

EXPLORATION UPDATE

- Infill sampling currently underway over zones of outcrop, airborne electromagnetic survey being designed over Durkin Cu/Ni prospect, Gawler Craton.
- Heritage clearances underway at the Indooroopilly and Aurora tank gold projects in the Gawler Craton.
- Significant interest in shortfall shares from rights issue increases total capital raised under rights issue to \$3m.

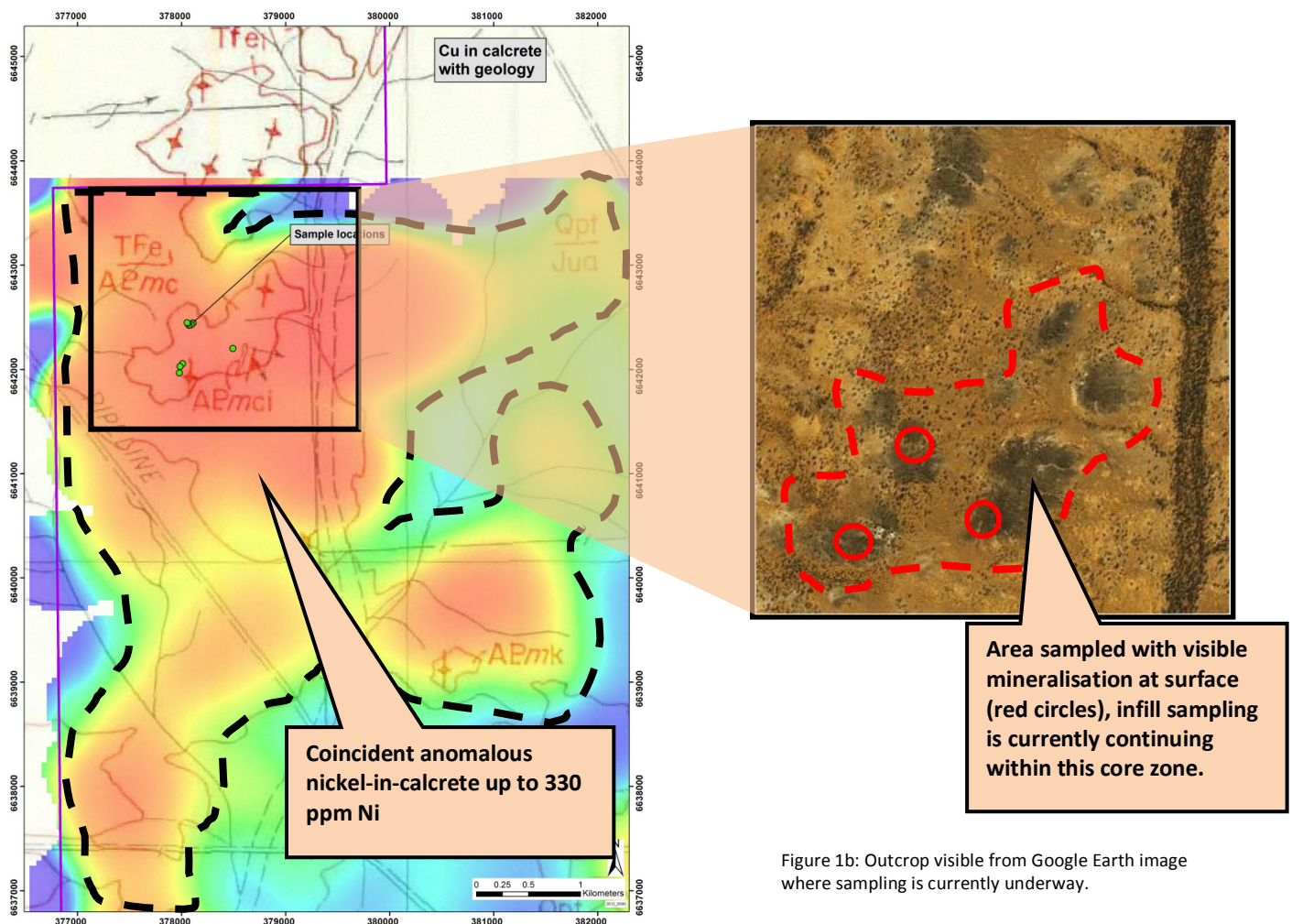
Durkin copper/nickel prospect – Pundinya project

(Marmota Energy Limited (ASX: MEU) 100%)

Surface sampling

Marmota Energy (ASX:MEU) has previously announced that a large zone of strong coincident copper and nickel in calcrete anomaly has been defined on the project which the Company will continue to focus on under its current exploration program.

High resolution multi component infill surface sampling is continuing and is focused on the large zone of outcrop as can be seen in the figure below (Figure 1b). Reported previously, the Durkin copper-nickel prospect has confirmed large scale outcrop (Figure 1) with a number of sites containing sample with visible copper and nickel mineralisation. Sampling has progressed onto the eastern half of the outcrop zone in recent days.



Durkin airborne electromagnetic survey

Due to the large size of the coincident copper and nickel in calcrete anomaly displayed above (defined in the black dashed line) an airborne electromagnetic survey is being designed to cover the entire anomaly. The survey is planned to be completed at a high resolution and is expected to define conductive features which may be related to the potential copper and nickel mineralisation.

The survey is also expected to provide vital information relating to the potential depth extent and shape of any conductive features mapped. The Company is planning to complete an airborne survey over coming weeks once a suitable contractor is available.

The airborne EM survey will be completed in parallel with applications to regulatory authorities for drilling of key target areas at Durkin which are expected to take several weeks for assessment and approval. The Company will utilise this time to contract a suitable drilling company .

Indooroopilly and Aurora Tank gold projects

(Indooroopilly, Aurora Tank 100 % Marmota Energy Limited)

Traditional Owner clearances are currently underway over the Indooroopilly and Aurora Tank gold projects. The clearances will pave the way for drill testing of several shallow gold targets located on both projects.

Previously reported significant gold-in-calcrete sampling results at Indooroopilly and Aurora Tank projects located west and east respectively of Kingsgate's Challenger Gold Mine (Figure 3), were identified. Several large scale gold targets which the company considers to be a high priority for drilling are being surveyed by Traditional Owners this week.

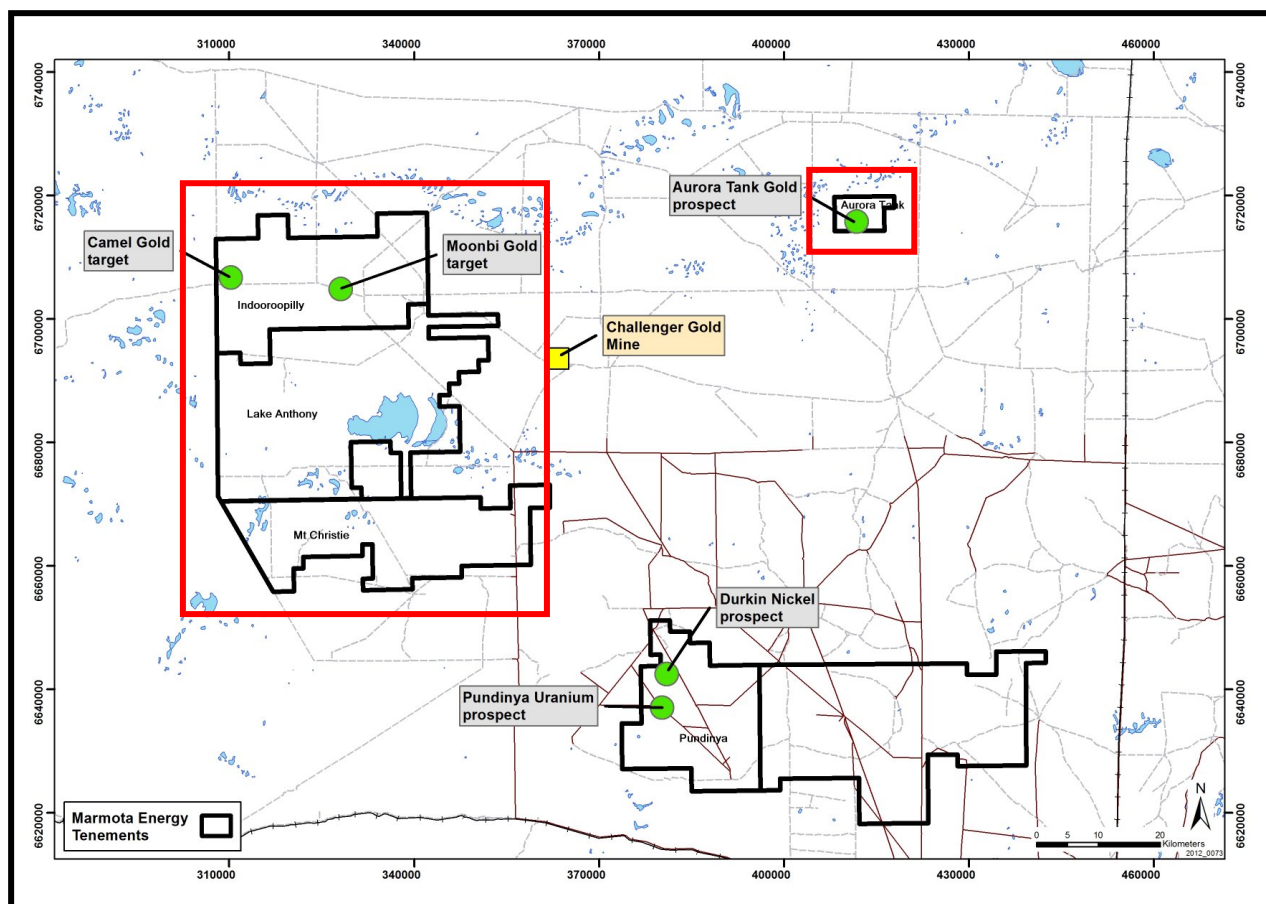
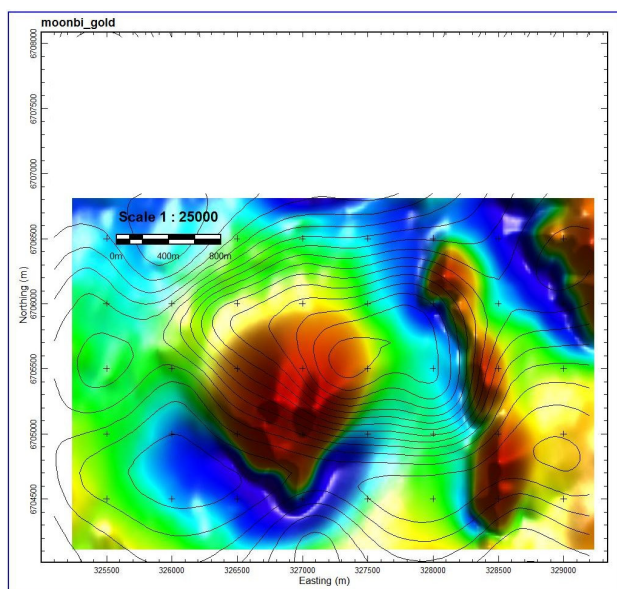


Figure 2: Indooroopilly, Aurora Tank and Durkin copper/nickel prospect location. Traditional Owner heritage surveys underway over Marmota tenements highlighted by red boxes.

Indooroopilly gold targets

The highest ranked gold target for testing is the Moonbi gold target located in a magnetic high with coincident gold and copper in calcrete anomalies over a large area covering 5.5km x 4.5km. This target is open to the south and east, and **Marmota was awarded collaborative South Australian Government funding for drilling**. As with the Challenger gold resource the Moonbi target lies on the edge of a regional-scale gravity high, as do the majority of significant Archaean age lode gold sites in the region.

The second ranked target, 'Camel', is a gold in calcrete and magnetic anomaly, located on the western side of the tenement. This target is an 800m x 650m gold in calcrete anomaly with 30 samples returning significant results in excess of 10 ppb Au, with the highest sample recording a 47 ppb Au. To the southwest of the calcrete anomaly is a discrete magnetic anomaly. This anomaly is open to the north and south, with calcrete sampling planned to extend the anomaly, followed by RC drill testing.



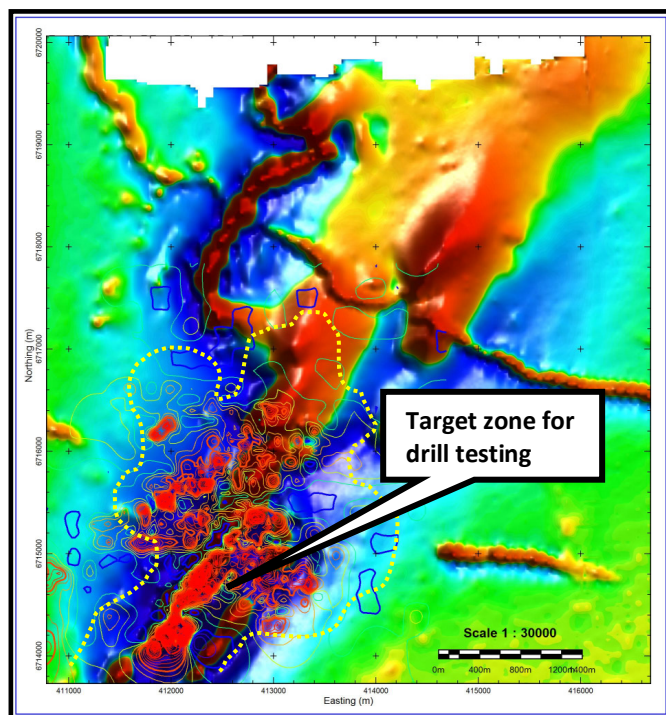


Figure 4: Aurora Tank gold target, gold in calcrete contours over magnetic image. Target area highlighted in yellow dashed line.

Heritage surveys are expected to be completed in coming days. Once heritage clearance is received further infill sampling and geophysical surveys are planned to be completed. This data will be used to finalise targets for low cost shallow RC drill testing.

Capital Raising

Following significant interest in the shortfall shares from existing shareholders and supportive brokers, the Company has received an additional \$2.7 m in funds to increase the total capital raised under the rights issued announced on 16 May 2012 to \$3m.

Marmota is now in a sound financial position, remains debt free and is able to commit these funds towards its high priority projects and for working capital purposes.

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 sufficient 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.

Mr Dom Calandro
MANAGING DIRECTOR

27 September 2012