: none"> • 107,142 Shares at a total application price of \$14,999.88; or • 71,429 Shares at a total application price of \$10,000.06; or • 35,714 Shares at a total application price of \$4,999.96; or • 17,857 Shares at a total application price of \$2,499.98
Indicative timetable* *Subject to the <i>Corporations Act 2001</i> and the Listing Rules of ASX Limited, these dates may be varied by the directors without prior notice.	Opening Date for receipt of Applications – 30 October 2009 Closing Date for receipt of Applications – 13 November 2009 Date of Issue of Shares – 23 November 2009 Anticipated Date of Quotation of Shares – 25 November 2009 Anticipated Date of Despatch of Holding Statements – 26 November 2009 Anticipated Date of Despatch of Refund Cheques – 27 November 2009
How to apply	If you wish to participate in the SPP you must complete the enclosed Application Form in accordance with the instructions on that Form and return it together with a cheque made payable to "Marmota Energy Limited Share Purchase Plan" before the Closing Date. Alternatively, you can participate in the SPP using BPAY (refer to the reverse of the enclosed Application Form for further details).
Rights attached to Shares	New Shares will rank equally with existing Shares on issue at the date of allotment.
Transferring rights	The offer is non-renounceable meaning rights to take up Shares cannot be transferred.
What to do if you receive more than one Application Form	If you receive more than one Application Form, or if you hold Shares in more than one capacity, for example if you are both a sole and joint holder of Shares, you may only apply for a maximum of \$15,000 worth of Shares under the SPP.
Other terms, conditions and important notices	Other terms, conditions and important notices relating to the SPP appear on the following page and should be read in full before applying for Shares.

MARMOTA ENERGY LIMITED
ACN 119 270 816
SHARE PURCHASE PLAN – OFFER DOCUMENT

OTHER IMPORTANT TERMS, CONDITIONS AND NOTICES

1. You should be aware that the market price of Shares may rise or fall before the Shares are allotted to you under the SPP; therefore, the issue price of Shares under the SPP may exceed or be less than the market price of Shares at the time of allotment to shareholders.
2. Shareholders will be bound by the constitution of the Company and these terms and conditions by accepting the offer to acquire Shares under the SPP.
3. The Company has a broad discretion to accept or reject your application to purchase Shares under the SPP, including (without limitation) if: your Application Form is incorrectly completed or incomplete or otherwise determined by the Company to be invalid; the cheque or money order that you enclose with the Application Form is not made out for the exact amount of the parcel of Shares that you have selected on the Application Form, is dishonoured or has not been completed correctly; or the Company believes that you are not an Eligible Shareholder.
4. The Company may issue to any person fewer Shares than the person applied for under the SPP. No interest will be paid on any application money returned to you. Refunds will be made by cheque and mailed to the eligible holder's registered name and address.
5. Where a trustee or nominee is noted on the Company's share register as holding Shares on behalf of another person (**Beneficiary**), the trustee or nominee may, in respect of each Beneficiary, apply for a maximum of \$15,000 in Shares. If registered trustee or nominee holdings do not include a named Beneficiary, the maximum number of Shares the trustee or nominee may apply for will be to a value of \$15,000.
6. If you apply to participate in the SPP by completing and returning the Application Form or by using BPAY:
 - 6.1 your application, on these terms and conditions, will be irrevocable and unconditional (it cannot be withdrawn);
 - 6.2 you acknowledge that you are an Eligible Shareholder;
 - 6.3 you certify that you have not applied for Shares with an aggregate application price in excess of \$15,000 under the SPP and any similar arrangement in the 12 months prior to your application, even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP;
 - 6.4 you acknowledge that you are lawfully permitted to accept the offer to acquire Shares under the SPP and participate in the SPP in accordance with the laws applicable in Australia and any other applicable laws in the jurisdiction in which you and/or the beneficial owner of your Shares are situated.
7. The Company may modify or terminate the SPP at any time. The Company will notify ASX of any modification or termination of the SPP. The omission to give notice of any modification to, or termination of the SPP or the failure of ASX to receive such notice will not invalidate the termination or modification.
8. The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant, application or Shares. The decision of the Company in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.