

3rd June 2010

Marmota Energy Limited ACN: 119 270 816 ASX: MEU

Exploration Office: Unit I, 5 Butler Blvd Burbridge Business Park, SA 5950

P: +61 8 8375 4300

F: +61 8 8375 3999

E: info@marmotaenergy.com.au

W: www.marmotaenergy.com.au

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves 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.



Drilling Update – Encouraging results from Phase 2 drilling at Saffron uranium prospect on Junction Dam

- Drill holes intersect further high grade uranium mineralisation at Junction Dam.
- Best hole for the week with high grade intercept, SARM008 with average grade of 1273 ppm eU₃O₈* over a 1.7 metre interval with peak grade value of 5192 ppm eU₃O₈*.
- Five out of 10 holes drilled so far as part of the current phase of drilling has reported grade-thickness accumulations greater than .045 m% eU₃O₈ considered significant.

Exploration Update - Junction Dam uranium project

(Marmota Energy earning 51% interest in uranium rights under JV Agreement with Teck Australia Pty Ltd (Teck), PlatSearch NL (ASX: PTS) and Eaglehawk Geological Consulting Pty Ltd)

Marmota Energy Limited ('the Company') is pleased to announce that encouraging levels of uranium continue to be intersected from drilling at its 'Saffron' uranium prospect on the Junction Dam uranium project ('the project') in northeastern South Australia. On the project, Marmota has the right to earn 51% interest in the uranium rights from Teck Australia Pty Ltd, PlatSearch NL (ASX: PTS) and Eaglehawk Geological Consulting Pty Ltd.

Encouraging high grade results continue to be obtained from drill holes completed in the first two weeks of drilling as part of the Company's second phase 60 hole drilling program. Downhole gamma readings indicating significant uranium mineralisation are being returned from what has been interpreted as Eyre Formation sediments. The Eyre Formation hosts the nearby Honeymoon Uranium Mine and Beverley Four Mile uranium project to the north of Junction Dam.

In drilling completed in the first weeks of this phase of the program, three holes have returned peak $eU_3O_8^*$ grades of more than 1000 ppm in addition to those reported from Phase 1. The best holes include SARM008 returning an average grade of 1273 ppm $eU_3O_8^*$ over a 1.7 metre interval with peak grade value of 5192 ppm $eU_3O_8^*$. Holes SARM003 and SARM009 have intersected significant intervals of 5.5 metres at 107 ppm $eU_3O_8^*$ and 6.5 metres at 118 ppm $eU_3O_8^*$ respectively. (see Table 1)

Five out of the first 10 holes drilled as part of this phase of drilling have reported grade-thickness accumulations of greater than .045 m% eU_3O_8 and are considered potentially significant. Drill holes have continued to intersect multiple sand units, with the basal sand units returning elevated downhole gamma readings. Drill holes in the initial period of the Phase 2 program will infill the holes completed during the successful broad spaced Phase 1 program in 2009. The Phase 1 program identified a high grade zone of mineralisation over a 1.5 kilometre long strike length open to the north and south.

HOLE ID	EASTING	NORTHING	DEPTH FROM (metres)	THICKNESS (metres)	AVERAGE GRADE eU3O8*(ppm)	PEAK GRADE eU3O8*(ppm)	GRADE THICKNESS m%eU3O8
SARM001	484773	6488774	109.40	0.65	236	312	0.015
			122.95	1.4	72	121	0.010
SARM002	484784	6488669	111.49	0.3	132	147	0.004
			124.69	6.85	68	135	0.046
SARM003	484794	6488617	73.68	0.1	107	113	0.001
			112.78	0.55	168	223	0.009
			123.88	5.5	107	459	0.059
SARM004	484798	6488567	113.79	0.65	120	158	0.008
			129.84	0.85	826	2510	0.070
SARM006	484797	6488415	112.55	0.85	285	600	0.024
			127.30	4.5	86	358	0.039
SARM008	484749	6488715	124.75	1.7	1273	5192	0.216
SARM009	484749	6488533	125.70	6.55	118	935	0.077
SARM010	484846	6488720	70.04	0.05	112	119	0.001
			109.99	0.6	158	208	0.009
			116.09	0.9	274	496	0.025
SARM011	484856	6488516	115.04	1.45	122	174	0.018
			132.69	1	136	185	0.014
SARM061	484772	6488724	111.60	1.9	86	152	0.016
			127.75	1	378	1400	0.038

KEY

1
,

Grade thickness greater than .015 m%eU308 Grade thickness greater than .030 m%eU308 Grade thickness greater than .045 m%eU308

Table 1: Downhole gamma readings in Marmota's Phase 2 drill holes at the Saffron prospect at Junction Dam.

*Equivalent grades (eU₃O₈) from Borehole Wireline Pty Ltd gamma probe 3785, calibrated at Adelaide Test Pits. Dead time 4.27264e-6, k factor 2.2702e-5, 108mm hole, water filled.



Continued high grade results of this nature are extremely significant as they confirm the Company's belief that results achieved to date are analogous with the mineralisation model at the nearby Honeymoon Uranium Mine. The results further reinforce the significance of this exciting greenfields exploration discovery where the current phase of drilling is scheduled to continue until September. At the completion of this phase Marmota will assess all drill results as part of its program to outline the extent of potential mineralisation at Junction Dam over the coming year.

Å

Mr Dom Calandro MANAGING DIRECTOR

3 June 2010