

ASX ANNOUNCEMENT

15th July 2010

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ASX: MEU

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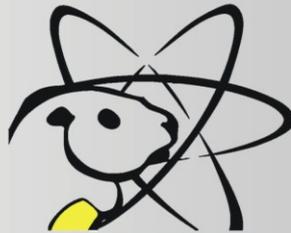
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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr D J Calandro, who is a Member of the Australian Institute of Geoscientists. Mr Calandro is employed full time 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.



**MARMOTA
ENERGY LIMITED**

A.B.N. 38 119 270 816

EXPLORATION UPDATE – EXCITING INTERCEPTS CONTINUE FROM JUNCTION DAM URANIUM PROJECT IN SOUTH AUSTRALIA

- Exciting high grades of uranium continue to be intersected on the Saffron prospect at the Junction Dam project near Broken Hill.
- Multiple holes have intersected grades greater than 1000 ppm eU₃O₈*. High grade intercepts returned from drilling completed in recent weeks include: SARM022 with peak grade value of 3674 ppm eU₃O₈* and SARM013 with peak grade value of 2720 ppm eU₃O₈*.
- Marmota has completed its 51% earn-in for the uranium rights and is set to further increase its equity interest in the project.

Junction Dam uranium project

(On Junction Dam, Marmota 51% of uranium under JV Agreement with Teck Australia Pty Ltd (Teck), PlatSearch NL (ASX: PTS) and Eaglehawk Geological Consulting Pty Ltd)

Marmota Energy Limited (ASX: MEU) is pleased to announce that high grade intercepts continue to be returned from current follow up drilling. The program is designed to further test high grade sedimentary uranium targets at the Saffron prospect at Junction Dam. The current phase of drilling follows on from the successful maiden drilling campaign completed by Marmota in late 2009 at the Junction Dam project. Multiple high grade occurrences were encountered in 80% of drill holes completed as part of the broad spaced maiden program.

The phase 2 drilling follows the completion in March 2010 of a high resolution ground electromagnetic survey over the high grade target zones. The survey was designed to define potential extensions to high grade areas on the project for continued drill testing.

The results of the survey, when combined with other high resolution geophysical datasets that Marmota has acquired over the project, have successfully defined potential extensions to the high grade target zones where drilling has previously confirmed mineralisation. Sixty shallow rotary mud drill holes are planned as part of this program, with 87 % of holes drilled to date in this current phase intersecting uranium mineralisation.

Multiple holes have returned peak uranium grades of more than 1000 ppm eU₃O₈*. Outstanding high grade intercepts coupled with significant intervals of mineralisation continue to be intersected in this current phase of drilling (Table 1). A number of holes drilled have reported grade-thickness accumulations in excess of 0.045 m% eU₃O₈ and up to 0.242 m% eU₃O₈ (intersections of greater than 0.045 m% eU₃O₈ are considered significant and important in evaluating the economic viability).

HOLE ID	EASTING	NORTHING	DEPTH FROM (metres)	THICKNESS (metres)	AVERAGE GRADE eU3O8*(ppm)	PEAK GRADE eU3O8*(ppm)	GRADE THICKNESS m%eU3O8
SARM002	484784	6488669	124.69	6.85	67.845	135	0.046
SARM003	484794	6488617	123.88	5.5	106.763	459	0.059
SARM004	484798	6488567	129.84	0.85	825.935	2510	0.070
SARM007	484805	6488385	128.2	1.85	693.498	1935	0.128
SARM008	484749	6488715	124.75	1.7	1272.899	5192	0.216
SARM009	484749	6488533	125.7	6.55	117.728	935	0.077
SARM012	484596	6488740	125.32	4	156.526	888	0.063
SARM013	484594	6488645	123.66	3.15	633.658	2720	0.200
SARM021	484706	6488438	126.16	3.85	357.926	2565	0.138
SARM022	484695	6488358	126.15	4.15	584.18	3674	0.242
SARM027	484803	6488038	118.65	1	459.641	1204	0.046
SARM029	484646	6488402	125.15	4.05	328.41	1927	0.133
SARM039	484373	6488010	129.44	0.85	535.907	1163	0.046

 Uranium peak grade greater than 1000 ppm
 Grade thickness greater than .045 m%eU3O8

Table 1: Best Grade Thickness (GT) readings to date in Marmota's drill holes on Junction Dam from 2010-Phase 2 drilling program. The widths shown are true widths with a 100 ppm cut off applied.

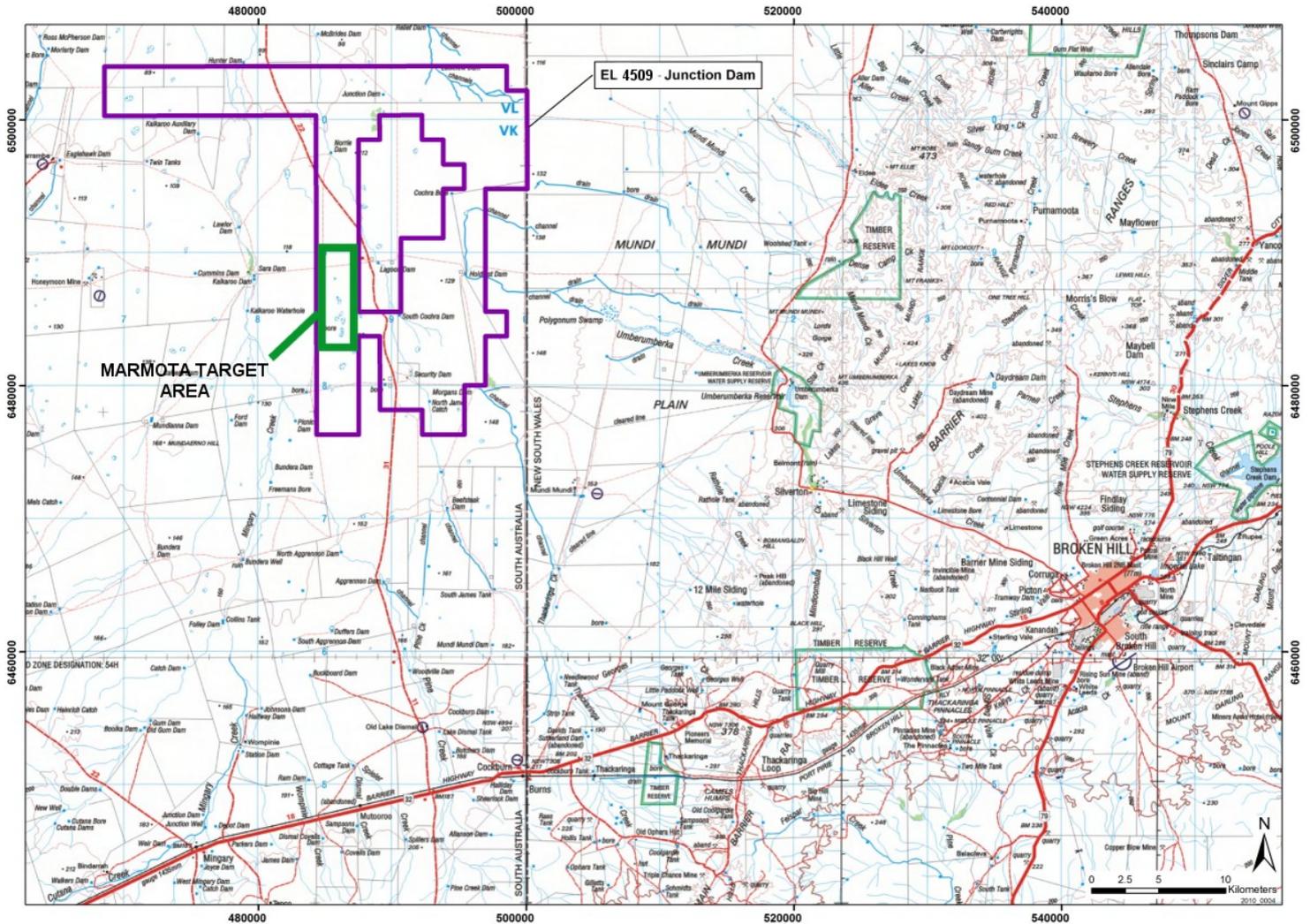
**Hole prefix 'SAR': *Equivalent grades (eU₃O₈) from Borehole Wireline Pty Ltd gamma probe 3785, calibrated at Adelaide Test Pits. Dead time 4.27264e-6, k factor 2.2702e-5, 108mm hole, water filled.*

Marmota has earned a 51% interest in the uranium rights on this highly prospective project and is set to earn an additional 24.5% interest for the uranium rights at the completion of the current phase of drilling.

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.

Below: Junction Dam location map, with Marmota drilling area in green.



Junction Dam is strategically located approximately 50 kilometres from the outback centre of Broken Hill, and has excellent access to major road and rail infrastructure. The Saffron prospect which is currently being drill tested, is located in very close proximity to established uranium mining infrastructure in a well recognised uranium mining province within South Australia.

More results from the current phase of drilling will be announced over coming weeks as the planned drilling progresses further to the north to extend the potential strike length of mineralisation.

Mr Dom Calandro
MANAGING DIRECTOR

15 July 2010