

ASX ANNOUNCEMENT

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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
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DRILLING UPDATE: ADDITIONAL URANIUM MINERALISATION INTERCEPTED AT THE SAFFRON PROSPECT - JUNCTION DAM

- Drilling designed to further enhance the definition of the Saffron zone of mineralisation has intercepted new uranium mineralisation of significant grade on the Junction Dam project near Broken Hill.
- New intercepts in multiple holes achieving grades greater than 1000 ppm eU₃O₈ offering expansion potential to the existing defined zone of uranium mineralisation at Saffron.

Junction Dam uranium project

(Marmota 74.5% 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 it continues to intercept significant grades of uranium mineralisation in recent drilling completed at the Saffron prospect at Junction Dam. Drilling has intercepted further high grades of uranium mineralisation ranging up to 1687 ppm eU₃O₈ (Table 1).

Significant results continue to be obtained from drill holes completed as part of the Company's third phase 100 hole drilling program. Downhole gamma readings indicating uranium mineralisation of potential economic significance are being returned from Eyre Formation sediments. This formation hosts the nearby Honeymoon Uranium Mine and the rich Beverley Four Mile uranium project to the north of Junction Dam. The results from the drilling will further assist the Company in a preliminary resource calculation.

The new drill holes at the Saffron prospect follow on from the successful reconnaissance drill holes completed at the Bridget Prospect immediately to the north of Saffron in the first weeks of the current phase. The Company believes the Bridget drill holes define a **new 4km long zone** of mineralisation at the Bridget prospect (Figure 1). Marmota further believes there is potential for the new zones to be part of a large continuous zone, highlighted by the green dashed line (Figure 1).

The presence of good mineralisation within a significant strike length open in all directions offers substantial expansion potential to the existing 2 km long Saffron prospect immediately adjoining to the south. Marmota is delighted with these new results which add significantly to the zones of uranium mineralisation within the Yarramba Palaeochannel on the project.

Drilling of the Yolanda prospect to the south where uranium mineralisation was also intercepted in late 2008 is also planned later in the program (Figure 1).

Marmota believes that further uranium will be intercepted in the main part of the Yarramba Palaeochannel (highlighted by green dashed line) where current data coverage indicates an environment favourable for uranium mineralisation.

One hundred shallow rotary mud drill holes are planned as part of the Phase 3 program, which are expected to be completed in mid-September 2011.

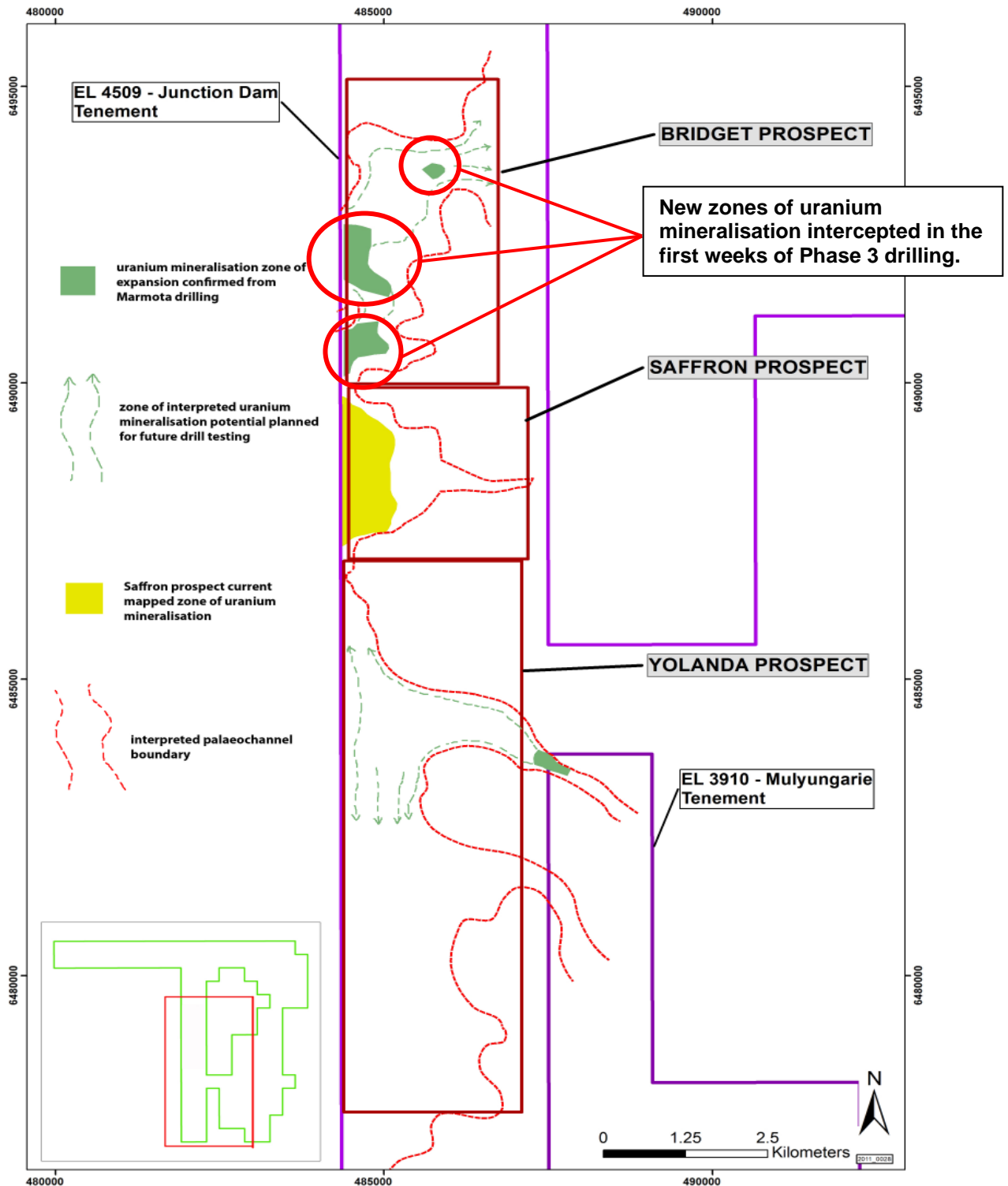


Figure 1: Junction Dam project with areas of confirmed mineralisation highlighted. New zone of mineralisation highlighted on the Bridget prospect open in all directions. Third zone of uranium potential highlighted on the Yolanda prospect for future drill testing.

HOLE ID	EASTING	NORTHING	DEPTH FROM (metres)	THICKNESS (metres)	AVERAGE GRADE eU3O8*(ppm)	PEAK GRADE eU3O8*(ppm)	GRADE THICKNESS m%eU3O8
SARM078	484489	6488136	128.05	0.6	199.163	388	0.012
SARM060	484850	6488750	121.15	1.3	169.625	661	0.022
SARM076	484493	6488354	126.6	1.05	352.834	971	0.037
SARM075	484501	6488450	125.75	1.25	357.713	1459	0.045
SARM072	484399	6488251	127.7	0.8	410.434	896	0.033
SARM071	484400	6488350	68.5	0.45	239.94	355	0.011
			127.05	1.1	525.869	1687	0.058
SARM070	484395	6488449	126.7	0.7	497.491	1096	0.035
SARM068	484410	6488667	128.1	1.15	189.034	332	0.022
SARM067	484390	6488747	127.15	1.15	569.223	1545	0.065
SARM059	484394	6488902	127.95	1	155.205	481	0.016
SARM104	484889	6488871	110.45	3.45	86.1	190	0.030
SARM103	484807	6488873	108.85	1.6	180.522	335	0.029
			122.45	2	253.424	763	0.051
SARM102	484699	6488842	126.7	0.6	259.848	497	0.016
SARM100	484503	6488911	129.55	2.15	113.659	151	0.024
SARM101	484605	6488897	127.45	1.55	418.184	1194	0.065

*Hole prefix 'SARM': *Equivalent grades (eU₃O₈) from Borehole Wireline Pty Ltd gamma probe 3018, calibrated at Adelaide Test Pits. Dead time 5.95913e -6, k factor 2.35474e-5, 108mm hole, water filled.

	Grade thickness greater than 0.015m%eU3O8
	Grade thickness greater than 0.03m%eU3O8
	Grade thickness greater than 0.045m%eU3O8

Table 1: Down hole gamma readings from continued drill testing of the Saffron prospect in recent weeks of Phase 3 drilling. The widths shown are true widths.

About the Junction Dam uranium project

The Saffron prospect on Junction Dam was discovered by Marmota Energy in late 2009.

The project is strategically located less than an hour drive from the major regional centre of Broken Hill and is approximately ten kilometres from the Honeymoon uranium mine. Marmota has earned a 74.5% interest in the uranium rights on this highly prospective project and is set to earn an additional interest for the uranium rights.

Drilling completed in the 2010 Phase 2 program confirmed an extension to the size of the Saffron prospect to approximately 2km, open to the north and south. Geophysical exploration completed across the adjacent Bridget prospect to the north defined an additional 4km long zone of potential now being drill tested in the current Phase 3 program.

From the results achieved to date Marmota believes that there is significant potential for further extension to the Saffron prospect and the discovery of additional zones of uranium in both the Bridget and Yolanda prospects on Junction Dam. **Drilling completed has now defined a zone of mineralisation that extends for approximately 6km.**



Mr Dom Calandro
MANAGING DIRECTOR

26 May 2011