DURKIN COPPER/NICKEL PROSPECT, GAWLER CRATON SOUTH AUSTRALIA – DRILLING UNDERWAY

- **Drilling underway at Durkin copper – nickel prospect**
- **Initial holes undertaking first pass drill testing of largest target covering conductor 3**

Durkin copper/nickel prospect (SA)

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

RC Drilling program

Marmota Energy (ASX:MEU) is pleased to announce that first drill testing of targets at its high priority Durkin copper / nickel prospect located in South Australia's Gawler Craton is underway.

Reverse circulation (RC) drilling will be utilised to drill targets of copper/nickel sulphide potential that are located within the Durkin target area defined by a 4.5 km long coincident copper and nickel geochemical anomaly.

Marmota previously announced the presence of copper and nickel mineralisation in surface samples at the Durkin prospect, confirmed by laboratory assay. Follow-up geophysical surveys completed late in 2012 identified multiple coincident conductive, magnetic, gravity and surface geochemical targets for first round drilling.

Drilling emphasis will be placed on the three best electromagnetic (EM) conductors that lie within the Durkin target zone that also host a large Cu and Ni-in-calcrete anomaly and outcrop zone. Drill testing is currently underway at the largest target, which covers the zone containing 'conductor 3' highlighted by the heli-borne EM survey conducted by Marmota.

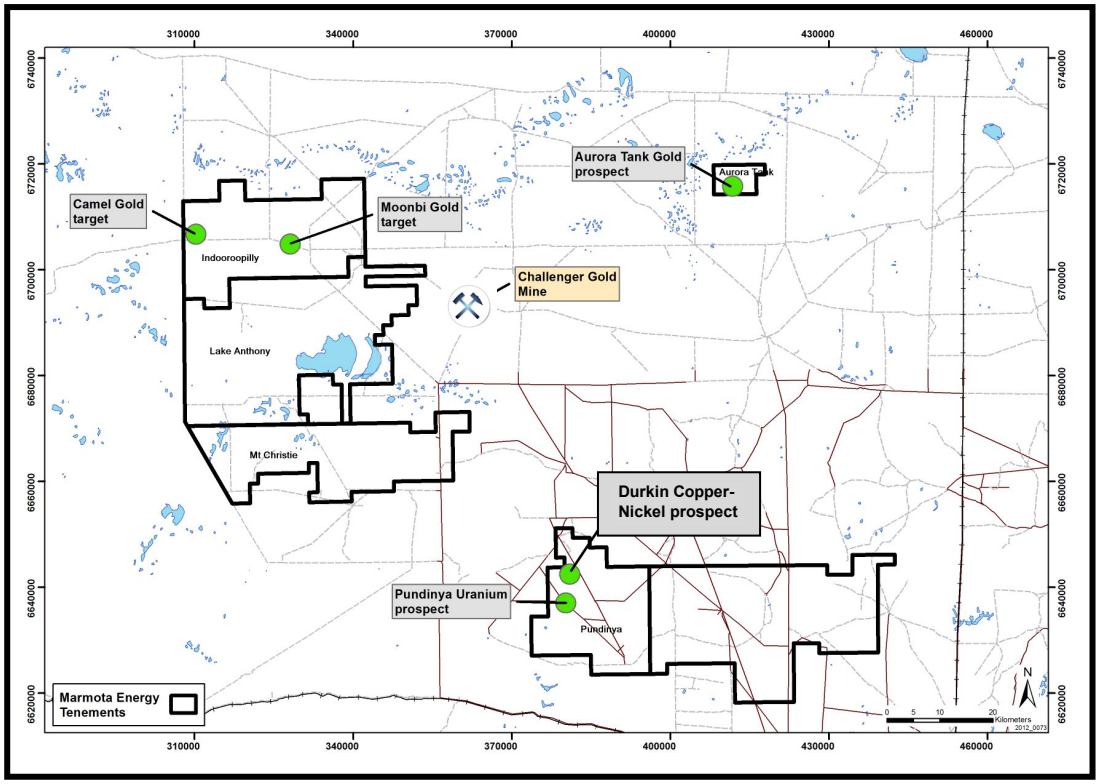

Figure 1: Durkin copper/nickel prospect and Indooroopilly gold project location map.

Drilling at conductor 3 will focus on coincident conductive and anomalous magnetic features shown in the model below by the grouped pink blocks. The zone to be drill tested at conductor 3 extends for approximately three kilometres in length. This lies along an interpreted fault zone which the Company believes acted as a possible pathway for a potentially mineralised intrusive system.

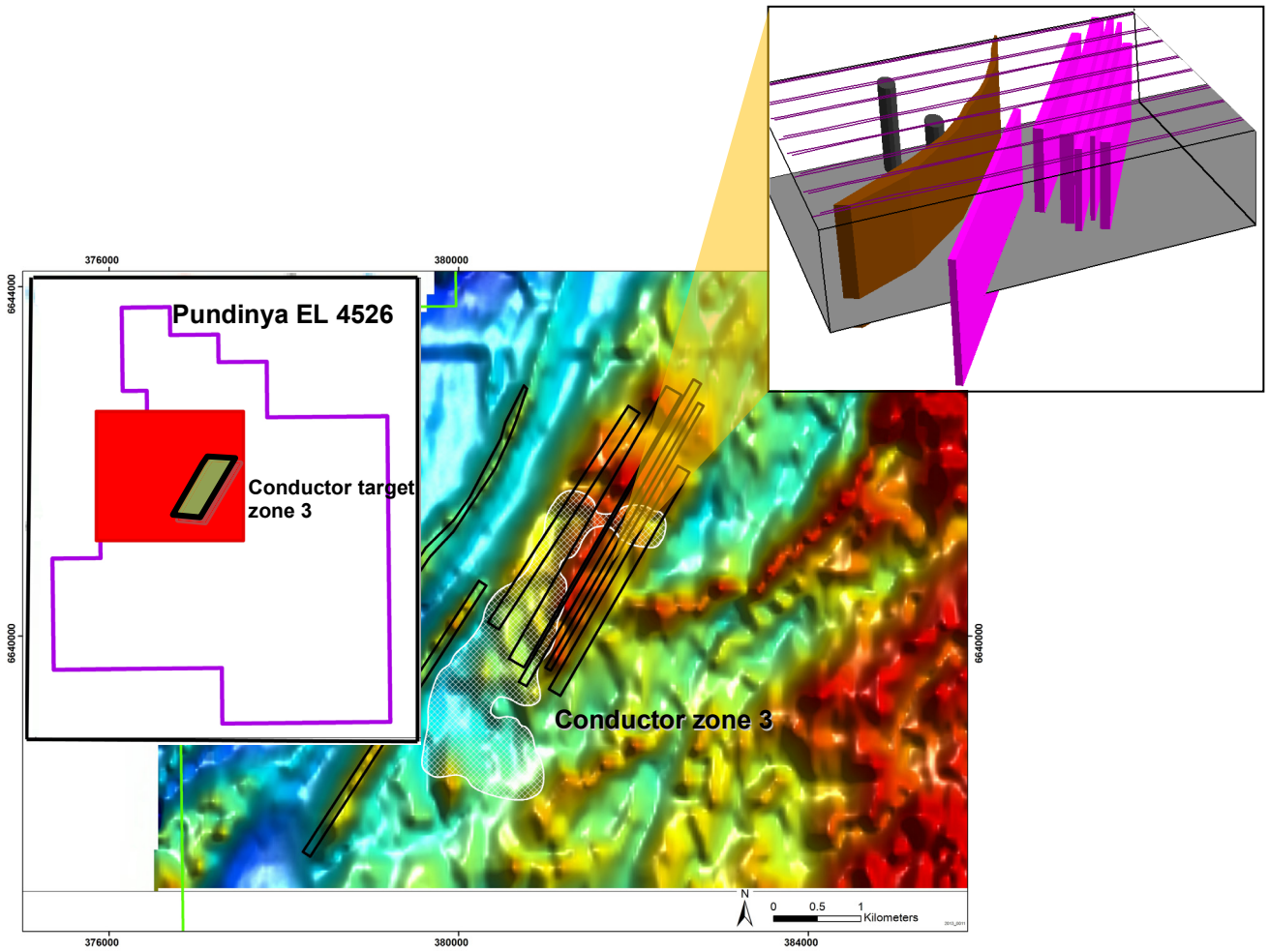

Figure 2: Durkin – conductor 3 target zone area magnetic anomaly image with outline of AEM anomaly overlain (white stipple). Modeled bodies for drill testing associated with anomalous conductive and gravity results inset (pink shapes).

Geophysical modeling (Figure 2) completed at conductor 3 suggests a dense and magnetic body with an associated conductive response. The top of the body is modeled at approximately 80 metres deep. The geophysical signatures observed are considered to represent a potential layered mafic - ultramafic body containing possible sulphide mineralisation.

Drilling at the current target is expected to take approximately eight days with up to seven holes planned before moving onto the next target at Durkin.

Highly prospective geological setting

The reason for the presence of the anomalies may be that the Durkin prospect lies within rocks and structures of the Gawler Craton, that have been compared with the mineral-rich Thompson Nickel Belt in Manitoba, Canada. Both regions have many structural and lithological similarities, with both areas appearing to have

experienced similar geological histories. Importantly, both contain mafic and ultramafic rocks, including sulphidic schists and iron formations, locally intruded by nickel-rich mafic and ultramafics in a complex former tectonic plate collisional zone.

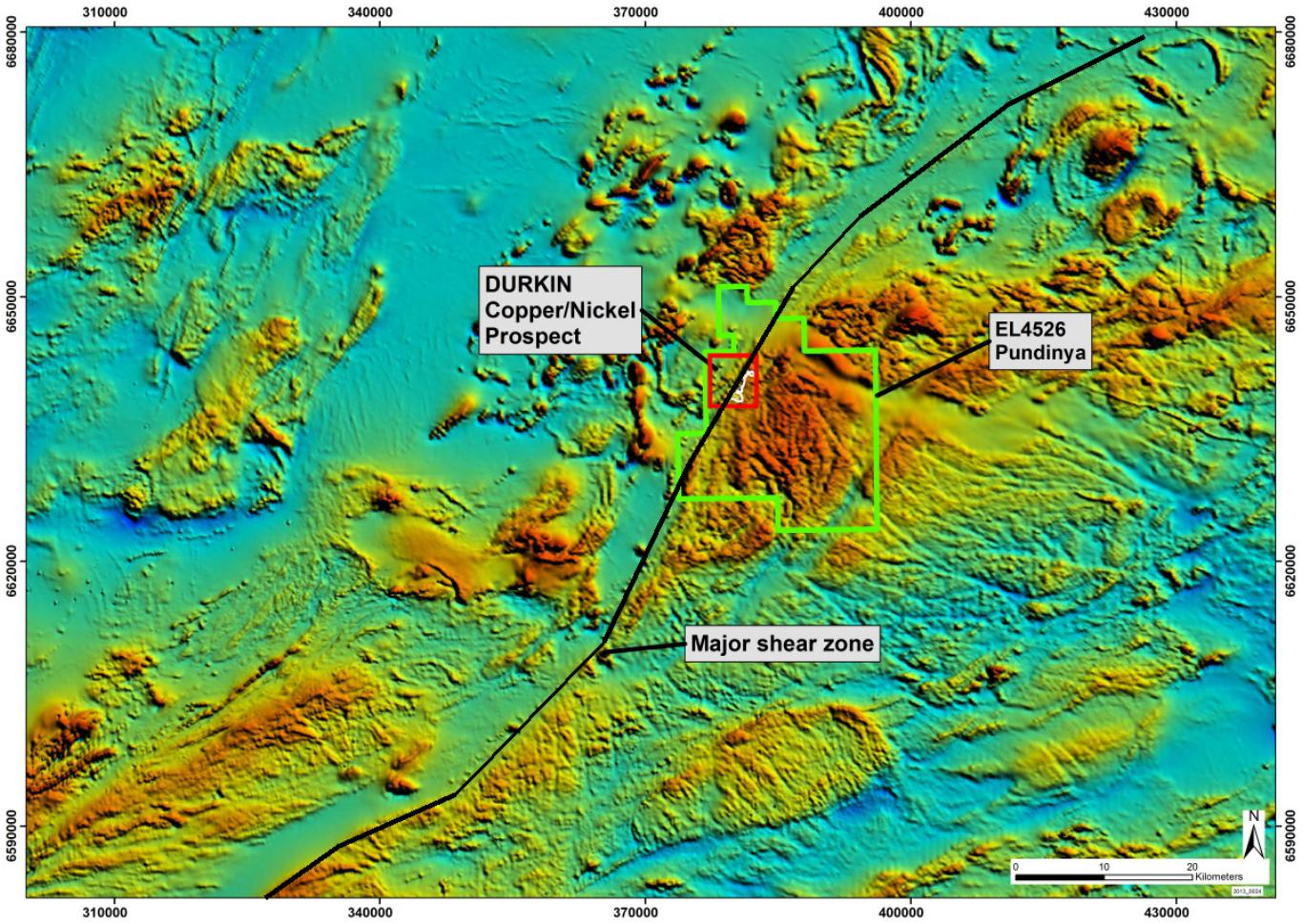

Figure 3: Durkin – conductor 3 target zone area (white outline) over total magnetic intensity image with major fault zone shown by black lines.

The Durkin prospect is positioned within northern blocks of the Fowler Domain. Structural interpretations indicate that some of the major faults and shear zones (Figure 3) of the Domain pass through Durkin and these features have the potential to host copper and nickel mineralisation. Structures such as these provide weaknesses within the Archaean and Proterozoic basement rocks for mafic and ultramafic intrusions to occur. The EM data acquired by Marmota, highlight conductors nearby to one such structure that are possible intrusions which could host nickel and copper mineralisation.

Forward Exploration Plan

Marmota will continue to progress its exploration program at Durkin with the first pass drill testing of ranked targets. Indicative forward program to include:

Exploration Program
• Completion of surface sampling program and laboratory analysis;
• Assessing and modeling of new gravity data;
• Completion of AEM survey, then processing and modeling of results;
• Compilation of surface sampling results to create a target zone specific geochemical anomaly map; COMPLETED
• Approvals for drilling by the regulator, and Woomera authorities;
• Data and model results assessment for design of Stage 1 drilling program;
• Stage 1 Reverse Circulation (RC) drill testing of targets; UNDERWAY
• Assessment of Stage 1 drilling results; and
• Result dependent follow-up Stage 2 drilling, diamond core holes.

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.

Dom Calandro
MANAGING DIRECTOR

2 April 2013

Cautionary Statement: Early stage exploration at the Durkin prospect is underway, there has been insufficient exploration to define the extent of exploration potential at the target area.