

DRILLING TARGETS DETERMINED FOR MUNGLINUP PROJECT

HIGHLIGHTS:

- Three RC holes are planned to test gold and nickel occurrences in the Lake Tay region in early May 2015
- Geophysics review has been undertaken to assist in finalising drilling locations and drilling parameters
- Site visit has been undertaken to proposed drilling location
- Program of Work (PoW) application has been submitted to WA Department of Mines and Petroleum

Planned Drilling Work

Marmota Energy Limited (ASX: MEU or the Company) advises that planning has been completed for the drilling of three reverse circulation ("RC") holes totalling approximately 500 metres on WA minerals Exploration Licence E74/544 ("Tenement"). Planned drilling is the work required to be undertaken by the Company before it can exercise the option to acquire the Munglinup Project as announced on 12 March 2015.

The Tenement covers approximately 136 km² and is situated approximately 110 km north-east of Ravensthorpe and 110km south-west of Norseman in Western Australia. The Tenement is situated on an extension of the Lake Johnston greenstone belt which hosts the Poseidon Nickel Limited (ASX:POS) Maggie Hays nickel mine which is approximately 40 km north of the Tenement. Maggie Hays has a resource of 3.5 million tonnes @ 1.49% Ni for 52,000 tonnes of contained nickel metal (see ASX Release from Poseidon Nickel dated 17 March 2015).

The three proposed holes are designed to analyse the area around the RC hole drilled by Mt Burgess Mining Gold Mining Co NL in 2000 which recorded a best result of 1m @ 2970 ppb Au from 84 metres (hole TC007) and to test two high priority conductors identified in historical electro-magnetic ("EM") data which have not been drilled previously.

The proposed hole locations are shown on the map in Figure 1.

An application for the Program of Work ("PoW") to undertake the drilling has been lodged with the WA Department of Mines and Petroleum ("DMP"). It is anticipated that the application will be issued in time to enable drilling to commence as currently planned during the week beginning 4 May 2015.

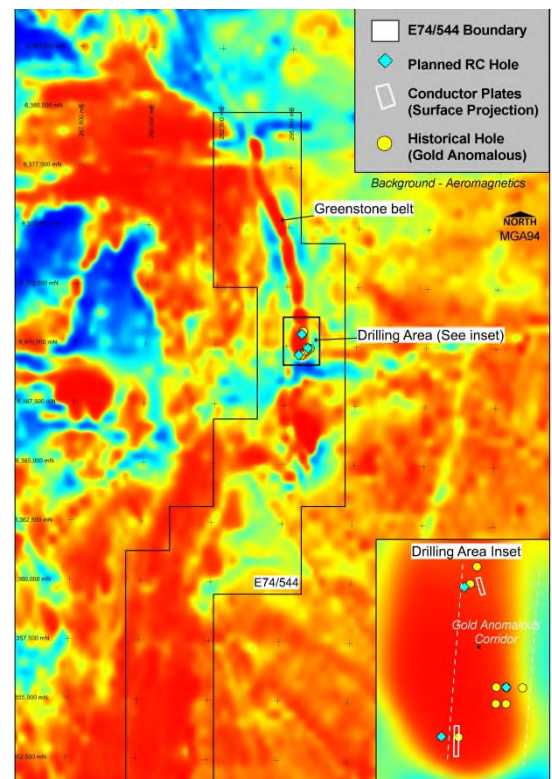


Figure 1: Proposed drill hole locations shown against magnetics from the 1997 aeromagnetic survey

Geophysics Review

Before finalising the locations of the holes to be drilled, the Company engaged Southern Geoscience Consultants Pty Ltd (“SGC”) to undertake a review of the publicly available data. The data reviewed by SGC included an airborne magnetic-radiometric survey acquired in 1997 and a moving loop and fixed loop ground EM survey acquired in 2000. More recently acquired airborne EM surveys – airborne EM survey (Skytem) acquired in 2007 and an airborne EM survey (VTEM) acquired in 2011 – are not yet publicly available. These will be reviewed once they become available.

SGC have identified four high priority ground EM targets that have not yet been drill tested. These are referred to as T7, T14a, T14b and T17. The Company has decided to drill two of these as part of this planned drilling program – T17 and T14a. These two targets are described below:

- T17 is considered to be a distinct late time anomaly in the fixed loop ground EM survey. This anomaly was missed by the RC drilling conducted by Mt Burgess. The recommendation is to drill this anomaly as modelled with a dip 60 degrees towards an azimuth of 90 degrees with the end of hole (“EOH”) 185m and a target depth of 165m (see illustration in Figure 2).
- T14a is considered to be a possible late time deep anomaly. The shallower northern and eastern portion was tested by the Mt Burgess RC drilling, but the deeper southern and eastern section was missed. Both the moving loop and fixed loop ground EM indicate the possibility of multiple conductors. The recommendation is to drill the anomaly as modelled with a dip of 60 degrees towards an azimuth of 90 degrees with the EOH 180m and a target depth of 160m (see illustration in Figure 3).

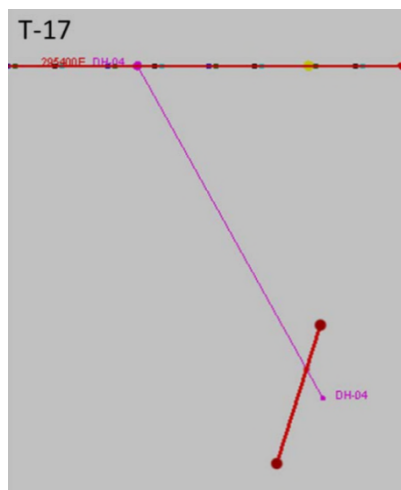


Figure 2: Section view (from South) showing proposed drillhole location to target conductor T-17

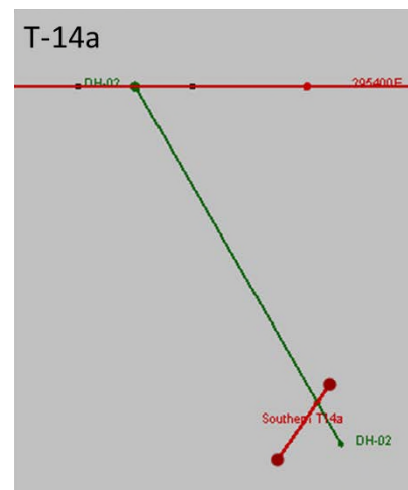


Figure 3: Section view (from South) showing proposed drillhole locations to target T-14a

Drilling Contractor

The Company has engaged SBD Drilling (“SBD”) in Western Australia. SBD focuses on RC drilling and operates, amongst other places in WA, in this region. SBD operates a modern fleet of vehicles and equipment and is proposing to use one of their Atlas Copco Explorac 220RC rigs as shown in Figure 4. The drilling program is anticipated to be completed within a week with assay results to follow subsequently.



Figure 4: SBD Atlas Copco Explorac 220RC rig on site accompanied by a support vehicle

Site Visit

A site visit with the drilling contractor, SBD, has been undertaken to check and mark the access to the possible drill sites. An illustration of the environment is given in the photos from the site visit below in Figure 5.



Figure 5: photographs taken during site visit showing one of the access tracks (on the left) and one of the drilling locations (on the right)

Background

As advised in its announcement dated 12 March 2015, the Company has acquired an option (“Option”) to acquire a package of tenements in Western Australia with known occurrences of gold, nickel and graphite (“Tenements”). The Tenements provide the Company with low cost exposure to proven geological terranes with drill ready targets and realistic commercialisation potential. Under a binding term sheet (“Terms Sheet”) entered into with Sol Jar Property Pty Ltd (“Sol Jar”), the Company has three months to exercise an option to purchase all of the issued capital of Sol Jar which is the holder of all but two of the Tenements. If the Company exercises the Option it will then also acquire the remaining two tenements of the Tenements held by Borg Geoscience Pty Ltd. In consideration for being granted the Option, the Company has agreed to conduct a drilling program on E74/544 to a maximum cost of \$55,000 within three months of executing the Terms Sheet. That is the drilling program referred to in this announcement.

Competent Person

The information in this Release that relates to Exploration Results and Mineral Resources is based on information compiled by Brendan Borg who is a member of the Australasian Institute of Mining and Metallurgy. Mr Borg is employed by Borg Geoscience Pty Ltd (“BG”). BG is providing consultancy services to the Company in relation to the drilling program referred to in this Release. BG is the vendor of the tenements E74/550 and E74/551 which the Company will acquire if it exercises the Option. Mr Borg’s superannuation fund is a shareholder of the Company. Mr Borg has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr. Borg consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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