The background is a grayscale photograph of an oil field. In the center, a tall drilling rig stands against a hazy sky. To the left and right, there are white oil trucks. The foreground shows a gravel-covered road with deep tire tracks. A large, thick, blue scribble, resembling a stylized atomic symbol or a tangled wire, is drawn over the entire scene, framing the central text.

Marmota Energy Limited

Annual Report 2009





Annual General Meeting

The 2009 Annual General Meeting will be held at

Business SA

136 Greenhill Road Unley

South Australia on 20th November 2009

commencing at 9:15am.

A formal notice is mailed to shareholders with the distribution of this report.

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Chairman's Report

Dear Fellow Shareholders,

I am pleased to present this second annual report of Marmota Energy Limited ("Marmota" or the "Company"). Since listing in late 2007, Marmota Energy Limited has continued advancing its key projects whilst maintaining its strong cash position.

Capital management has become an issue amongst the junior explorers with many having to raise capital at substantial discounts to their volume weighted average share price. Marmota, having raised sufficient capital at the IPO is cultivating its capital whilst judiciously proceeding with an active exploration program aimed at early discovery and bringing it to production.

Despite the turbulent global market environment there has been no change in the increased requirement of developed nations, and the long term requirement of developing nations, to provide consistent base load power while reducing carbon emissions, particularly from nations with emerging economies, such as India, China and Russia. We believe uranium will play an increasing role in achieving these objectives.

As a result the fundamentals for the continuing strength in demand for uranium remain, and prices are expected to reflect this demand. We consider the recent fluctuations of the spot uranium price to be short term variations, and that uranium will be a strong performer in the mineral resources industry in the longer term.

In order to meet our short term goal of making a discovery and bringing it to production Marmota has moved to further develop itself as a multi commodity explorer by advancing copper gold potential on the Ambrosia project and establishing new joint ventures in projects that have high discovery potential such as the Melton IOCGU project.

With geological variation and geopolitical certainty in the Company's portfolio of projects, an aggressive exploration and business development program is underway. Our experienced and motivated team of geoscientists and managers at Marmota have continued to advance key projects which the company believes have a high discovery potential.

Programs completed this year included drill testing of sedimentary uranium and copper gold targets across Marmota tenements in South Australia. Drilling completed on our Ambrosia project confirmed the presence of mineralisation, which warrant further follow-up holes at adjacent identified anomalies. Drill testing of sedimentary uranium targets on our Mulyungarie project has identified a new zone of uranium mineralisation not previously known on the project.

Marmota has sought to increase its portfolio of prospective tenements with the acceptance of new exploration licence applications in the highly prospective Lake Frome region which hosts the Beverley uranium mine, and world class Four Mile deposit in South Australia. Marmota has also completed joint venture negotiations with Teck Australia to earn 51% of the uranium rights on its Junction Dam project which is adjacent to the Honeymoon uranium mine and immediately next door to Marmota's Mulyungarie project. This will enable Marmota to further expand on the discovery made on Mulyungarie.

The first mover advantage gained by the considered pre-boom attainment of Marmota tenements, strong exploration histories and application of leading edge geophysical techniques, has significantly reduced exploration risk across Marmota projects maximising the likelihood of discovery.

I would like to thank my fellow directors, staff and consultants for their efforts in making Marmota's second year of operation a successful one, and I look forward to a successful year ahead.



Robert Kennedy
Chairman
Marmota Energy Limited





Managing Director's Report

by Dom Calandro

Enhancing progress through opportunity and partnership

Marmota Energy is an integrated precious metal and uranium exploration specialist offering shareholders exposure to a pipeline of discovery opportunities.

As we did in the 2008-09 financial year, we intend to continue growth through a two pronged approach of:

- discovery and resource definition on existing key projects with a focus on financial returns and building shareholder value; and
- identifying and investing in advanced exploration opportunities with emphasis on potential near term production and revenue capability.

Despite the challenges arising from the Global Financial Crisis, Marmota continued to conduct focused exploration on its key projects. Marmota was also able to secure additional exploration licences in areas of high discovery potential. Of note, the granting of exploration licences with listed uranium and gold occurrences on the strategically significant Eyre Peninsula along with new tenements granted in the highly prospective Lake Frome area nearby to the Beverley Four Mile deposit and uranium mine. The Lake Frome region in particular has a proven potential for large tonnage high grade uranium discoveries.

Marmota Energy's discovery of sedimentary uranium on its Mulyungarie project to the south of Lake Frome near the Honeymoon uranium mine has defined a new zone of uranium mineralisation not previously known. The new joint venture with Teck Australia Pty Ltd and its partners giving Marmota access to 51% of the uranium rights on the adjoining Junction Dam project will offer the Company a strong foothold in this region of confirmed uranium mineralisation.

While uranium remains a key commodity for Marmota, we have advanced the other high value strategic projects. The company successfully negotiated a new joint venture giving it access to all minerals on the highly prospective Melton copper-gold-uranium project in the northern Yorke Peninsula. Marmota has benefited from a 'first mover' advantage that enabled it to secure this highly prospective tenement, prior to the discovery by Rex Minerals, of the adjoining Hillside copper - gold deposit that has re-invigorated exploration in the region.

Marmota's strategic alliance with accomplished high grade gold producer Ramelius Resources Limited offers Marmota a 40% interest in gold projects currently being assessed in Nevada. Gold mining is a major industry in Nevada and is one of the largest sources of gold in the world.

The company is continuing to maximise its discovery opportunities through the application of leading edge exploration techniques in our project areas. High resolution gravity data and airborne electromagnetic 'AEM' surveys have successfully mapped prospective geology along palaeochannels and defined potential IOCGU targets. Marmota Energy's tenements are well-placed and amenable to the first pass exploration with these leading edge technologies.

Marmota has further increased its advantage in exploration through the targeting of potential uranium deposits by the application of radon surveys. I believe we are the only company using this particular type of radon meter in Australia, which has a proven track record of exploration discovery success in the Northern Hemisphere. The positioning of our tenements in regions of high potential offering a target-rich environment for new copper - gold and palaeochannel uranium discoveries is a considerable advantage for the Company.

Since our listing on the ASX, cash and assets in a form readily convertible to cash were used in a manner consistent with the company's business objectives. As such, Marmota is well progressed in meeting its Farm - In and Joint Venture earn in requirements with Monax Mining Limited over the last twelve months. Marmota has achieved its 25% earn in on the Ambrosia project, and we are poised to meet our earn in requirements within the next year, on schedule for that project.

I would like to acknowledge the commitment and achievements of the staff, and my fellow directors in making Marmota's second year of operation a successful one, and I look forward to an exciting year ahead.



Dom Calandro

Managing Director
Marmota Energy Limited



Review of Operations

Marmota Energy is building on strong foundations as an integrated precious metal and uranium exploration specialist. Through our exploration programs, Marmota is offering shareholders exposure to a pipeline of discovery opportunities.


The information in the Annual Report that relates to Exploration Results, Mineral Resources, Ore Reserves or targets is based on information compiled by Mr D J Calandro, who is a Member of the Australian Institute of Geoscientists. Mr Calandro is employed full time by the Company as Managing Director and, has a minimum of five years relevant experience in the style of mineralisation and type of deposit under consideration and qualifies as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Calandro consents to the inclusion of the information in this report in the form and context in which it appears.



Operational Highlights

Highlights for this year include:

- Discovery of a new prospect of uranium mineralisation not previously known on Marmota's Mulyungarie project, located close to the Honeymoon uranium mine.
- A new joint venture negotiated between Monax Mining Limited and Marmota on its Melton Copper-Gold project in the northern Yorke Peninsula, next to Rex Minerals' tenement which hosts the Hillside Copper-Gold discovery.
- Increasing its tenement footprint in the highly prospective Lake Frome region in South Australia. The new licences are 100% owned by Marmota and are in close proximity to the Beverley uranium mine and Beverley Four Mile deposit.
- New strategic alliance formed with premier gold producer Ramelius Resources Limited for gold project generation in the United States of America.
- Reconnaissance drill testing of the first of a number of copper-gold basement targets on Ambrosia, confirming the presence of mineralisation.
- Three new exploration licence applications with listed gold and uranium occurrences confirmed to Marmota on the highly strategic Eyre Peninsula.



Company Profile

Marmota Energy Limited is a highly motivated and competent, small mineral exploration company focused on the discovery and development of world class, large tonnage, low operating cost, copper-gold and uranium systems. Its major exploration focus has been the prospective Gawler Craton in South Australia with a growing tenement position in the Curnamona Craton, focusing on tertiary palaeochannel rollfront uranium. The Curnamona Craton is host to the Honeymoon and Beverley uranium mines, and also the world class Four Mile deposit. Marmota has been successful in increasing its land holding in this region with five more exploration licence applications being granted to the company in this highly prospective area.

The Company plans to continue drill testing targets now highlighted by the exceptional high quality geophysical data acquired across the Marmota suite of tenements.

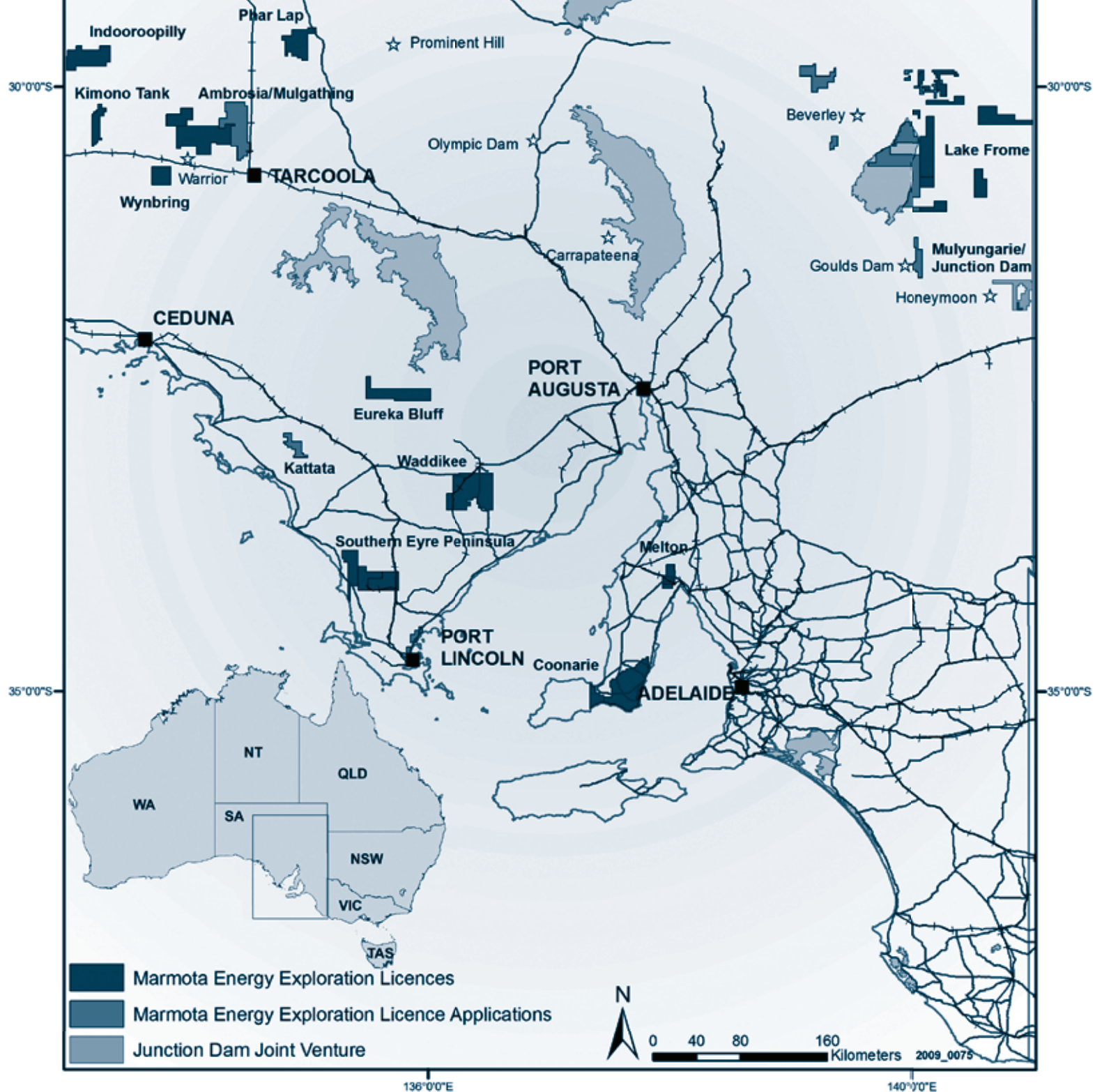
A second round of drilling following up on our initial discovery will commence on our Mulyungarie project in October 2009, with additional drilling planned in early 2010 on our high priority Melton Copper-Gold project.

With much of the reconnaissance exploration works well progressed on many of our projects, this data is being utilised in target assessment and ranking processes. The Company acquired high quality data that has laid the foundation for comprehensive drill programs across much of Marmota's key projects over the coming year.

136°0'0"E

140°0'0"E

Marmota Energy Limited South Australia Exploration Licences





Tenement Status

As at 24 August 2009

Project	Tenement	Status	Area (km ²)	Details
Ambrosia	EL 3358	75% Monax, 25% Marmosa P/L	854	JV with Monax Mining
Mt Hope	EL 3355	Granted	320	JV with Monax Mining
Moorlands	EL 3356	Granted	324	JV with Monax Mining
Wynbring	EL 3359	Granted	247	JV with Monax Mining
Eureka Bluff	EL 3458	Granted	549	JV with Monax Mining
Waddikee	EL 3357	Granted	1004	JV with Monax Mining
Brimpton Lake	EL 3561	Granted	222	JV with Monax Mining
Mulgathing	EL 3684	Granted	258	JV with Monax Mining
Kimono Tank	EL 3685	Granted	234	JV with Monax Mining
Indooroopilly	EL 3775	Granted	570	JV with Monax Mining
Coonarie	EL 3907	Granted	848	JV with Monax Mining
Coonarie	EL 3908	Granted	133	JV with Monax Mining
Phar Lap	EL 3909	Granted	459	JV with Monax Mining
Mulyungarie	EL 3910	Granted	17	JV with Monax Mining
Melton	EL 3911	Granted	28	JV with Monax Mining
North Melton	EL 4000	Granted	137	JV with Monax Mining
Lake Coonee	EL 4252	Granted	644	100% MEU
Mudguard Swamp	EL 4253	Granted	232	100% MEU
Lake Callabonna North	EL 4254	Granted	217	100% MEU
Lake Callabonna South	EL 4255	Granted	21	100% MEU
Lake Cootabarlow	EL 4256	Granted	665	100% MEU
Poontana	EL 4276	Granted	29	100% MEU
Mudguard Swamp West	ELA 75/09	Application	23	100% MEU
Gibraltar	ELA 91/09	Application	760	100% MEU
Lake Frome	ELA 96/09	Application	320	100% MEU
Kattata	ELA 154/09	Application	166	100% MEU
Moollawatanna	ELA 171/09	Application	745	100% MEU
Billeroo	ELA 172/09	Application	166	100% MEU
Louth Bay	ELA 196/09	Application	79	100% MEU
Ainslee	ELA 197/09	Application	22	100% MEU
Western Spur	ELA 240/09	Application	393	100% MEU
Aurora	ELA 263/09	Application	47	100% MEU



Ambrosia – Mulgathing

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 iron oxide copper-gold-uranium (IOCGU) style mineralisation.

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

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

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 electro-magnetic (EM) and gravity surveys were completed over the project area in the previous year. From this data, the Company has accurately mapped palaeodrainage and sedimentary drainage systems. The geophysical data has also identified a number of basement targets which the company believes may have copper and gold potential.

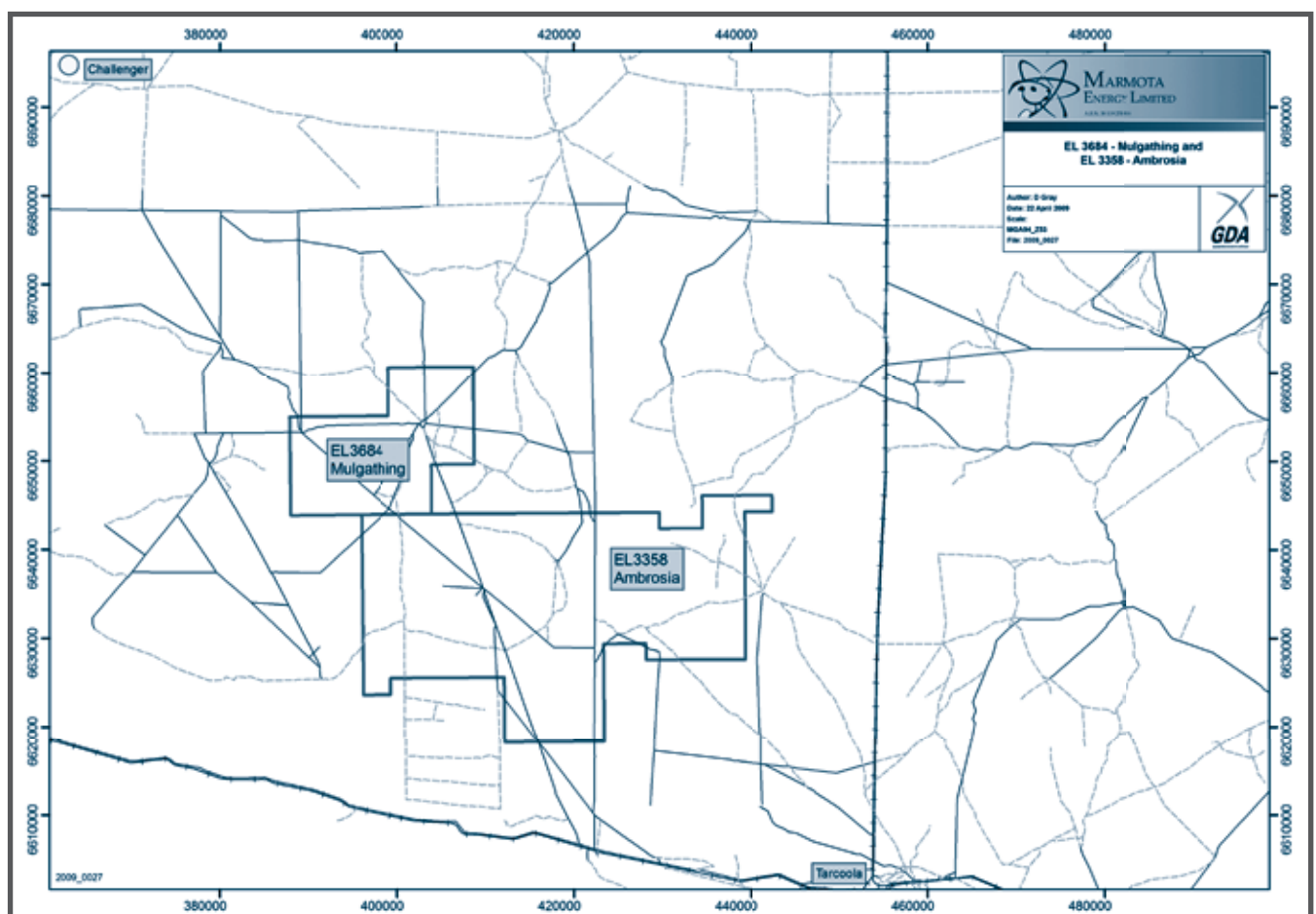
A reconnaissance drilling program was completed in May 2009, testing the first of a number of potential mineralisation targets on the eastern side of the project. Eight reverse circulation (RC) drill holes were completed at the Gibraltar anomaly, revealing a minor to pervasive veining alteration system with minor mineralisation within a mafic host rock.

Alteration comprised weak chlorite-magnetite veining cross cut by an epidote-quartz and haematite-quartz system with visible pyrite. Geochemical results from the eight holes revealed low levels of gold (up to 30 ppb). A number of samples also returned coincident elevated lead, zinc and silver with the highest values being 300ppm: 588ppm: 0.22ppm respectively over a four metre composite sample at 242m in hole GRC03.

A one metre interval in hole GRC04 had visible chalcopyrite in 3-4mm veinlets returning 171ppm copper, with trace gold (Au). The presence of coincident Ni, Cr and platinumoids was also detected with sub-economic grades returned from the analysis.

The results returned from this program confirm the potential for both precious and base metal mineralisation. The results of this program will assist Marmota greatly, particularly when assessing the potential for alteration systems at magnetic margins of intrusive rocks to target other gold prospects in the region.

A number of possible targets have been identified on the project, and low cost surface sampling over those with potential will be the focus of future exploration to determine which targets will be drilled first. This assessment will be aided by high resolution ground magnetic surveys.

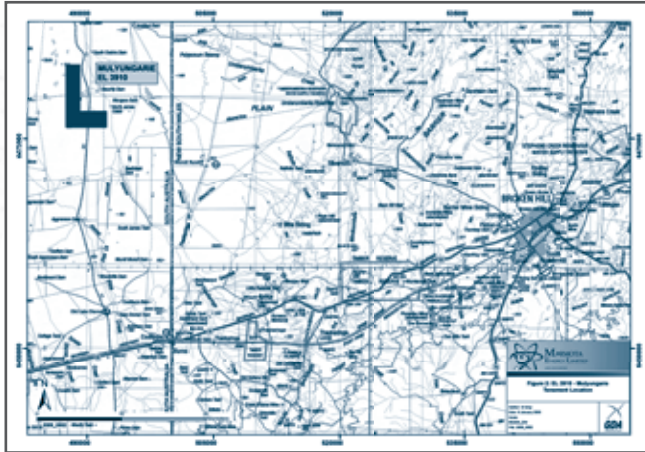


Ambrosia- Mulgathing project areas



Mulyungarie Project

A first phase 24 hole drilling program to test shallow sedimentary uranium targets was completed in April 2009 EL 3910 – Mulyungarie. The project is located 18 km south 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.

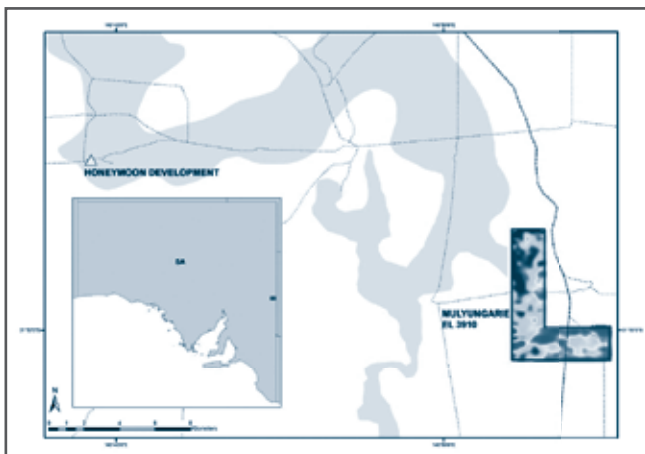


Mulyungarie locality map.

Mulyungarie is ideally located close to mine and civil infrastructure. The project's proximity to a major centre (Broken Hill) and convenient access to road and rail infrastructure makes this a very strategic project for Marmota.

This first phase of drilling focused on the northern part of the project area and has confirmed the presence of the uranium in the prospective Eyre and Namba Formations within the project. Marmota believes that the Eyre Formation in the project area is prospective for large tonnage, low operating cost, sandstone-hosted, rollfront style uranium.

Significant gamma anomalism was encountered in holes MURM0104, 0110, 0120, 0121, 0123 and 0124. 75% of holes drilled returned positive results for uranium mineralisation within the seven square kilometre area. The best intersection was 1122 counts per second in hole MURM0124 with equivalent grade at 256ppm eU₃O₈*. This hole in particular returned what the Company describes as a 'classic rollfront' downhole signature for potential rollfront style of uranium mineralisation.

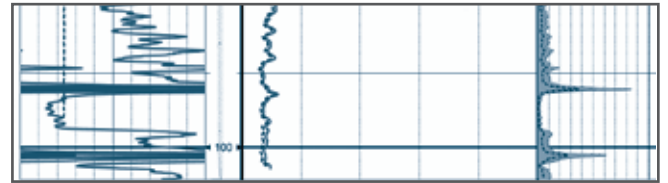


Mulyungarie gravity surface image

* Equivalent grades (eU₃O₈) 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.

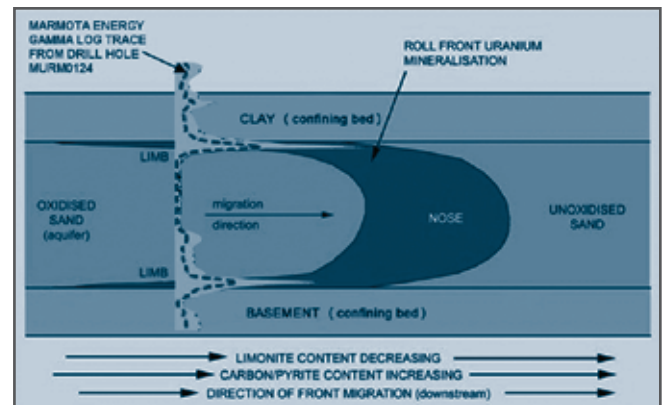
Downhole Logs

A number of holes demonstrated a 'classic rollfront' downhole gamma response. The example below is a section from the log from drillhole 0124 where you can see two distinct peaks which we interpret to be where the drillhole has intersected the tail of a potential rollfront. The larger peak corresponds to 256ppm equivalent eU₃O₈* while the lower smaller peak corresponds to 173ppm.



A section from the log from drillhole 24. The two distinct peaks are interpreted to be where the drillhole has intersected the tail of a potential rollfront.

We believe that this drillhole in particular has intersected the two limbs of the tail of a potential rollfront as per the schematic below.



Rollfront uranium schematic model cross section overlain by downhole gamma trace from drill hole MURM0124. (Adapted from published sources)

Economic grades of uranium were discovered by Minad-Teton-Carpentaria in 1972 at the Honeymoon site. Little exploration, however, was undertaken in Marmota's Mulyungarie project area until last year by Marmota.

Marmota believes that the Eyre Formation in the project area is prospective for large tonnage, low operating cost sandstone-hosted, rollfront style uranium. In view of the carbonaceous nature of the Namba Formation on Mulyungarie, Marmota believes that this formation is also prospective for uranium.

The Eyre Formation is the host for the nearby Honeymoon uranium deposit and the Namba Formation hosts the uranium mined by in situ leach at Beverley. A number of other uranium prospects, namely the Brooks Dam, Yarramba and East Kalkaroo prospects have been discovered within the Yarramba Palaeochannel system.

High resolution geophysical data acquired in 2008, defined what has been interpreted as part of the Yarramba Palaeochannel flowing onto the project. Marmota is very encouraged by the results achieved to date and plans to carry out follow up drilling on the project in October 2009.



Melton IOCGU Project

Marmota Energy Limited has negotiated a new Joint Venture agreement with Monax Mining Limited to explore for iron oxide copper-gold-uranium 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.

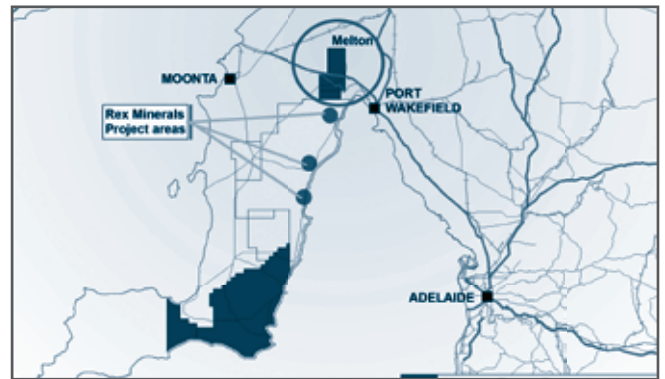
The region hosts the historical deposits of the Moonta-Wallaroo copper-gold district. Marmota considers this region prospective for the discovery of new deposits of copper, gold and uranium. More recently the prospectivity of the region, in particular the Pine Point Fault (defined below with thick black line), 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 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.

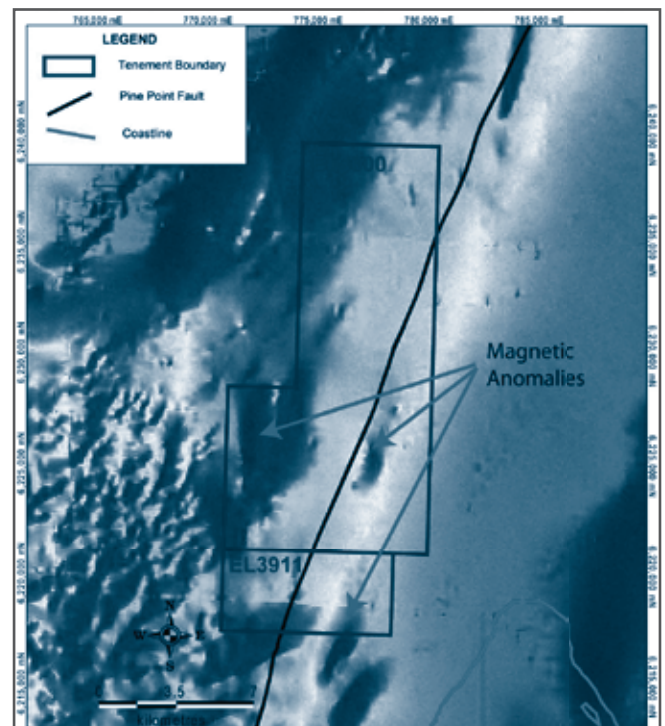
The two tenements (EL 3911 and EL 4000) that comprise the Melton project, cover the northern extension of the Pine Point Fault and contain a number of discrete magnetic and gravity features interpreted to be consistent with IOCGU mineralisation elsewhere along the fault. As part of its earn in requirement, Marmota plans to immediately undertake a program of detailed geophysical data acquisition across the tenements to better define anomalies and identify targets intended for drill testing.

The Melton joint venture is in line with Marmota's corporate strategy of creating shareholder value and reducing exploration risk by acquiring projects with a high discovery potential or a known occurrence with significant expansion potential.

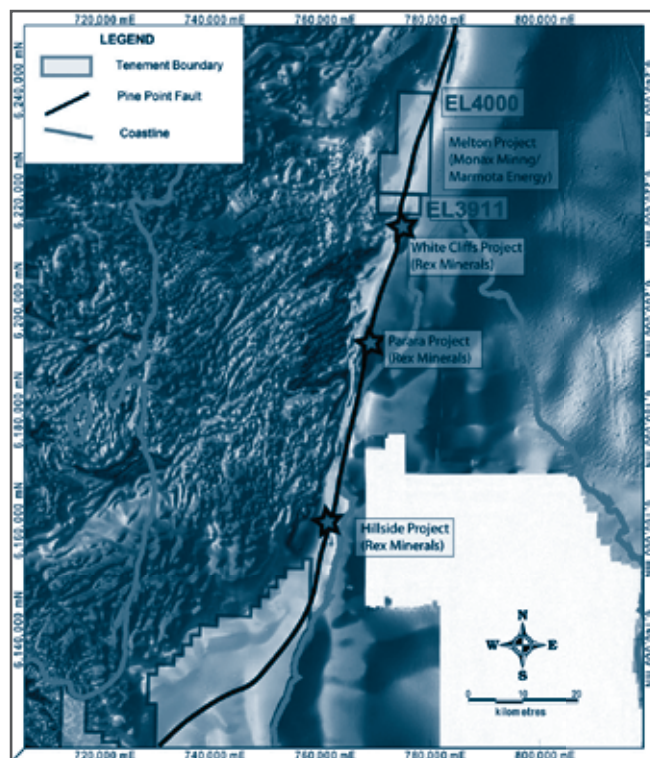
The Melton project is ideally located close to mine and civil infrastructure. The project's proximity to major centres and good access to port, road and rail infrastructure furthers this as a very strategic project for Marmota.



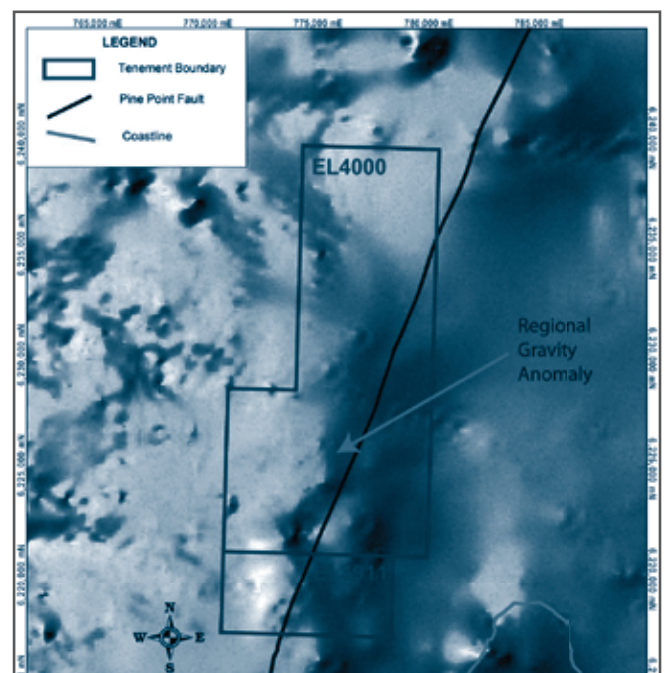
Melton locality map



Total magnetic intensity, Melton region



Regional total magnetic intensity – Yorke Peninsula



Bouguer gravity, Melton region



New Tenements

Lake Frome Projects

Marmota Energy Limited has moved to increase its exploration licence footprint in the highly prospective Lake Frome region in South Australia. Marmota's new licences are in close proximity to the Beverley uranium mine. The tenements are believed to contain the same package of sediments that host 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. The tenements are 100% owned by Marmota and also located over the highly prospective Benagarie Ridge, with the tenements also being prospective for base and precious metals.



Curnamona and Lake Frome tenements

Lake Coonee Project

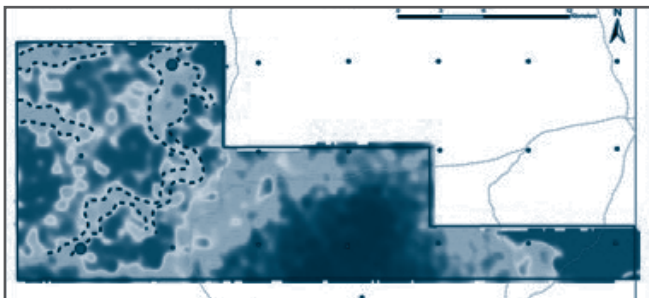


(Marmota owning rights to 100% of all commodities)

Lake Coonee (EL 4252) has been granted to Marmota, and is part of a new package of tenements 100% owned by the Company.

The project is part of the Lake Frome suite of tenements and is located nearby to the Beverley uranium mine and Beverley Four Mile deposit. The project contains the same sediments which host the nearby Beverley uranium mine. Previous exploration on the project, conducted at a regional four mile spacing, intersected uranium mineralisation in two holes on the project.

Marmota completed a high resolution ground gravity survey over the project during June 2009. The gravity data has defined a trough and palaeochannel system prospective for uranium on the project along with basement structures that may have base metal potential.



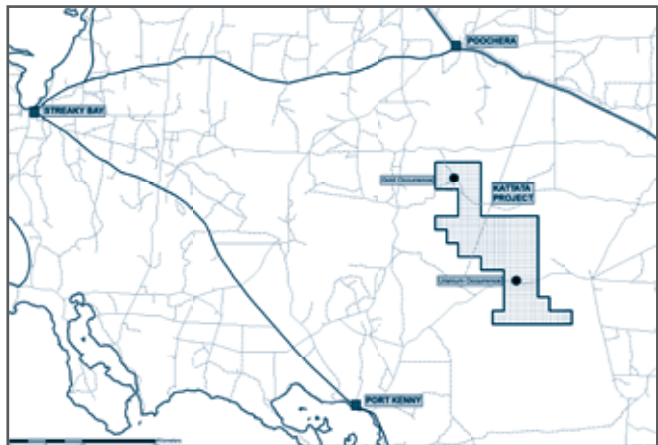
Lake Coonee project with high resolution gravity coverage, and interpreted palaeochannel shown in black dashed line.

Blue highlighted drillholes with uranium mineralisation.

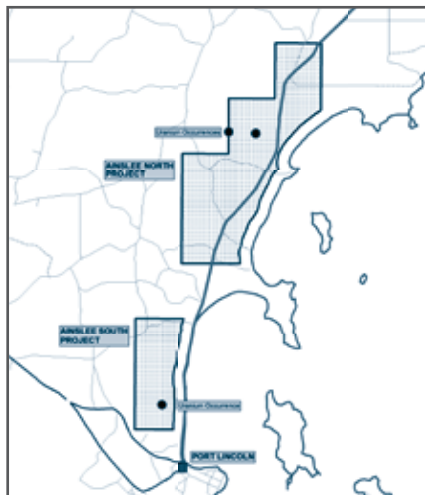
Eyre Peninsula Projects



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. The Kattata project east of Streaky Bay (map below) 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 and their proximities to good infrastructure make these new projects strategically important.



The Kattata project has a listed gold occurrence in the north of the project and a uranium occurrence in the south discovered from road side drilling.



The Ainslee north and south projects have listed uranium occurrences discovered by AFMECO and the US Atomic Energy Commission respectively.



Future Exploration

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.

Marmota, with its joint venture partners, will rapidly advance key strategic projects. Projects in areas of known mineralisation in excellent proximity to infrastructure such as Mulyungarie and Melton offer exciting potential for rapid development.

Timing	Action	Tenement	Project Name
Sept 2009	Airborne geophysical surveys	EL 3911, EL 4000	Melton
Oct - Nov 2009	Drilling	EL 3910	Mulyungarie
Oct - Nov 2009	Radon Surveys	EL 3910, EL 3357	Mulyungarie, Southern Eyre, Peninsula, Waddikee
Feb 2010	Drilling	EL 3911, EL 4000	Melton
April 2010	Drilling	EL 3357	Waddikee



Corporate Governance Statement

The following statement sets out a summary of the Company's corporate governance practices that were in place during the financial year and how those practices relate to the revised Corporate Governance Principles and Recommendations issued by the Australian Stock Exchange Corporate Governance Council ("ASX Recommendations").



Lay solid foundations for management and oversight

These recommendations are not intended to be prescriptions to be followed by all ASX listed companies, but rather guidelines designed to produce an effective, quality and integrity outcome. The Corporate Governance Council has recognised that a “one size fits all” approach to Corporate Governance is not required. Instead, it states aspirations of best practice for optimising corporate performance and accountability in the interests of shareholders and the broader economy. A company may consider that a recommendation is inappropriate to its particular circumstances and has flexibility not to adopt it and explain why.

In ensuring the highest standard of ethical behaviour and accountability, the Board has included in its corporate governance policies those matters contained in the ASX Recommendations where applicable. However, the Board also recognises that full adoption of the above ASX Recommendations may not be practical nor provide the optimal result given the particular circumstances and structure of the Company. The Board is, nevertheless, committed to ensuring that appropriate Corporate Governance practices are in place for the proper direction and management of the Company. This statement outlines the main Corporate Governance practices of the Company disclosed under the ASX Recommendations, including those that comply with best practice and which unless otherwise disclosed, were in place during the whole of the financial year ended 30 June 2009.

Recommendation 1.1 Recommendation followed

The Board is governed by the Corporations Act 2001, ASX Listing Rules and a formal constitution adopted by the company in 2004.

The role of the Board is to provide leadership and direction to management and to agree with management the aims, strategies and policies of the Company for the protection and enhancement of long-term shareholder value.

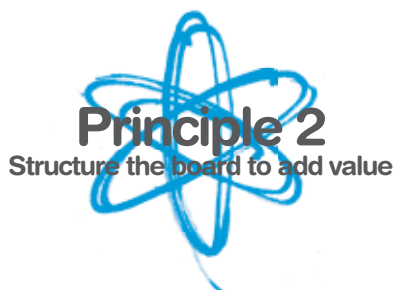
The Board takes responsibility for the overall Corporate Governance of the Company including its strategic direction, management goal setting and monitoring, internal control, risk management and financial reporting.

The Board has an established framework for the management of the entity including a system of internal control, a business risk management process and appropriate ethical standards. In fulfilling its responsibilities, the Board is supported by an Audit and Corporate Governance Committee established prior to listing on the ASX, to deal with internal control, ethical standards and financial reporting and a Remuneration and Nomination Committee to monitor the composition of the Board and review the compensation of the Company's Executive Directors and senior management with the overall objective of motivating and appropriately rewarding performance.

The Board appoints a Managing Director responsible for the day to day management of the Company including management of financial, physical and human resources, development and implementation of risk management, internal control and regulatory compliance policies and procedures, recommending strategic direction and planning for the operations of the business and the provision of relevant information to the Board.

Recommendation 1.2 & 1.3 Recommendations followed

The Remuneration and Nomination Committee meets at least annually and the recommendations are made in line with the Company's present circumstances and goals to ensure maximum shareholder benefits from the attraction and retention of a high quality Board and senior management team. The Remuneration and Nomination Committee met once during the financial year to review the performance of and recommend appropriate remuneration for Executive Director's and senior management including any equity participation by such Executive Directors and senior management. The Board evaluates the performance of the Managing Director and Company Secretary on a regular basis and encourages continuing professional development.



Recommendation 2.1 Recommendation not followed

The composition of the Board consists of five directors of whom three, including the Chairman, are non-executives. Messrs Kennedy, Nelson and Davis are not Independent Directors as a result of their role as Directors of Monax Mining Limited, a substantial shareholder. The Board considers Messrs Kennedy, Nelson and Davis are not Independent only in matters being considered that deal with Monax Mining Limited. In addition, two alternate directors have been appointed during the year for Messrs Nelson and Davis.

The Board is of the opinion that the current structure of the Board is appropriate given the size and nature of the Company. Whilst this is at variance to the ASX Recommendations that the majority composition of the Board comprise Independent Directors, the Board considers that all Directors bring an independent judgement to bear on Board decisions and that the Board's expertise and experience adds considerable value to the Company. Matters that concern business dealings with Monax Mining Limited are discussed and considered by Independent Alternate Directors.

Recommendation 2.2 Recommendation not followed

The Chairman, Mr Kennedy is not an Independent Director, due to his role as an officer of Monax Mining Limited, a substantial shareholder.

The Board considers that all Directors bring an independent judgement to bear on Board decisions and that the Chairman's expertise and experience adds considerable value to the Company.

Recommendation 2.3 Recommendation followed

Mr Kennedy's role as Chairman of the Board is separate from that of the Managing Director who is responsible for the day to day management of the Company and is in compliance with the ASX Recommendation that these roles not be exercised by the same individual.

Recommendation 2.4 Recommendation followed

During the year, the Company has established a Remuneration and Nomination Committee which currently consists of two non-executive Board directors, Messrs Nelson and Kennedy. Mr Nelson acts as Chairman of this committee (refer also to Principle 8).

Recommendation 2.5 Recommendation not followed

The Board recognises that as a result of the Company's size and the stage of the entity's life as a publicly listed junior exploration company, the assessment of the Board's overall performance and its own succession plan is conducted on an informal basis. Whilst this is at variance with the ASX Recommendations, for the financial year ended June 2009, the Directors consider that at the date of this report an appropriate and adequate process for the evaluation of Directors is in place.


Recommendation 2.6 Recommendation followed

The names of the directors of the Company and terms in office at the date of this Statement together with their skills, experience, expertise and financial interests in the Company are set out in the Directors' Report section of this report.

The Company's constitution specifies the number of directors must be at least three and at most ten. The Board may at any time appoint a director to fill a casual vacancy. Directors appointed by the Board are subject to election by shareholders at the following annual general meeting and thereafter directors (other than the Managing Director) are subject to re-election at least every three years. The tenure for executive directors is linked to their holding of executive office.

Formal deeds were entered into by the Company with directors whereby all directors, with the consent of the Chairman, are entitled to take such legal advice as they require at any time and from time to time on any matter concerning or in relation to their rights, duties and obligations as directors in relation to the affairs of the Company.

An assessment of the Board's overall performance and its own succession plan is conducted on an informal basis and has not been done since listing of the entity in November 2007.



Principle 3

Promote ethical and responsible decision making

Recommendation 3.1 Recommendation followed

The Company requires all its directors and employees to abide by the standards of behaviour and business ethics in accordance with the law. In discharging their duties, Directors of the Company are required to:

- act in good faith and in the best interests of the Company;
- exercise the care and diligence that a reasonable person in that role would exercise;
- exercise their powers in good faith for a proper purpose and in the best interests of the Company;
- not improperly use their position or information obtained through their position to gain a personal advantage or for the advantage of another person to the detriment of the Company;
- disclose material personal interests and avoid actual or potential conflicts of interests;
- keep themselves informed of relevant Company matters;
- keep confidential the business of all directors meetings; and
- observe and support the Board's Corporate Governance practices and procedures

All directors have signed deeds with the Company which require them to comply with all the obligations of a director under the Corporations Act 2001. Directors also are required to provide the Company with details of all securities registered in the director's name or an entity in which the director has a relevant interest within the meaning of section 9 of the Corporations Act 2001 and details of all contracts, other than contracts to which the Company is a party to which the director is a party or under which the director is entitled to a benefit, and that confer a right to call for or deliver shares in the Company and the nature of the director's interest under the contract.

Directors are required to disclose to the Board any material contract in which they may have an interest. In accordance with Section 195 of the Corporations Act 2001, a director having a material personal interest in any matter to be dealt with by the Board, will not be present when that matter is considered by the Board and will not vote on that matter, subject to the discretion of the Board.

Recommendation 3.2 Recommendation followed

Directors, officers and employees are not permitted to trade in securities of the Company and have an obligation not to inform at any time whilst in possession of price sensitive information not readily available to the market. Section 1043A of the Corporations Act 2001 also prohibits the acquisition and disposal of securities where a person possesses information that is not generally available and which may reasonably be expected to have a material effect on the price of the securities if the information was generally available. A securities trading policy has been established and all employees and Directors are obliged to comply.

Recommendation 3.3 Recommendation followed

A summary of the Company's Code of Conduct and Share Trading Policy can be found at www.marmotaenergy.com.au.



Recommendation 4.1 Recommendation followed

Marmota was not a Company required by ASX Listing Rule 12.7 to have an Audit Committee during the year although it is an ASX Recommendation. Notwithstanding the Listing Rule requirement, an Audit and Corporate Governance Committee was set up prior to the Company's ASX listing in 2007 to oversee corporate governance internal controls, ethical standards, financial reporting, and external accounting and compliance procedures. The main responsibilities of the Audit and Corporate Governance Committee include:

- reviewing, assessing and making recommendations to the Board on the annual and half year financial reports;
- overseeing establishment, maintenance and reviewing the effectiveness of the Company's internal control and ensuring efficacy and efficiency of operations, reliability of financial reporting and compliance with applicable Accounting Standards and ASX Listing Rules;
- liaising with and reviewing reports of the external auditor; and
- reviewing the performance and independence of the external auditor and where necessary making recommendations for appointment and removal of the Company's auditor.

Recommendation 4.2 Recommendation not followed

The Audit and Corporate Governance Committee currently consists of the two non-executive Board directors, Messrs Davis and Kennedy, and is chaired by Mr Davis. Mr Kennedy is a qualified Chartered Accountant.

The Board believes that given the size of the Company and the stage of the entity's life as a publicly listed junior exploration company and the current board structure the establishment of an audit committee in line with ASX Recommendation 4.2 cannot be justified by the perceived benefits of doing so. The existing composition of the Audit and Corporate Governance Committee is such that review and authorisation of the integrity of the Company's financial reporting and the independence of the external auditor is via the exercise of independent and informed judgement.

Recommendation 4.3 Recommendation not followed

The Board believes that given the size of the Company and the stage of the entity's life as a publicly listed junior exploration company that the cost of establishing a formal audit committee charter as recommended by ASX Recommendation 4.3 cannot be justified by the perceived benefits of doing so.

Recommendation 4.4 Recommendation followed

Mr Kennedy is a qualified Chartered Accountant. Details of these Directors' qualifications and attendance at meetings are set out in the Directors' Report section of this report.

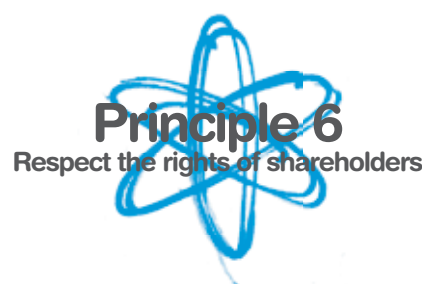
The Committee meets at least two times per annum and reports to the Board. The Managing Director, Company Secretary and external auditor may, by invitation, attend meetings at the discretion of the Committee.



Recommendation 5.1 and 5.2 **Recommendations not followed**

The Company operates under the continuous disclosure requirements of the ASX Listing Rules and ensures that all information which may be expected to affect the value of the Company's securities or influence investment decisions is released to the market in order that all investors have equal and timely access to material information concerning the Company. The information is made publicly available on the Company's website following release to the ASX.

Due to the size of the Company and the stage of life of the entity as a publicly listed junior exploration company, the Board does not believe a formal policy for continuous disclosure is required. However, a summary describing how the Company will ensure its compliance with continuous disclosure requirements is posted on the Company's internet web-site www.marmotaenergy.com.au.



Recommendation 6.1 and 6.2 Recommendations not followed

The Board aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. In accordance with the ASX Recommendations, information is communicated to shareholders as follows:

- the annual financial report which includes relevant information about the operations of the Company during the year, changes in the state of affairs of the entity and details of future developments, in addition to the other disclosures required by the Corporations Act 2001;
- the half yearly financial report lodged with the Australian Stock Exchange and Australian Securities and Investments Commission and sent to all shareholders who request it;
- notifications relating to any proposed major changes in the Company which may impact on share ownership rights that are submitted to a vote of shareholders;
- notices of all meetings of shareholders;
- publicly released documents including full text of notices of meetings and explanatory material made available on the Company's internet web-site at www.marmotaenergy.com.au; and
- disclosure of the Company's Corporate Governance practices and communications strategy on the entity's internet web-site.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions. The external auditor of the Company is also invited to the Annual General Meeting of shareholders and is available to answer any questions concerning the conduct, preparation and content of the auditor's report. Pursuant to section 249K of the Corporations Act 2001 the external auditor is provided with a copy of the notice of meeting and related communications received by shareholders.

Due to the size of the Company and the stage of life of the entity as a publicly listed junior exploration company, the Board does not believe a formal policy for shareholder communication is required. However, a summary describing how the Company will communicate with its shareholders is posted on the Company's internet web-site www.marmotaenergy.com.au.



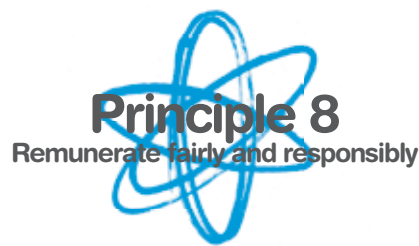
Recommendation 7.1, 7.2 & 7.4 Recommendations not followed

The Board recognises that there are inherent risks associated with the Company's operations including mineral exploration and mining, environmental, heritage and native title, legal and other operational risks. The Board endeavours to mitigate such risks by continually reviewing the activities of the Company in order to identify key business and operational risks and ensuring that they are appropriately assessed and managed. No formal report in relation to the Company's management of its material business risks is presented to the Board.

Due to the size of the Company and the stage of life of the entity as a publicly listed junior exploration company, and the inherent risks associated with the industry it operates in, the Board does not believe formal policies for oversight and management of risk are required nor a mechanism for formal review should be established. A summary describing how the Company manages risk by procedures established at Board and executive level can be found posted on the Company's internet web-site www.marmotaenergy.com.au.

Recommendation 7.3 Recommendation followed

In accordance with ASX Recommendation 7.3 the Chief Executive Officer and Chief Financial Officer are required to provide assurances that the written declarations under s295A of the Corporations Act are founded on a sound framework of risk management and internal control and that the framework is operating effectively in all material respects in relation to financial reporting risks. Both the Chief Executive Officer and Chief Financial Officer provide said assurances at the time the s295A declarations are provided to the Board.



Recommendation 8.1 Recommendation followed

The Company established a Remuneration and Nomination Committee to monitor the composition of the Board and review the compensation of the Company's Executive Directors and senior management with the overall objective of motivating and appropriately rewarding performance. The Committee makes recommendations to the Board who is ultimately responsible for the Company's remuneration policy.

The Remuneration and Nomination Committee currently consists of two Non-executive Directors, Messrs Nelson and Kennedy. Mr Nelson acts as Chairman of this committee. Details of the number of and attendance at the Committee meetings can be found in the Directors' Report.

The Board believes that given the size of the Company and the stage of the entity's life as a publicly listed junior exploration company that the cost of establishing a formal remuneration and nomination committee charter cannot be justified by the perceived benefits of doing so.

Recommendation 8.2 & 8.3 Recommendations followed

In accordance with ASX Recommendation 8.2 the Company's remuneration practices are set out as follows.

The Company's Constitution specifies that the total amount of remuneration of non-executive directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of non-executive directors has been set at \$400,000 per annum. Directors may apportion any amount up to this maximum amount amongst the non-executive directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as directors.

Non-executive director remuneration is by way of fees and statutory superannuation contributions. Non-executive directors do not participate in schemes designed for remuneration of executives nor do they receive options or bonus payments and are not provided with retirement benefits other than salary sacrifice and statutory superannuation.

The remuneration of the Managing Director is determined by the Remuneration & Nomination Committee as part of the terms and conditions of his employment which are subject to review from time to time. The remuneration of employees is determined by the Managing Director subject to the approval of the Board.

The Company's remuneration structure is based on a number of factors including the particular experience and performance of the individual in meeting key objectives of the Company. The Remuneration and Nomination Committee is responsible for assessing relevant employment market conditions and achieving the overall, long term objective of maximising shareholder benefits, through the retention of high quality personnel.

The Company does not presently emphasise payment for results through the provision of cash bonus schemes or other incentive payments based on key performance indicators of Marmota given the nature of the Company's business as a publicly listed mineral exploration entity and the current status of its activities. However the Board may approve the payment of cash bonuses from time to time in order to reward individual executive performance in achieving key objectives as considered appropriate by the Board.

The Company also has an Employee Share Option Plan approved by shareholders that enables the Board to offer eligible employees options to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, options to acquire ordinary fully paid shares may be offered to the Company's eligible employees at no cost unless otherwise determined by the Board in accordance with the terms and conditions of the Plan. The objective of the Plan is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as an incentive to achieve greater success and profitability for the Company and to maximise the long term performance of the Company. The non-executive directors are not eligible to participate in the Plan. Details of options issued to employees during the 2009 financial year together with details of the terms of the Plan are disclosed in the Remuneration Report section of the Directors' Report.

Details of options issued to employees during or since the end of the financial year including to the Managing Director are set out in the Remuneration Report section of the Directors' Report.

The employment conditions of the Managing Director and Executive Director are formalised in contracts of employment and may be terminated at any time by mutual agreement or without notice in instances of serious misconduct.

The details of Directors' and Executives'/officers' remuneration, superannuation and retirement payments are set out in the Remuneration Report section of the Directors' Report.



Glossary of Terms

Aeolian Sediments and erosional features resulting from wind action eg. a dune.

Air mag survey Airborne survey measuring the strength of the Earth's magnetic field along equally spaced lines.

Anomaly A departure from the norm usually determined by systematic measurement across an area. In mineral exploration it is generally applied to geochemical or geophysical values above or below the norm.

Aquiclude Impermeable rock forming the upper and lower boundaries of an aquifer.

Aquifer A permeable rock that will conduct economically significant volumes of water.

Archaean An interval of geological time before about 2.5 billion years ago.

ASTER Landsurface data available through the joint US and Japanese satellite, Advanced Spaceborne Thermal Emission and Reflection Radiometer.

AVHRR Landsurface data available through NOAA's Advanced Very High Resolution Radiometer.

Basalt A volcanic rock formed from lava and rich in calcium, magnesium and iron minerals, but relatively low silica.

Base level The level to which erosion constantly progresses eg. the sea.

Basement Much older rocks underlying younger rocks. In the Gawler Craton area, the basement is usually the cratonic rocks.

Basin A depression often due to subsidence in which rock materials are laid down, eg. lava, sediments.

Bedrock Solid or lithified rock.

Breccia Coarse-grained rock composed of angular clasts. Brecciation is the shattering of rocks into such clasts.

Cainozoic (Cenozoic) Era of geological time including the Tertiary and Quaternary, extending from 65 million years ago to the present.

Calcrete A surficial calcareous layer formed in the soil or near surface sediments.

Cambrian The earliest period of the Palaeozoic Era, spanning from approximately 545 million to 490 million years ago.

Carbonaceous Usually applied to a sedimentary rock containing carbon (often as plant matter) as detrital material.

Carbonate Rocks composed of carbonates of calcium, iron or magnesium eg. limestone, dolomite.

Chemical metasediment A metamorphosed sediment that was originally formed by chemical precipitation.

Clean In this context, a sediment with very little matrix.

Cover Surficial sediments mantling older rocks and part of the regolith.

Craton A large, tectonically stable part of the Earth's crust eg. Gawler Craton, Yilgarn Craton.

Cuttings Waste rock particles produced when a well is drilled.

Diamictite A non-sorted sedimentary rock containing rock fragments of all shapes and sizes, such as a glacial tillite.

Diorite A group of plutonic rocks, intermediate in composition between acid and basic rocks, commonly composed of dark coloured amphibole, acid plagioclase, pyroxene and small amounts of quartz.

Dolomite A carbonate mineral composed mainly of calcium and magnesium, often containing iron. The term is commonly applied to the carbonate rock dominated by these minerals.

EL Exploration Licence granted by a Government Department (PIRSA) for mineral exploration.

ELA Exploration Licence Application made by a company to a Government Department (PIRSA) for mineral exploration.

Electromagnetic Survey (EM) An exploration technique, involving a survey carried out along equally spaced lines, that measures changes in the Earth's magnetic field at different times after the application of an electrical field. May identify anomalies where the rocks are conductive or palaeochannels containing conductive saline water.

Emanometry A method of geophysical prospecting for radioactive minerals based on measurement of radon gas.

Eocene Interval of geological time 57.8 to 36.5 million years ago and often referred to as the early Tertiary.

Facies A body of rock with specified characteristics, that form under certain conditions of sedimentation, reflecting a particular process or environment eg. glacial facies.

Fault A fracture in rocks in which rock on one side has moved relative to rock on the other.

Felsics Light coloured igneous rocks rich in silica.

Ferricrete Surficial layer cemented with iron oxide.

Fluvial Pertaining to a river eg. a fluvial deposit is one deposited by a river.

Fluvioglacial In this context, sediments laid down by meltwaters from glaciers.

Geophysical survey An exploration technique involving a systematic survey of the variation in the physical properties of the rocks or regolith (eg. electrical resistivity/conductivity, magnetism, gravity) to help in understanding the geology or defining drill targets in an area.

Glossary of Terms

Geoscience The Federal Government geological survey department.

Australia (GA) Glacigene Of glacial origin.

Gneiss A banded metamorphic rock in which crystalline rock is interspersed with flaky micaceous minerals.

Granite A plutonic felsic igneous rock composed of quartz, feldspar and mica.

Granodiorite Coarse-grained plutonic rock containing quartz, plagioclase, potassium feldspar, biotite and hornblende.

Gravity survey A geophysical survey technique in which the force of gravity is systematically measured over an area, often producing anomalies, which may present drill targets.

Greenstone Low grade metamorphic rocks of basic composition, of Archaean age in the Yilgarn and Gawler Cratons, commonly bearing nickel and gold.

Hematite A mineral composed mainly of ferric iron oxide and the main component of iron ore.

Hiltaba Granite A group of granites formed ~1550 to 1450 million years ago that occur in the Gawler Craton.

Igneous Rocks formed by crystallisation from molten materials.

Impermeable A rock that does not allow water or a fluid to move through it eg. a clay or shale.

In situ leaching In this case, circulating an acid-containing liquid through the sediment containing uranium, dissolving the uranium which is then extracted when the liquid is collected at the surface.

Interbedded Beds of differing sediment alternating with others.

Intrusive rocks An igneous rock that was intruded whilst molten into the Earth's crust eg. dyke, pluton, sill.

Iron formation A sedimentary rock containing significant iron as oxide, carbonate or silicate.

Jurassic Interval of geological time (part of the Mesozoic) 135-205 million years ago.

Komatiite Magnesium-rich mafic to ultramafic extrusive rock, sometimes containing nickel.

Laterite An iron-rich crust formed at the surface of the earth. Preferred term is now ferricrete.

Lignitic Usually applied to a carbonaceous sedimentary rock containing abundant organic matter, approaching low grade coal often as lenses and thin beds. Typical of sediments laid down on floodplains and deltas.

Lineament A major linear feature in the Earth's crust (eg. a major fault) and often associated with mineral deposits.

Marine Pertaining to the sea eg. a marginal marine deposit is laid down close to the shoreline of the sea.

Marine transgression Spread of the sea over land due to sea level rise.

Mesoproterozoic An interval of geological time in the Proterozoic extending from 1.6 to 1.0 billion years ago.

Mesozoic A period of geological time extending from 251 million to 65 million years ago and known as the age of the reptiles.

Metamorphism Changes to rocks generally brought about by heat and pressure within the Earth's crust resulting in rocks such as schist and gneiss.

Metasediment Metamorphosed sedimentary rock in which the original texture is well preserved.

Miocene Interval of geological time (part of the Tertiary) 23.7-5.3 million years ago.

Neoproterozoic Interval of geological time in the Proterozoic extending from 1.0 billion to 545 million years ago.

NOAA Landsurface data available through the US National Oceanic and Atmospheric Administration.

Onlapping In this context, the gradual pinching out towards basin margins of sediments.

Oxidising agent Substances that have the ability to oxidise other substances eg. water which contains oxygen. The oxidant removes electrons from another substance and is reduced itself.

Orebody A mineral mass of sufficient size as to be economic to extract.

Paleocene Interval of geological time (part of the early Tertiary) 53.0-66.5 million years ago.

Palaeochannel An ancient river channel now filled with sediment and preserved in the geological record; commonly of Tertiary age on the Gawler Craton.

Palaeoenvironment An environment in the geological past.

Palaeoproterozoic The older part of the Proterozoic extending from 2.5 billion to 1.6 billion years ago.

Pegmatitic Exceptionally coarsely crystalline igneous rock with a composition similar to granite.

Permeable A rock that allows water or liquid to move through it (as in an aquifer).

Permian The last period of the Palaeozoic Era, 250-290 million years ago.

PIRSA The Department of Primary Industries and Resources South Australia, the geological survey and regulatory authority in SA.

Pliocene Interval of geological time (part of the late Tertiary) 5.3-1.6 million years ago.

Plutonic An igneous rock that has solidified slowly at depth in the Earth's crust, usually producing medium to coarse grained rocks eg. granite.

Precambrian All of geological time preceding the Cambrian (>545 million years ago).

Proterozoic The latest part of the Precambrian spanning approximately 2.5 billion to 550 million years ago.

Pyrite The mineral iron sulphide, often associated with copper and gold. If a rock contains significant pyrite it is referred to as pyritic.

Quaternary The second period of the Cainozoic that encompasses the last 1.8 million years and includes the Pleistocene and Holocene.

Radiometric survey An (airborne) exploration survey technique in which measurements are made of the ambient radiation from the Earth's surface.

Regolith Layer of weathered rock and surficial sediment overlying fresh rock.

Roll front uranium **Uranium** accumulated at the interface between uranium-bearing oxygen-rich groundwater and a reduced aquifer host.

SARIG South Australian Resources Information Geoserver. PIRSA's online access to data.

Schist A metamorphic rock characterised by partings along planes of medium-grained platy micaceous minerals.

Scintillometer An instrument for measuring ionizing radiation and detecting uranium.

Seal An impermeable rock that prevents passage of water or liquid from a permeable rock or aquifer.

Sequence A succession of rocks.

Shear zone A linear zone such as a fault in which rocks have been deformed.

Siltstone A fine-grained sedimentary rock composed of silt.

SRTM Digital terrain information through NASA's Shuttle Radar Topography Mission.

Strata Layers of sedimentary rock.

Stratigraphy The science of the description, classification, dating, correlation and interpretation of depositional environments of sedimentary rocks.

Subaerial Usually applied to processes operating at or near the land surface.

Subcrop Rocks underlying the surface cover.

Syntectonic Forming at the same time as any tectonic activity such as faulting and folding.

Tectonism Movements of the earth's crust eg. Faulting and folding.

TEM An exploration technique that measures the changes in the local natural electro-magnetic field at depth in response to changes in the Earth's magnetic field, producing a map of conductance with depth. This aids in determining the local conductive zones in the rocks such as that due to mineralisation.

Tertiary A geological period extending from 65 million years ago to about 1.8 million years ago.

U Symbol for the element uranium.

U3O8 The chemical symbol for uranium oxide.

Unconformity A substantial break in the geological record represented by a marked change in the rocks, eg. sedimentary rocks overlying granite.

Unconformity style An accumulation of uranium along the boundary between an uranium impermeable rock and a permeable rock (at an unconformity) containing uranium.

Vein A thin intrusion (commonly known as quartz) into a fissure in a rock.

Volcanism/volcanic Volcanic activity/rock or feature formed by volcanic activity.

Weathering The destruction of rocks by chemical and physical processes.



2009 Financial Report



Directors' Report

The Directors present their report together with the financial report of Marmota Energy Limited ("the Company") and controlled entities for the year ended 30 June 2009 and the auditor's report thereon.

The Directors of the Company at any time during or since the end of the financial year are as set out below. Details of Directors' qualifications, experience and special responsibilities are as follows.



Mr Robert Michael Kennedy ASAIT, Grad. Dip (Systems Analysis), FCA, ACIS, Life member AIM, FAICD.

Non-executive Chairman. A chartered accountant and consultant to Kennedy & Co, Chartered Accountants, a firm he founded. He joined Marmota Energy Limited in April 2006 as Non-executive Chairman. Chairman of Beach Petroleum Limited (since 1995 and a Director since 1991), Flinders Mines Limited (since 2001), Ramelius Resources Limited (since 1995), Maximus Resources Limited (since 2004), Eromanga Uranium Limited (since 2007) and Monax Mining Limited (since 2004). His special responsibilities include membership of the Audit and Corporate Governance Committee and the Remuneration and Nomination Committee. Mr Kennedy brings to the Board his expertise in finance and management consultancy and extensive experience as chairman and non-executive director of a range of listed public companies including the resources sector. Mr Kennedy leads the development of strategies for the development and future growth of the Company.

Mr Reginald George Nelson BSc, Hon Life Member Society of Exploration Geophysicists, FAusIMM, FAICD.

Non-executive Director. Board member since 28 April 2006. Mr Nelson is an exploration geophysicist with experience spanning four decades in most aspects of the petroleum and minerals industries. He was awarded honorary Life Membership of the Society of Exploration Geophysicists in 1989 and the Prime Minister's Centenary Medal in 2002 for services to mining. He has wide experience in technical, corporate and government affairs. He was Chairman of the Australian Petroleum Production and Exploration Association from 2004 to 2006 and is a Director of the APPEA Executive Committee and remains a member of its Council. He was recently awarded the Reg Sprigg Medal for outstanding contribution to the oil and gas industry at the 2009 APPEA Conference in Darwin.

Special responsibilities include membership of the Remuneration and Nomination Committee.

Other listed company directorships are: Managing Director of Beach Petroleum Limited (since 1992) and Director of Anzon Australia Limited (between 2004 and December 2005), Ramelius Resources Limited (since 1995) and Monax Mining Limited (since 2004).

Mr Glenn Stuart Davis LLB, BEc

Non-executive Director. Board member since 28 April 2006. Mr Davis is a solicitor and a partner of DMAW Lawyers, a firm he founded. Mr Davis brings to the Board his expertise in the execution of large legal and commercial transactions and his expertise and his experience in corporate activity regulated by the Corporations Act and ASX Ltd. He also has specialist skills and knowledge about the resources industry.

Special responsibilities include membership of the Audit and Corporate Governance Committee.

Other listed company directorships are: Deputy Chairman of Beach Petroleum Limited (since June 2009 and a Director since July 2007) and Monax Mining Limited (since 2004).



**Left to right:
Kennedy,
Nelson,
Davis,
Alley &
Calandro**

Dr Neville Foster Alley Phd, PSM

Executive Technical Director. Board member since 28 April 2006. Dr Alley is an internationally known earth science researcher and was awarded the Verco Medal for his contribution and leadership in the earth sciences and the Public Service Medal (PSM) in 2005 for outstanding contribution to geology and the minerals industry. He has extensive experience at senior levels in Government in Canada and as Director, Minerals, MESA and PIRSA and has a high level understanding of Government policy, regulation and legislation. He made a significant contribution in setting the SA Government's strategies for reinvigorating the minerals industry and led the development of Government initiatives such as TEISA and PACE. Dr Alley has worked closely with Aboriginal people and the community in developing a higher profile for the resources industry.

Other listed company directorships are: InterMet Resources Limited (since 2004 until August 2008), Beach Petroleum Limited (since July 2007) and Monax Mining Limited (since 2005) and is a Visiting Research Fellow, School of Earth and Environmental Sciences, The University of Adelaide.

Alternate Director Mr Andrew Joseph Andrejewskis

Alternate Director for Reginald George Nelson (Appointed 5 March 2009).

Mr Andrejewskis is an experienced senior executive in both the the government and the resource sector holding the position of Director-General/CEO, Mines and Energy, SA (1995-1997) and former Managing Director of SAPEX Limited (2005-2009).

Other listed company directorships are: An alternate Director for Flinders Mines Limited (since March 2009).

Mr Domenic Joseph Calandro BSc, ASEG

Managing Director. Board member since 9 July 2007. Experience of 14 years in the management, processing, and provision of geophysical data and information with a strong record of project outcome delivery. He has significant geoscience expertise, with experience advising mineral explorers on appropriate geophysical methods and tools to use in exploration for a variety of commodities. He has most recently held the position of Chief Mineral Geophysicist for the South Australian Government where he was responsible for the design and management of a variety of large-scale Government geophysical acquisition programs, which were successfully completed as part of the SAEI and TEISA initiatives. As Manager of the geoscience data and information systems for the South Australian Government, he contributed to the reduction of exploration risk for mineral explorers in the state. Mr Calandro was also the Manager of the highly successful PACE initiative, which featured a collaborative drilling program, large-scale geophysical acquisition projects and innovative data management and delivery improvement programs.

Alternate Director Ms Roseanne Celeste Healy

Alternate Director for Glenn Stuart Davis (Appointed 5 March 2009).

Ms Healy is an experienced company director and Chair of Government, industry, not for profit and private sector boards in the areas of resources and energy, research and development, agribusiness and wine, racing and general practice.

Ms Healy regularly advises Boards and Executive Management on strategy, business management, corporate governance and corporate social responsibility.

Other listed company directorships are: A director of Cheviot Kirribilly Vineyard Property Group (since April 2008), Tidewater Funds Management Ltd (since April 2008), and an Alternate Director of Maximus Resources Limited (since March 2009).

Directors' Report

Directors' Meetings

The Company held 19 meetings of Directors (including committees of Directors) during the financial year. The number of Directors' meetings and number of meetings attended by each of the Directors of the Company (including committees of Directors) during the financial year were as follows:

	Directors' Meetings		Audit and Corporate Governance Committee Meetings		Remuneration and Nomination Committee Meetings		Independent Board Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Robert Michael Kennedy	14	14	3	3	1	1	-	-
Reginald George Nelson	14	14	-	-	1	1	-	-
Glenn Stuart Davis	14	14	3	3	-	-	-	-
Neville Foster Alley	14	13	-	-	-	-	-	-
Domenic Joseph Calandro	14	14	-	-	-	-	1	1
Andrew Joseph Andrejewskis	1	1	-	-	-	-	1	1
Roseanne Celeste Healy	1	1	-	-	-	-	1	1

Messrs Davis and Kennedy are members of the Audit and Corporate Governance Committee and Messrs Nelson and Kennedy are members of the Remuneration and Nomination Committee.

Mr Andrejewskis and Ms Healy were present in meetings in the capacity of Alternate Directors.

Company Secretary

The following persons held the position of Company Secretary at the end of the financial year.

Virginia Katherine Suttell B.Comm, ACA

Appointed Company Secretary and Chief Financial Officer on 21 November 2007. A Chartered Accountant with 16 years experience working in public practice and in commerce with a publicly listed entity in the media industry.

Principal activities

The company's principal activity is minerals exploration.

Review and results of operations

During the period, Marmota Energy Limited has continued to build a strong foundation as an integrated precious metal and uranium exploration specialist. The 2008-09 financial year saw Marmota Energy Limited move forward, maintaining its momentum and delivering focused exploration programs across the Company's portfolio of exploration assets.

Drilling was completed on the Company's Mulyungarie project, 18 kilometres southeast of the Honeymoon uranium mine, defining a new zone of uranium mineralisation not previously known.

Reconnaissance drill testing of the first of a number of copper gold basement targets on Ambrosia was completed, confirming the presence of mineralisation. The results returned from this program confirm the potential for both precious and base metal mineralisation on the Ambrosia project.

A new joint venture has been negotiated between Monax Mining Limited and Marmota Energy Limited on its Melton IOCGU project in the northern Yorke Peninsula. The Company 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. Under the terms of the agreement Marmota Energy Limited 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. As part of its earn in requirement, Marmota Energy Limited plans to immediately undertake a program of detailed geophysical data acquisition across the tenements to better define anomalies and identify targets intended for drill testing soon after.

The Company has increased its tenement holding in the prospective Lake Frome region in South Australia. The new licences are 100% owned by Marmota Energy Limited and are in close proximity to the Beverley uranium mine and Beverley Four Mile deposit. In addition, three new tenements with listed gold and uranium occurrences have been confirmed to Marmota Energy Limited on the highly strategic Eyre Peninsula.

Results

During the year, the Company continued exploration activities at its tenements, total cash expenditure on exploration and evaluation activities totalled \$3,319,750.

The net loss after income tax was \$216,344 (2008: \$557,425).

Dividends

No dividends have been paid or provided by the Company since the end of the previous financial year.

State of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events subsequent to balance date

There has not arisen any matters or circumstances, since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations, or the state of the Company in future years.

Likely developments

Further information about likely developments in the operations of the Company and the expected results of those operations in future years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

Environmental regulation and performance statement

The Company's operations are subject to significant environmental regulations under both Commonwealth and South Australian legislation in relation to discharge of hazardous waste and materials arising from any mining activities and development conducted by the Company on any of its tenements. To date the Company has only carried out exploration activities and there have been no known breaches of any environmental obligations.

Indemnification and insurance of officers

Indemnification

The Company is required to indemnify the Directors and other officers of the Company against any liabilities incurred by the Directors and officers that may arise from their position as Directors and officers of the Company. No costs were incurred during the year pursuant to this indemnity.

The Company has entered into deeds of indemnity with each Director whereby, to the extent permitted by the Corporations Act 2001, the Company agreed to indemnify each Director against all loss and liability incurred as an officer of the Company, including all liability in defending any relevant proceedings.

Insurance premiums

Since the end of the previous year the Company has paid insurance premiums in respect of Directors' and Officers' liability and legal expenses' insurance contracts.

The terms of the policies prohibit disclosure of details of the amount of the insurance cover, the nature thereof and the premium paid.

Proceedings on behalf of the Company

No person has applied to the Court for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. The Company was not a party to any such proceedings during the year.

Non-audit services

There were no non-audit services provided by the external auditors during the year ended 30 June 2009.

Auditor of the Company

The auditor of the Company for the financial year was Grant Thornton.

Auditor's independence declaration

The auditor's independence declaration as required by section 307C of the Corporations Act 2001 for the year ended 30 June 2009 is set out immediately following the end of the Directors' report.

Options

At the date of this report unissued ordinary shares of the Company under option are:

Expiry date*	Exercise price	Number of Options	Vested	Unvested	Amount Paid Payable by recipient (\$)
11/07/2012	\$0.40	28,000,000	28,000,000	-	-
23/12/2013	\$0.04	625,000	625,000	-	-

* All options may be exercised at any time before expiry subject to escrow restrictions. Option holders will receive one ordinary share in the capital of the Company for each option exercised.

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

During or since the end of the financial year, no ordinary shares were issued by the Company as a result of the exercise of options. There were no amounts unpaid on shares issued.

Remuneration Report

+ Audited

The remuneration policy of Marmota Energy Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering other incentives based on performance in achieving key objectives as approved by the Board. The Board of Marmota Energy Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

The Company's policy for determining the nature and amounts of emoluments of board members and other key management personnel of the Company is as follows.

The Company's Constitution specifies that the total amount of remuneration of Non-executive Directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of Non-executive Directors has been set at \$400,000 per annum. Directors may apportion any amount up to this maximum amount amongst the Non-executive Directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as Directors. The remuneration of the Managing Director is determined by the Non-executive Directors on the Remuneration and Nomination Committee and approved by the Board as part of the terms and conditions of his employment which are subject to review from time to time. The remuneration of other executive officers and employees is determined by the Managing Director subject to the approval of the Board.

Non-executive Director remuneration is by way of fees and statutory superannuation contributions. Non-executive Directors do not participate in schemes designed for remuneration of executives nor do they receive options or bonus payments and are not provided with retirement benefits other than salary sacrifice and statutory superannuation.

The Company's remuneration structure is based on a number of factors including the particular experience and performance of the individual in meeting key objectives of the Company. The Remuneration and Nomination Committee is responsible for assessing relevant employment market conditions and achieving the overall, long term objective of maximising shareholder benefits, through the retention of high quality personnel.

The Company does not presently emphasise payment for results through the provision of cash bonus schemes or other incentive payments based on key performance indicators of Marmota Energy Limited given the nature of the Company's business as a mineral exploration entity and the current status of its activities. However the Board may approve the payment of cash bonuses from time to time in order to reward individual executive performance in achieving key objectives as considered appropriate by the Board.

The Company also has an Employee Share Option Plan approved by shareholders that will enable the Board to offer eligible employees options to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, options for ordinary fully paid shares may be offered to the Company's eligible employees at no cost unless otherwise determined by the Board in accordance with the terms and conditions of the Plan. The objective of the Plan is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as an incentive to achieve greater success and profitability for the Company and to maximise the long term performance of the Company.

The employment conditions of the Managing Director, Mr Calandro and Executive Director Dr Alley are formalised in contracts of employment. The base salaries as set out in the employment contracts are reviewed annually. The Managing Director's contract may be terminated at any time by mutual agreement. The Executive Director's contract was renewed during the period for a term of one year, expiring December 2009, which may be extended by the Board. The Company may terminate these contracts without notice in serious instances of misconduct.

Shares issued on exercise of remuneration options

No shares were issued to Directors as a result of the exercise of remuneration options during the financial year.

Directors' interests in shares and options

Directors' relevant interests in shares and options of the Company are disclosed in Note 5 of the Financial Report.

Options granted as remuneration

Apart from the options granted to Directors in their capacity as employees of the Company under the Employee Share Option Plan as detailed in Note 20, no other options were granted to Directors or key management personnel of the Company during the financial year.

Remuneration of Directors and key management personnel

(a) Directors and key management personnel

The names and positions held by Directors and key management personnel of the Company during the financial year are:

Directors	Position
Mr RM Kennedy	Chairman – Non-executive
Mr RG Nelson	Director – Non-executive
Mr GS Davis	Director – Non-executive
Dr NF Alley	Director – Executive
Mr DJ Calandro	Managing Director – Executive
Mr AJ Andrejewskis	Alternate Director
Ms RC Healy	Alternate Director
Key management personnel	
Ms VK Suttell	Chief Financial Officer / Company Secretary

Directors' Report – Remuneration Report - Audited

(b) Directors' remuneration

2009 primary benefits

	Directors' fees \$	Salary \$	Cash Bonus \$	Non-cash items \$	Super contributions \$	Options \$	Total \$
Mr RM Kennedy	67,431	-	-	-	6,069	-	73,500
Mr RG Nelson	38,532	-	-	-	3,468	-	42,000
Mr GS Davis*	42,000	-	-	-	-	-	42,000
Dr NF Alley	-	104,359	-	-	9,392	-	113,751
Mr DJ Calandro	-	196,163	1,000	30,092	13,745	9,500	250,500
Mr AJ Andrejewskis**	5,000	-	-	-	-	-	5,000
Ms RC Healy**	5,000	-	-	-	-	-	5,000
	157,963	300,522	1,000	30,092	32,674	9,500	531,751

* Director's Fees for Mr Davis are paid to a related entity of the Director.

** Mr Andrejewskis and Ms Healy received remuneration for their services as alternate directors in the 2009 financial year.

2008 primary benefits

	Directors' fees \$	Salary \$	Non-cash items \$	Super contributions \$	Options \$	Total \$
Mr RM Kennedy	37,462	-	-	3,372	-	40,834
Mr RG Nelson	18,731	-	-	1,686	-	20,417
Mr GS Davis*	20,417	-	-	-	-	20,417
Dr NF Alley	-	80,769	-	7,269	-	88,038
Mr DJ Calandro	-	180,000	17,200	16,200	-	213,400
Mr BA Williams+	-	-	-	-	-	-
Mr NJ Smart+	-	-	-	-	-	-
	76,610	260,769	17,200	28,527	-	383,106

+ Messrs Williams and Smart were alternate directors in the 2008 financial year and received no remuneration for their services.

The Directors conclude that there are no other executives requiring disclosure other than those listed.

(c) Service agreements

The Managing Director was appointed in 2007. The salary was reviewed in July 2008 and set at \$240,000 per annum inclusive of superannuation guarantee contributions. There were neither post employment retirement or termination benefits previously approved by members of the Company in a general meeting nor any paid to Directors of the Company.

The Executive Director was appointed in 2007. He was contracted for a term of one year expiring in December 2008. His contract was renewed for a further term of one year, expiring in December 2009. The base salary was set at \$87,200 per annum inclusive of superannuation contributions and forms the basis for a formula used to calculate remuneration when employed for additional hours. There were neither post employment retirement or termination benefits previously approved by members of the Company in a general meeting nor any paid to Directors of the Company.

(d) Director related entities

During the year to 30 June 2009 the Company paid legal fees totalling \$64,218 to a Director related entity of Mr Davis.

(e) Key management personnel remuneration

2009 primary benefits	Salary and superannuation \$	Bonus \$	Non-cash benefits \$	Total \$
Ms VK Suttell*	-	-	6,650	6,650
	-	-	6,650	6,650

2008 primary benefits	Salary and superannuation \$	Bonus \$	Non-cash benefits \$	Total \$
Ms VK Suttell*	-	-	-	-
Mr DA Francese	-	-	-	-
Mr DS Cosentino	-	-	-	-
	-	-	-	-

* Ms Suttell was appointed as a Company Secretary and Chief Financial Officer on 21 November 2007. Ms Suttell is employed by Groundhog Services Pty Ltd to act as Company Secretary and Chief Financial Officer for Marmota Energy Limited and Monax Mining Limited. Marmota Energy Limited is charged a service fee by that entity which includes a fee for the provision of her services covering remuneration, on-costs and associated expenses relating to the secretarial and financial services provided to Marmota Energy Limited.

Key management personnel post-employment/retirement and termination benefits

There were no post employment retirement and termination benefits paid or payable to key management personnel.

Dated at Adelaide this 24th day of September 2009.

The Report of Directors, incorporating the Remuneration Report is signed in accordance with a resolution of the Board of Directors:



Robert Michael Kennedy
Director



Grant Thornton

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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF MARMOTA ENERGY LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Marmota Energy Limited for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b No contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON
South Australian Partnership
Chartered Accountants



S.J. Gray
Partner

Signed at Wayville on this 24th day of September 2009

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Income Statement

for year ended 30 June 2009

	Note	Consolidated Parent Entity			
		2009 \$	2008 \$	2009 \$	2008 \$
Other revenues from ordinary activities	2	551,024	614,551	551,024	614,551
Total revenue					
Administration expenses	3	207,655	216,499	207,655	216,499
Consultants	3	116,663	214,183	116,663	214,183
Depreciation	3	23,358	9,107	23,358	9,107
Employment expenses	3	279,478	207,884	279,478	207,884
Occupancy expenses		3,386	25,712	3,386	25,712
Service fees	3	136,828	69,886	136,828	69,886
Other expenses from ordinary activities		-	51,350	-	51,350
Profit/(loss) from ordinary activities before related income tax expense		(216,344)	(180,070)	(216,344)	(180,070)
Income tax (expense)/benefit relating to ordinary activities	4	-	(377,355)	-	(377,355)
Profit/(loss) from ordinary activities after related income tax expense		(216,344)	(557,425)	(216,344)	(557,425)
Basic earnings per share (cents)	7	(0.18)	(0.66)	(0.18)	(0.66)
Diluted earnings per share (cents)	7	(0.18)	(0.66)	(0.18)	(0.66)

The above Income Statement should be read in conjunction with the accompanying notes.



Balance Sheet

as at 30 June 2009

		Consolidated		Parent Entity	
	Note	2009 \$	2008 \$	2009 \$	2008 \$
Current assets					
Cash and cash equivalents	8	985,588	3,917,560	985,587	3,917,559
Trade and other receivables	9	407,312	658,432	504,117	755,237
Other current assets	10	18,921	15,593	18,921	15,593
Financial assets	11	7,460,890	8,000,000	7,460,890	8,000,000
Total current assets		8,872,711	12,591,585	8,969,515	12,688,389
Non-current assets					
Property, plant and equipment	12	279,024	271,157	279,024	271,157
Investments in subsidiaries	15	-	-	9,489,600	9,489,600
Investments in associates	13	1	1	1	1
Exploration and evaluation expenditure	16	14,881,192	12,146,007	5,294,788	2,559,603
Total non-current assets		15,160,217	12,417,165	15,063,413	12,320,361
Total assets		24,032,928	25,008,750	24,032,928	25,008,750
Current liabilities					
Trade and other payables	17	113,921	912,245	113,921	912,245
Short term provisions	18	30,235	23,759	30,235	23,759
Total current liabilities		144,156	936,004	144,156	936,004
Non-current liabilities					
Long term provisions	18	19,271	10,651	19,271	10,651
Total non-current liabilities		19,271	10,651	19,271	10,651
Total liabilities		163,427	946,655	163,427	946,655
Net assets		23,869,501	24,062,095	23,869,501	24,062,095
Equity					
Issued capital	19	22,187,511	22,187,511	22,187,511	22,187,511
Reserves		2,472,350	2,448,600	2,472,350	2,448,600
Retained profits/(losses)		(790,360)	(574,016)	(790,360)	(574,016)
Total equity		23,869,501	24,062,095	23,869,501	24,062,095

The above Balance Sheet should be read in conjunction with the accompanying notes.



Statement of Changes in Equity

for year ended 30 June 2009

	Issued capital \$	Share options reserve \$	Retained profits/ (losses) \$	Total \$
Consolidated				
Balance at 1 July 2007	18,005	-	(16,591)	1,414
Shares issued during the period	23,030,250	-	-	23,030,250
Options issued during the period	-	2,448,600	-	2,448,600
Options exercised during the period at \$0.25	19,751	-	-	19,751
Transaction costs associated with the issue of shares net of tax	(880,495)	-	-	(880,495)
Options expired during the period	-	-	-	-
Profit/(loss) attributable to shareholders	-	-	(557,425)	(557,425)
Balance as at 30 June 2008	22,187,511	2,448,600	(574,016)	24,062,095
Shares issued during the period	-	-	-	-
Options issued during the period	-	23,750	-	23,750
Transaction costs associated with the issue of shares net of tax	-	-	-	-
Options expired during the period	-	-	-	-
Profit/(loss) attributable to shareholders	-	-	(216,344)	(216,344)
Balance as at 30 June 2009	22,187,511	2,472,350	(790,360)	23,869,501
Parent				
Balance at 1 July 2007	18,005	-	(16,591)	1,414
Shares issued during the period	23,030,250	-	-	23,030,250
Options issued during the period	-	2,448,600	-	2,448,600
Options exercised during the period at \$0.25	19,751	-	-	19,751
Transaction costs associated with the issue of shares net of tax	(880,495)	-	-	(880,495)
Options expired during the period	-	-	-	-
Profit/(loss) attributable to shareholders	-	-	(557,425)	(557,425)
Balance as at 30 June 2008	22,187,511	2,448,600	(574,016)	24,062,095
Shares issued during the period	-	-	-	-
Options issued during the period	-	23,750	-	23,750
Transaction costs associated with the issue of shares net of tax	-	-	-	-
Options expired during the period	-	-	-	-
Profit/(loss) attributable to shareholders	-	-	(216,344)	(216,344)
Balance as at 30 June 2009	22,187,511	2,472,350	(790,360)	23,869,501

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.



Cash Flow Statement

for the year ended 30 June 2009

		Consolidated		Parent Entity	
	Note	2009 \$	2008 \$	2009 \$	2008 \$
Cash flows from operating activities					
Cash receipts in the course of operations		-	-	-	
Cash payments in the course of operations		(654,765)	(679,155)	(654,766)	(679,156)
Interest received		773,986	210,130	773,986	210,130
Net cash provided by/(used in) operating activities	23(b)	119,221	(469,025)	119,220	(469,026)
Cash flows from investing activities					
Payments for plant and equipment		(138,492)	(231,415)	(138,492)	(231,415)
Payments for exploration and evaluation assets		(3,319,750)	(1,902,158)	(3,319,750)	(1,902,158)
Loans to related entities		(67,603)	(97,018)	(67,603)	(193,822)
Loans repaid to related entities		(64,458)	(96,804)	(64,458)	-
Net cash provided by/(used in) investing activities		(3,590,303)	(2,327,395)	(3,590,303)	(2,327,395)
Cash flows from financing activities					
Proceeds from issue of shares through IPO applicants		-	15,000,000	-	15,000,000
Proceeds from issue of shares through seed capitalists		-	830,250	-	830,250
Proceeds from issue of shares		-	19,751	-	19,751
Payment of transaction costs associated with capital raising		-	(1,139,928)	-	(1,139,928)
Net cash provided by/(used in) financing activities		-	14,710,073	-	14,710,073
Net increase/(decrease) in cash held		(3,471,082)	11,913,653	(3,471,083)	11,913,652
Cash at the beginning of the financial year		11,917,560	3,907	11,917,560	3,907
Cash at the end of the financial year	23(a)	8,446,478	11,917,560	8,446,477	11,917,559

The above Cash Flow Statement should be read in conjunction with the accompanying notes.



Notes to the Financial Statements

for year ended 30 June 2009

1 Statement of significant accounting policies

The financial report includes the consolidated financial statements and notes of Marmota Energy Limited and controlled entities ('consolidated group' or 'Group'), and the separate financial statements of Marmota Energy Limited as an individual parent entity ('parent entity').

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standard Board (AASB) and the Corporations Act 2001.

The following report covers the economic entity, Marmota Energy Limited, a listed public company, incorporated and domiciled in Australia.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Marmota Energy Limited ('parent entity') as at 30 June 2009 and the result of all subsidiaries for the year then ended. Marmota Energy Limited and its subsidiaries together are referred to in this financial report as the Group or consolidated group.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. All inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. A list of controlled entities is contained in Note 15 to the financial statements.

Accounting policies of subsidiaries are consistent with those adopted by the parent entity.

(c) Income tax

The income tax expense (benefit) for the year comprises current income tax expense/(income) and deferred income tax (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted at reporting date.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax (expense)/benefit is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Income Statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(d) Plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

All fixed assets are depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate
Plant and equipment	5% – 33%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each Balance Sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Income Statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs are determined on the basis that the restoration will be completed within one year of abandoning the site.

(f) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(g) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the provisions to the instrument. For financial assets this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through the profit or loss', in which case the costs are expensed to the profit and loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the interest rate method or cost. Fair value represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties. Where available, quoted prices, in an active market are used to determine fair value.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

- **(i) Held-to-maturity investments**

Held-to-maturity investments are non derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

- **(ii) Financial Liabilities**

Non-derivative financial liabilities are subsequently measured at amortised cost.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired.

(h) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(i) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year are measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Equity settled compensation

The Group operates equity settled share-based payment employee share option schemes. The fair value of options is ascertained using the Black-Scholes pricing model which incorporates all market vesting conditions.

(j) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(k) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(l) Revenue

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

All revenue is stated net of goods and services tax (GST).

(m) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated in the Balance Sheet inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(n) Interests in joint ventures

The Consolidated Group's share of the assets, liabilities, revenues and expenses of joint venture operations are included in the appropriate items of the consolidated financial statements. Details of the Groups' interests are shown at Note 14.

(o) Investments in associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the Group's share of post-acquisition reserves and profits/(losses) of its associates.

(p) Earnings per share

• (i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

• (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(q) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(r) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends of economic data, obtained both externally and within the Group.

Key estimates – impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

The group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

(s) New accounting standards for application in future periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

- AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Groups' Board for the purposes of decision making. While the impact of this standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic levels at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management does not presently believe that impairment will result however.

- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 10 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Group. If an entity has made a prior period adjustment or reclassification, a third balance sheet at the beginning of the comparative period will be required.

- AASB 2008-1: Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.

- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-5) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008)(AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.

The Group does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Group's financial statements.

Notes to the Financial Statements

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
2 Revenue from ordinary activities				
Other revenues				
From operating activities				
Interest received from other parties	551,024	614,551	551,024	614,551
Other revenue	-	-	-	-
Total revenue from ordinary activities	551,024	614,551	551,024	614,551
3 Profit from ordinary activities before income tax expense has been determined after				
Expenses				
Administration expenses				
ASX fees	15,147	50,486	15,147	50,486
Share registry fees	35,526	31,983	35,526	31,983
Insurance	34,991	23,096	34,991	23,096
Audit and other services	23,000	23,400	23,000	23,400
Other	98,991	87,534	98,991	87,534
	207,655	216,499	207,655	216,499
Consulting expenses				
Legal fees	47,089	57,306	47,089	57,306
Corporate consulting	60,000	40,000	60,000	40,000
Accounting and secretarial services	9,574	113,504	9,574	113,504
Other	-	3,373	-	3,373
	116,663	214,183	116,663	214,183
Depreciation expenses				
Plant and equipment	23,358	9,107	23,358	9,107
Employment expenses				
Salaries and wages	568,139	295,164	568,139	295,164
Directors' fees	167,500	81,668	167,500	81,668
Superannuation	43,552	24,852	43,552	24,852
Provisions	15,096	34,410	15,096	34,410
Share-based payments	23,750	-	23,750	-
Other	40,809	43,933	40,809	43,933
Reallocation to exploration costs	(579,368)	(272,143)	(579,368)	(272,143)
	279,478	207,884	279,478	207,884
Service fees	136,828	69,886	136,828	69,886

4 Income tax expense

The components of tax expense comprise:

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Current income tax (expense)/benefit	-	-	-	-
Deferred tax (expense)/benefit	-	-	-	-
Tax portion of capital raising costs	-	(377,355)	-	(377,355)
Income tax (expense)/benefit reported in the Income Statement	-	(377,355)	-	(377,355)
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:				
Prima facie income tax (expense)/benefit calculated at 30% on loss from ordinary activities	64,903	54,021	64,903	54,021
Tax effect of:				
Deferred tax asset in respect of tax losses not brought to account	(64,903)	(54,021)	(64,903)	(54,021)
Tax portion of capital raising costs	-	(377,355)	-	(377,355)
Income tax (expense)/benefit attributable to loss from ordinary activities	-	(377,355)	-	(377,355)
Income tax losses				
Deferred tax asset arising from carried forward tax losses not recognised at reporting date as the asset is not regarded as meeting the probable criteria – tax losses at 30%	1,793,862	870,017	1,764,821	870,017

Notes to the Financial Statements

5 Remuneration of Directors and key management personnel

(a) Directors and key management personnel

The names and positions held by Directors and key management personnel of the Company during the financial year are:

Directors	Position
Mr RM Kennedy	Chairman – Non-executive
Mr RG Nelson	Director – Non-executive
Mr GS Davis	Director – Non-executive
Dr NF Alley	Director – Executive
Mr DJ Calandro	Managing Director – Executive
Mr AJ Andrejewskis	Alternate Director
Ms RC Healy	Alternate Director
Key management personnel	
Ms VK Suttell	Chief Financial Officer / Company Secretary

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

(b) Directors and key management personnel equity remuneration, holdings and transactions

Shares	Balance 1/07/08	Received as remun- eration	Options exercised	Net change other ¹	Balance 30/06/09	Total held in escrow 30/06/09
Held by Directors in own name						
Mr RM Kennedy	1	-	-	-	1	-
Mr RG Nelson	1	-	-	-	1	-
Mr GS Davis	1	-	-	-	1	-
Dr NF Alley	1	-	-	-	1	-
Mr DJ Calandro	-	-	-	-	-	-
Mr AJ Andrejewskis	-	-	-	-	-	-
Ms RC Healy	-	-	-	-	-	-
	4	-	-	-	4	-
Held by Directors' personally related entities						
Mr RM Kennedy	3,146,666	-	-	-	3,146,666	2,740,000
Mr RG Nelson	940,000	-	-	-	940,000	900,000
Mr GS Davis	2,950,000	-	-	-	2,950,000	2,825,000
Dr NF Alley	2,700,000	-	-	-	2,700,000	2,700,000
Mr DJ Calandro	2,080,000	-	-	-	2,080,000	2,040,000
Mr AJ Andrejewskis	-	-	-	-	-	-
Ms RC Healy	-	-	-	-	-	-
Total held by Directors	11,816,670	-	-	-	11,816,670	11,205,000
Key management personnel excluding Directors						
Ms VK Suttell	30,000	-	-	-	30,000	-
Total	11,846,670	-	-	-	11,846,670	11,205,000

(b) Directors and key management personnel equity remuneration, holdings and transactions cont'd

Shares	Balance 1/07/07	Received as remun- eration	Options exercised	Net change other ¹	Balance 30/06/08	Total held in escrow 30/06/08
Held by Directors in own name						
Mr RM Kennedy	1	-	-	-	1	-
Mr RG Nelson	1	-	-	-	1	-
Mr GS Davis	1	-	-	-	1	-
Dr NF Alley	1	-	-	-	1	-
Mr DJ Calandro	-	-	-	-	-	-
Mr NJ Smart	-	-	-	-	-	-
Mr BA Williams	-	-	-	-	-	-
	4	-	-	-	4	-
Held by Directors' personally related entities						
Mr RM Kennedy	5,700,000	-	-	(2,553,334)	3,146,666	2,740,000
Mr RG Nelson	3,300,000	-	-	(2,360,000)	940,000	900,000
Mr GS Davis	3,000,000	-	-	(50,000)	2,950,000	2,825,000
Dr NF Alley	3,000,000	-	-	(300,000)	2,700,000	2,700,000
Mr DJ Calandro	-	-	-	2,080,000	2,080,000	2,040,000
Mr NJ Smart	-	-	-	440,000	440,000	440,000
Mr BA Williams	-	-	-	16,000	16,000	8,000
Total held by Directors	15,000,004	-	-	(2,727,334)	12,272,670	11,653,000
Key management personnel excluding Directors						
Ms VK Suttell	-	-	-	30,000	30,000	-
Mr DA Francese	-	-	-	720,000	720,000	720,000
Mr DS Cosentino	-	-	-	8,000	8,000	4,000
Total	15,000,004	-	-	(1,969,334)	13,030,670	12,377,000

1. Net Change other represents shares purchased and/or sold during the financial year.

5 Remuneration of Directors and key management personnel cont'd

(b) Directors and key management personnel equity remuneration, holdings and transactions cont'd

Options	Option class	Balance 1/07/08	Received as remuneration	Options exercised	Net change other	Balance 30/06/09	Total vested 30/06/09	Total exercisable 30/06/09
Held by Directors in own name								
Mr RM Kennedy		-	-	-	-	-	-	-
Mr RG Nelson		-	-	-	-	-	-	-
Mr GS Davis		-	-	-	-	-	-	-
Dr NF Alley		-	-	-	-	-	-	-
Mr DJ Calandro		-	-	-	-	-	-	-
Mr AJ Andrejewskis		-	-	-	-	-	-	-
Ms RC Healy		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Directors' personally related entities								
Mr RM Kennedy	(a)	1,350,000	-	-	-	1,350,000	1,350,000	-
Mr RG Nelson	(a)	450,000	-	-	-	450,000	450,000	-
Mr GS Davis	(a)	1,350,000	-	-	-	1,350,000	1,350,000	-
Dr NF Alley	(a)	1,350,000	-	-	-	1,350,000	1,350,000	-
Mr DJ Calandro	(a)	1,000,000	-	-	-	1,000,000	1,000,000	-
	(b)	-	250,000	-	-	250,000	250,000	250,000
Mr AJ Andrejewskis		-	-	-	-	-	-	-
Ms RC Healy		-	-	-	-	-	-	-
Total held by Directors		5,500,000	250,000	-	-	5,750,000	5,750,000	250,000
Key management personnel excluding Directors								
Ms VK Suttell	(b)	-	175,000	-	-	175,000	175,000	175,000
Total		5,500,000	425,000	-	-	5,925,000	5,925,000	425,000

(b) Directors and key management personnel equity remuneration, holdings and transactions cont'd

Options	Option class	Balance 1/07/07	Received as remuneration	Options exercised	Net change other	Balance 30/06/08	Total vested 30/06/08	Total exercisable 30/06/08
Held by Directors in own name								
Mr RM Kennedy		-	-	-	-	-	-	-
Mr RG Nelson		-	-	-	-	-	-	-
Mr GS Davis		-	-	-	-	-	-	-
Dr NF Alley		-	-	-	-	-	-	-
Mr DJ Calandro		-	-	-	-	-	-	-
Mr NJ Smart		-	-	-	-	-	-	-
Mr BA Williams		-	-	-	-	-	-	-
Directors' personally related entities								
Mr RM Kennedy	(a)	-	-	-	1,350,000	1,350,000	1,350,000	-
Mr RG Nelson	(a)	-	-	-	450,000	450,000	450,000	-
Mr GS Davis	(a)	-	-	-	1,350,000	1,350,000	1,350,000	-
Dr NF Alley	(a)	-	-	-	1,350,000	1,350,000	1,350,000	-
Mr DJ Calandro	(a)	-	-	-	1,000,000	1,000,000	1,000,000	-
Mr NJ Smart		-	-	-	220,000	220,000	220,000	-
Mr BA Williams		-	-	-	-	-	-	-
Total held by Directors		-	-	-	5,720,000	5,720,000	5,720,000	-
Key management personnel excluding Directors								
Ms VK Suttell		-	-	-	-	-	-	-
Mr DA Francese	(a)	-	-	-	360,000	360,000	360,000	-
Mr DS Cosentino		-	-	-	-	-	-	-
Total		-	-	-	6,080,000	6,080,000	6,080,000	-

(a) Unlisted Options exercisable at \$0.40 by 11/07/2012, escrowed until 12/11/2009.

(b) Unlisted Options exercisable at \$0.04 by 23/12/2013.

No options previously granted to Directors or Director related entities were exercised during the year.

Other key management personnel transactions

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with key management personnel, refer to Note 25: Related parties.

Notes to the Financial Statements

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
6 Auditors' remuneration				
Audit services:				
Auditors of the Company – Grant Thornton				
Audit and review of the financial reports	23,000	21,000	23,000	21,000
Provision of an independent accountant's report	-	2,400	-	2,400
	23,000	23,400	23,000	23,400
7 Earnings per share				
(a) Classification of securities				
All ordinary shares have been included in basic earnings per share.				
(b) Classification of securities as potential ordinary shares				
<ul style="list-style-type: none"> 28,000,000 unlisted options exercisable at \$0.40 by 11/07/2012 625,000 unlisted options exercisable at \$0.04 by 23/12/2013 				
(c) Earnings used in the calculation of earnings per share				
Profit/(loss) from ordinary activities after related income tax expense	(216,344)	(557,425)	(216,344)	(557,425)
(d) Weighted average number of shares outstanding during the year in calculating earnings per share				
Number for basic earnings per share				
Ordinary shares	120,721,009	84,084,202	120,721,009	84,084,202
Number for diluted earnings per share				
Ordinary shares and dilutive options	120,846,009	84,084,202	120,846,009	84,084,202
8 Cash and cash equivalents				
Cash at bank	65,588	347,560	65,587	347,559
Deposits at call	920,000	3,570,000	920,000	3,570,000
	985,588	3,917,560	985,587	3,917,559
9 Trade and other receivables				
Current				
Other debtors	242,691	561,414	242,691	561,414
Loan to parent	603	-	603	-
Loan to subsidiary	-	-	96,805	96,805
Loan to associate	164,018	97,018	164,018	97,018
	407,312	658,432	504,117	755,237

Other receivables represent accrued interest receivable and GST refunds.
Receivables are not considered past due and impaired.

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
10 Other current assets				
Prepayments	18,921	15,593	18,921	15,593
11 Financial assets				
Held-to-maturity investments				
Fixed interest short term deposit	7,460,890	8,000,000	7,460,890	8,000,000
12 Plant and equipment				
Plant and equipment				
At cost	371,044	289,125	371,044	289,125
Accumulated depreciation	(92,020)	(17,968)	(92,020)	(17,968)
Net book value	279,024	271,157	279,024	271,157
Reconciliations				
Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:				
Plant and equipment				
Carrying amount at beginning of year	271,157	-	271,157	-
Additions	85,391	289,125	85,391	289,125
Disposals	(3,472)	-	(3,472)	-
Accumulated depreciation	(74,052)	(17,968)	(74,052)	(17,968)
Carrying amount at end of year	279,024	271,157	279,024	271,157

Notes to the Financial Statements

13 Investments in associates

Interests are held in the following associated companies.

Name	Principal activities	Country of incorporation	Shares	Ownership interest		Carrying amount of investment	
				2009	2008	2009	2008
Unlisted							
Groundhog Services Pty Ltd	Administration services	Australia	Ord	50%	50%	1	1

There have been no movements of equity accounted investments in associated entities during the year.

(a) Summarised presentation of aggregate assets, liabilities and performance associates

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Current assets	190,181	126,812	190,181	126,812
Non-current assets	236,591	30,183	236,591	30,183
Total assets	426,772	156,995	426,772	156,995
Current liabilities	(334,922)	(156,993)	(334,922)	(156,993)
Non-current liabilities	(91,848)	-	(91,848)	-
Total liabilities	(422,270)	(156,993)	(422,270)	(156,993)
Net assets	2	2	2	2
Share of associate's profit after tax	-	-	-	-

14 Joint ventures

The Group has the following interests in unincorporated joint ventures.

No	State	Agreement name	Parties	Summary
1	SA	Farm-in & Joint Venture Agreement	Marmosa Pty Ltd (MSA) and Monax Mining Limited (MOX)	MOX gives MSA exclusive right to conduct exploration for uranium on areas covered by Exploration Licences EL 3355, EL 3356, EL 3357, EL 3359, EL 3458, EL 3561, EL 3684, EL 3685, EL 3775. Once MSA has spent \$4 million on exploration it will have earned 25% interest with a further spend of \$4 million required for an additional 25%
2	SA	Ambrosia Farm-in & Joint Venture Agreement	Marmosa Pty Ltd (MSA) and Monax Mining Limited (MOX)	MOX gives MSA the right to explore for all minerals in the area covered by Exploration Licence EL 3358. During the financial year, MSA has achieved its first \$1 million earn in and now has a 25% interest with a further 25% able to be earned.
3	SA	Mineral Rights Transfer & Joint Venture Agreement	Marmosa Pty Ltd (MSA) and Monax Mining Limited (MOX)	MSA transfers to MOX 100% of its interests in minerals other than uranium and 30% of its interests in uranium for areas covered by the following Exploration Licences: EL 3907, EL 3908, EL 3909, EL 3910, and EL 3911. MSA and MOX enter into a joint venture to explore for uranium.

15 Controlled entities

(a) Controlled entities consolidated

	Country of incorporation	Percentage owned (%)	
		2009	2008
Parent entity:			
Marmota Energy Limited*	Australia	-	-
Subsidiaries of Marmota Energy Limited:			
Marmosa Pty Ltd	Australia	100	100

* Marmota Energy Limited is a subsidiary of Monax Mining Limited which is incorporated and domiciled in Australia.

(b) The investment in Groundhog Services Pty Ltd has been classified as a financial asset at cost of \$1 in the balance sheet.

16 Exploration and evaluation expenditure

		Consolidated		Parent Entity	
	Note	2009 \$	2008 \$	2009 \$	2008 \$
Costs carried forward in respect of areas of interest in:					
Exploration and evaluation phase	(i)	14,881,192	12,146,007	5,294,788	2,559,603
Total exploration and evaluation expenditure		14,881,192	12,146,007	5,294,788	2,559,603
The ultimate recoupment of costs carried forward for exploration phase is dependent on the successful development and commercial exploitation or sale of the respective areas.					
(i) Reconciliation					
A reconciliation of the carrying amount of exploration and/or evaluation phase expenditure is set out below.					
Carrying amount at beginning of year		12,146,007	-	2,559,603	-
Additional costs capitalised during the year		2,735,185	2,559,603	2,735,185	2,559,603
Shares issued to acquire exploration rights		-	9,586,404	-	-
Carrying amount at end of year		14,881,192	12,146,007	5,294,788	2,559,603
7 Trade and other payables					
Trade creditors		35,019	608,612	35,019	608,612
Other creditors and accruals		72,475	232,747	72,475	232,747
Amounts payable to Director related entities*		6,427	70,886	6,427	70,886
		113,921	912,245	113,921	912,245

17 Trade and other payables

Trade creditors	35,019	608,612	35,019	608,612
Other creditors and accruals	72,475	232,747	72,475	232,747
Amounts payable to Director related entities*	6,427	70,886	6,427	70,886
	113,921	912,245	113,921	912,245

* Details of amounts payable to Director related entities are detailed in Note 25.

Notes to the Financial Statements

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
18 Provisions				
Current				
Employee entitlements	30,235	23,759	30,235	23,759
Non-current				
Employee entitlements	19,271	10,651	19,271	10,651
Provision for long service leave				
A provision for long service leave has been recognised for employee entitlements. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.				
19 Issued capital				
Issued and paid-up share capital				
120,721,009 (2008: 120,721,009) ordinary shares, fully paid	22,187,511	22,187,511	22,187,511	22,187,511
(a) Ordinary shares				
Balance at the beginning of year	22,187,511	18,005	22,187,511	18,005
Shares issued during the year				
Nil (2008: 6,642,000) shares issued at \$0.125 per share as seed capital	-	830,250	-	830,250
Nil (2008: 60,000,000) shares issued to shareholders as part of the IPO at \$0.25	-	15,000,000	-	15,000,000
Nil (2008: 36,000,000) shares issued for the acquisition of Marmosa Pty Ltd	-	7,200,000	-	7,200,000
Nil (2008: 79,004) shares issued to option holders on exercise of options at \$0.25	-	19,751	-	19,751
Less transaction costs arising from issue of shares net of tax	-	(880,495)	-	(880,495)
Balance at end of year	22,187,511	22,187,511	22,187,511	22,187,511

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the Company ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

19 Issued capital cont'd

(b) Options

For information relating to share options issued to Executive Directors during the financial year, refer to Note 5.

For information relating to the Marmota Energy Limited Employee Share Option Plan including details of any options issued, exercised and lapsed during the financial year, refer to Note 20.

At 30 June 2009, there were 28,625,000 (2008: 28,000,000) unissued shares for which the following options were outstanding.

- 28,000,000 unlisted options exercisable at \$0.40 by 11/07/2012.
- 625,000 unlisted options exercisable at \$0.04 by 23/12/2013

20 Share-based payments

The following share-based payment arrangements existed at 30 June 2009:

	2009		2008	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Parent entity				
Outstanding at the beginning of the year	-	-	-	-
Granted – December 2008	625,000	0.04	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at year-end	625,000	-	-	-
Exercisable at year-end	625,000	-	-	-

On 23 December 2008, 625,000 share options were granted to employees under the Marmota Energy Limited Employee Share Option Plan to take up ordinary shares at an exercise price of \$0.04 each. These options are exercisable on or before 23 December 2013.

The options are non transferable except as allowed under the Employee Share Option Plan and are not quoted securities. At balance date, no share options had been exercised.

All options granted to key management personnel are over ordinary shares in Marmota Energy Limited, which confer a right of one ordinary share for every option held.

The weighted average fair value of the options granted in December 2008 is \$0.038. This price was calculated by using the Black-Scholes option pricing model applying the following inputs:

December 2008 issue

Weighted average exercise price	\$0.04
Weighted average life of the option	1,825 days
Underlying share price	\$0.04
Expected share price volatility	181%
Risk free interest rate	4.25%

Notes to the Financial Statements

20 Share-based payments cont'd

The life of the options is based on the days remaining until expiry.

Included under employee benefits expense in the income statement is \$23,750 (2008: \$nil), and relates, in full, to equity-settled share-based payment transactions.

Options granted to Executive Directors and key management personnel on share-based payments are as follows:

Grant Date	Number
23 December 2008	425,000

21 Financial risk management

The Group's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable and loans to and from subsidiaries and related entities. The main risks the Group are exposed to through its financial instruments are interest rate risk and credit risk.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Financial assets				
Cash and cash equivalents	985,588	3,917,560	985,587	3,917,559
Held-to-maturity investments				
Fixed interest securities	7,460,890	8,000,000	7,460,890	8,000,000
Loans and receivables	407,312	658,432	504,116	755,116
	8,853,790	12,575,992	8,950,593	12,672,675
Financial liabilities				
Trade and other payables	113,921	912,245	113,921	912,245
	113,921	912,245	113,921	912,245

(a) Treasury risk management

The Board meets on a regular basis to analyse financial risk exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the consolidated group in managing its cash flows and it does so by reviewing its cash flow requirements in light of planned exploration and overhead activity.

(b) Interest rate risk

Exposure to interest rate risk arises on financial assets and liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The company has no long term financial liabilities upon which it pays interest. Cash is held in an interest yielding cheque account and on short term call deposit where the interest rate is both fixed and variable according to the financial asset.

Interest rate risk is managed with a mixture of fixed and floating rate cash deposits. At 30 June 2008 approximately 99% of group deposits are fixed. It is the policy of the group to keep between 90% and 100% of surplus cash in high yielding deposits. It has, where possible placed funds on deposit with financial institutions in order to receive the benefit of available government guarantees.

As at 30 June 2009, the Group has cash at bank of \$65,588 (2008: \$347,560) with the weighted average effective interest rate for the period being 4.8% (2008: 4.4%). As at 30 June 2009, the Group holds deposits of \$8,380,890 (2008: \$11,570,000) with the weighted average effective interest rate for the period being 5.63% (2008: 7.34%).

21 Financial risk management cont'd

(c) Credit risk exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The maximum exposure to credit risk on financial assets, excluding investments, of the entity which have been recognised in the Balance Sheet, is the carrying amount, net of any provision for doubtful debts.

No receivables are considered past due or impaired at balance date.

(d) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by monitoring forecast cash flows.

(e) Net fair values of financial assets and liabilities

Fair values are amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms length transaction.

The net fair values of financial assets and liabilities are determined by the entity on the following bases:

- (i) Monetary financial assets and financial liabilities not readily traded in an organised financial market are carried at book value and where relevant adjusted for any changes in exchange rates.
- (ii) Non monetary financial assets and financial liabilities are recognised at their carrying values recognised in the balance sheet.

22 Commitments & contingent liabilities

(a) Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Company will be required to outlay in the year ending 30 June 2010 amounts of approximately \$1,490,000 to meet minimum expenditure requirements pursuant to various joint venture requirements and those specified by the State Government of South Australia. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the financial report.

(b) Operating Lease commitments

The Company has signed a letter of support for its 50% owned associate Groundhog Services Pty Ltd ('Groundhog'). Effective 1 July 2008, Groundhog will provide company secretarial and financial services, tenement management, office administration, logistical support and office accommodation. Groundhog has entered into a non-cancellable operating lease commencing in August 2008 for a five year period for office and warehouse accommodation.

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Non-cancellable operating lease expense commitments				
Future operating lease commitments not provided for in the financial statements and payable:				
Within one year	161,686	177,546	-	39,690
One year or later and no later than five years	536,912	676,433	-	-
Later than five years	-	22,165	-	-
	698,598	876,144	-	39,690

(c) Contingent liabilities

In 2007 Marmosa Pty Ltd was acquired by Marmota Energy Limited from Monax Mining Limited. Revenue SA is currently considering whether stamp duty is payable on the basis that Marmosa Pty Ltd is a land rich company rather than payable on the shares transferred. The matter is being disputed and the maximum potential stamp duty liability is \$158,000.

Notes to the Financial Statements

		Consolidated		Parent Entity	
	Note	2009 \$	2008 \$	2009 \$	2008 \$
23 Notes to the statements of cash flows					
(a) Cash at the end of the financial year consists of the following:					
Cash at bank and at call	8	985,588	3,917,560	985,587	3,917,559
Financial Assets	11	7,460,890	8,000,000	7,460,890	8,000,000
		8,446,478	11,917,560	8,446,477	11,917,559
(b) Reconciliation of profit/(loss) from ordinary activities after income tax to net cash provided by/(used in) operating activities					
Profit/(loss) from ordinary activities after income tax		(216,344)	(557,425)	(216,344)	(557,425)
Add/(less) non cash items					
Depreciation		74,351	17,968	74,351	17,968
Share-based payments		23,750	-	23,750	-
Income tax expense		-	377,355	-	377,355
Changes in operating assets and liabilities					
(Increase)/decrease in prepayments		(3,328)	20,440	(3,328)	20,440
(Increase)/decrease in receivables		318,724	(558,862)	318,724	(558,862)
(Decrease)/increase in accounts payable		(93,027)	197,089	(93,028)	197,089
(Decrease)/increase in provisions		15,095	34,410	15,095	34,410
Net cash provided by/(used in) operating activities		119,221	(469,025)	119,220	(469,025)
24 Employee entitlements					
Aggregate liability for employee entitlements, including on-costs					
Current	18	30,235	23,759	30,235	23,759
Non-current	18	19,271	10,651	19,271	10,651
		49,506	34,410	49,506	34,410
Number of employees					
Number of employees at year end		5	4	5	4

25 Related parties

Directors' transactions with the Company

A number of Directors of the Company, or their Director related entities, held positions in other entities during the financial year that result in them having control or significant influence over the financial or operating policies of those entities.

The terms and conditions of the transactions with Directors and their Director related entities were no more favourable to the Directors and their Director related entities than those available, or which might reasonably be expected to be available, on similar transactions to Non-director related entities on an arm's length basis.

The aggregate amounts recognised during the year (excluding re-imbursement of expenses incurred on behalf of the Company) relating to Directors and their Director related entities were as follows:

Director	Transaction	Note	Consolidated		Parent Entity	
			2009 \$	2008 \$	2009 \$	2008 \$
GS Davis	Payments to an entity of which the Director is a partner in respect of legal fees		64,218	104,140	64,218	104,140
Parent entity	Payments to a Director related entity for Company Secretarial services, tenement management and office administration and logistical support.	(i)	42,125	124,795	42,125	124,795
Associated entity	Payments to a Director related entity for Company Secretarial services, tenement management and office administration and logistical support.		281,909	6,870	281,909	6,870

(i) This amount relates to the provision of Company Secretarial, financial, tenement management and office administration services by Monax Mining Limited.

Amounts receivable from payable to Directors and their Director related entities at balance date arising from these transactions were as follows:

Current receivables

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Trade debtors	-	-	-	-
Loan to parent	603	-	603	-
Loan to subsidiary	-	-	96,805	96,805
Loan to associate	164,018	97,018	164,018	97,018
	164,621	97,018	261,426	193,823
Current payables				
Amounts payable to director related entities*	6,427	7,558	6,427	70,886
Amounts payable to directors	114	-	114	-
	6,541	7,558	6,541	70,886

* Amounts payable to director related entities represents amounts payable to DMAW Lawyers for which which Mr Davis is a partner.

Notes to the Financial Statements

26 Segment reporting

The Company operates in the exploration and mining business segment located in Australia.

27 Events subsequent to balance date

There have not arisen any matters or circumstances, since the end of the financial year which significantly affected or could affect the operations of the Company, the results of those operations, or the state of the Company in future years.

28 Reserves

Share options reserve – the share options reserve records items recognised as expenses on valuation of employee share options.

29 Company details

The registered office of the Company is:

140 Greenhill Road
UNLEY SA 5061

The principal place of business is

Unit I, 5 Butler Boulevard
Burbridge Business Park,
ADELAIDE AIRPORT SA 5950

Directors' declaration

1 In the opinion of the Directors of Marmota Energy Limited:

- (a) the financial statements and notes, as set out on pages 46 to 70, are in accordance with the Corporations Act 2001, and:
 - (i) giving a true and fair view of the financial position of the Company as at 30 June 2009 and of the performance for the year ended on that date of the Company and consolidated group; and
 - (ii) complying with Accounting Standards; and
- (b) The Chief Executive Officer and Chief Financial Officer have declared that:
 - (i) The financial records of the Company for the financial year have been properly maintained in accordance with s286 of the Corporations Act 2001;
 - (ii) The financial statements and notes for the financial year comply with the accounting standards; and
 - (iii) The financial statement and notes for the financial year give a true and fair view;
- (c) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Dated at Adelaide this 24th day of September 2009.

A handwritten signature in black ink, consisting of a stylized 'R' followed by a loop and a horizontal stroke.

Robert Michael Kennedy
Director

Level 1,
67 Greenhill Rd
Wayville SA 5034
GPO Box 1270
Adelaide SA 5001

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARMOTA ENERGY LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Marmota Energy Limited, (the company) which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARMOTA ENERGY LIMITED Cont

Auditor's responsibility Cont

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we complied with applicable independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

- a the financial report of Marmota Energy Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MARMOTA ENERGY LIMITED Cont**

Auditor's opinion

In our opinion the Remuneration Report of Marmota Energy Limited for the year ended 30 June 2009, complies with section 300A of the Corporations Act 2001.

GRANT THORNTON
South Australian Partnership
Chartered Accountants



S J Gray
Partner

Signed at Wayville on this 24th day of September 2009



Shareholder Information

As at 22 September 2009

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

The information is current at 22 September 2009.

Distribution of Equity Securities

Ordinary Share Capital

Fully paid ordinary shares are held by 1,894 individual shareholders.

Restricted securities

There are 54,412,000 shares and 28,000,000 options held in escrow until 12 November 2009.

Options

Options are held by 17 individual option holders.

Substantial shareholders

The number of shares held by substantial shareholders and their associates as disclosed in substantial holding notices given to the Company are set out below:

Substantial shareholder	Number of fully paid ordinary shares held	
Monax Mining Limited	36,000,000	Escrowed until 12 November 2009

Voting rights

Fully paid ordinary shares

Subject to any rights or restrictions attached to any class of shares, at a meeting of members, on a show of hands, each member present (in person, by proxy, attorney or representative) has one vote and on a poll, each member present (in person, by proxy, attorney or representative) has one vote for each fully paid share they hold.

Distribution of equity security holders

Category

	Holders of Ordinary shares	Holders of Ordinary shares escrowed until 12/11/2009	Holders of 11/07/2012 \$0.40 Options escrowed until 12/11/2009	Holders of 23/12/2013 \$0.04 Options
1 – 1,000	12	-	-	-
1,001 – 5,000	45	1	-	-
5,001 – 10,000	565	2	-	1
10,001 – 100,000	1,168	4	-	3
100,001 and over	104	14	12	2
Total Number of security holders	1,894	21	12	6

The number of shareholders holding less than a marketable parcel of ordinary shares is 27.

On market buy-back

There is no current on-market buy-back.

Shareholder Information

Twenty largest shareholders

The names of the 20 largest holders of fully paid ordinary shares constituting a class of quoted equity securities on the Australian Stock Exchange Limited including the number and percentage held by those holders at 22 September 2009 are as follows:

Name	Number of fully paid ordinary shares held	Percentage held
Mr William Edward Holmes <W & H Holmes Super Fund A/C>	2,125,000	3.20
Dr Colin Rose	1,694,988	2.56
Florin Mining Investment Company Limited <Trading A/C>	850,000	1.28
Dr Graham Robert Taylor <Superannuation Fund A/C>	800,000	1.21
Mr Zarko Nikoloski	663,643	1.00
Argil Pty Ltd <Michael Johnson S/F A/C>	501,670	0.76
Jayarem Pty Ltd <The Chattan Super Fund A/C>	451,400	0.68
Weldbank Pty Ltd	433,968	0.65
N G Collett Pty Ltd	417,956	0.63
Mr Ralph Maurice Henger & Mr Mark James Henger <MST S/Fund A/C>	400,000	0.60
Mr Lidong Zheng	400,000	0.60
Citicorp Nominees Pty Limited	394,300	0.59
Mr Nicholas Charles Richards	390,933	0.59
Comsec Nominees Pty Limited	382,363	0.58
Mr Peter Barrett Capp <Capp Family A/C>	350,000	0.53
Mr Craig Peter Ball & Mrs Suzanne Katherine Ball <CPB Super Fund A/C>	300,000	0.45
Mr Dale Thomas Senti	300,000	0.45
Ocean Nominees Pty Ltd <Ocean Super Fund A/C>	281,700	0.42
Tets Pty Ltd	275,000	0.41
Unique Asset Pty Ltd	270,000	0.41
	11,682,921	17.62

Unquoted equity securities

Shareholders

The names of the holders of fully paid ordinary shares constituting a class of unquoted equity securities that are subject to the Australian Stock Exchange Limited escrow provisions holding greater than 20%, including the number and percentage held by those holders at 22 September 2009 are as follows:

Name	Number of fully paid ordinary shares held	Percentage held
Monax Mining Limited	36,000,000	66.16

Option holders

The names of the holders of options constituting a class of unquoted equity securities subject to the Australian Stock Exchange Limited escrow provisions holding greater than 20%, including the number and percentage held by those holders as at 22 September 2009 are as follows:

Name	Number of options held	Percentage held
Monax Mining Limited	18,000,000	64.29

Options

Details of options on issue which are unquoted are as follows:

Expiry date	Exercise price	Number of options	Number unquoted	Number of holders
11/07/2012	\$0.40	28,000,000	28,000,000	12
23/12/2013	\$0.04	625,000	625,000	6



Corporate Directory

Principal Registered Office

Marmota Energy Limited
140 Greenhill Road UNLEY SA 5061
GPO Box 1373 ADELAIDE SA 5001
Telephone: (08) 8373 5588
Facsimile: (08) 8375 3999
Email: info@marmotaenergy.com.au
Website: www.marmotaenergy.com.au

Exploration Office

Unit I, 5 Butler Boulevard
Burbridge Business Park
ADELAIDE AIRPORT SA 5950
Telephone: (08) 8375 4300
Facsimile: (08) 8375 3999

Postal Address

PO Box 247
EXPORT PARK SA 5950

Directors & Senior Management

Robert Michael Kennedy

ASAIT, Grad. Dip. (Systems Analysis)
FCA, ACIS, FAIM, FAICD
Non-executive Chairman

Domenic Joseph Calandro

BSc, ASEG
Managing Director

Neville Foster Alley

Phd, PSM
Executive Technical Director

Reginald George Nelson

BSc (MATHS), FAusIMM, FAICD
Non-executive Director

Glenn Stuart Davis

LLB, BEc
Non-executive Director

Virginia Katherine Suttell

BComm, ACA
Company Secretary

Directors & Senior Management

Andrew Joseph Andrejewskis
Roseanne Celeste Healy

Stock Exchange Code

Shares: MEU
Listed on Australian Stock Exchange Limited
Home Exchange: Adelaide
Level 19, 91 King William Street
Adelaide SA 5000

Share Registrar

Location of Share Register
Computershare Investor Services Pty Limited
Level 5, 115 Grenfell Street
ADELAIDE SA 5000
Telephone: 1300 556 161 (within Australia)
+61 3 9415 4000 (outside Australia)
Facsimile: +61 8 8236 2305
Email: info@computershare.com.au

Auditors

Grant Thornton
Chartered Accountants
67 Greenhill Road
WAYVILLE SA 5034

Lawyers

DMAW Lawyers
Level 3, 80 King William Street
ADELAIDE SA 5000

