

MARATHON RESOURCES LIMITED

ASX ANNOUNCEMENT

1 DECEMBER 2008

UNDERWRITING OF THE RIGHTS ISSUE

Marathon Resources Limited (ASX Code: MTN) (**Marathon**) refers to its Offer Memorandum and Appendix 3B lodged with ASX on 3 November 2008 in relation to a two (2) for five (5) non-renounceable pro rata rights issue at an issue price of \$0.32 per new Marathon share (**Rights Issue**).

Marathon's substantial shareholders, CITIC Australia Pty Ltd (**CITIC**) and Talbot Group Holdings Pty Ltd (**Talbot**), have agreed to severally underwrite up to \$4 million of the Rights Issue in total (inclusive of their entitlements under the Rights Issue).

As set out in the Offer Memorandum for the Rights Issue, one of the termination events of the underwriting agreement was a fall in the All Ordinaries Index or the S&P/ASX 200 Index of 10% or more from the level as at the close of trade on 30 October 2008 (being the ASX trading day immediately preceding the date of the underwriting agreement).

Notwithstanding the occurrence of this termination event, each of CITIC Australia Pty Ltd and Talbot Group Holdings Pty has today confirmed to Marathon that they wish to proceed with their underwriting obligations for the Rights Issue.

Marathon will inform the market promptly if CITIC or Talbot exercise their rights (if any) to terminate their underwriting obligations for any subsequent occurrence of a termination event under the underwriting agreement.

For further information contact:

MEDIA CONTACT:

Belinda Hill
Marathon Resources
(08) 8348 3500
0439 795 521

Sean Whittington
Field Public Relations
(08) 8234 9555
0412 591 520

Notes to Editor

Marathon is a minerals exploration company focused on the development of Mt Gee, one of Australia's largest undeveloped uranium deposits.

The Mt Gee project is located within the Paralana Mineral System of South Australia, a uranium-rich state which is home to the world's largest uranium deposit at Olympic Dam.

Marathon's portfolio also includes highly prospective copper-gold-uranium properties in the Gawler Craton of South Australia.

The Company has gold and copper-gold projects in other parts of South Australia and western Victoria, including first class copper-gold and base metal (silver-lead-zinc) projects in the Adelaide Geosyncline in South Australia and a prospective copper-gold project in the Moyston Fault Zone in Victoria.

Marathon also has a joint venture with listed uranium explorer UraniumSA Ltd (ASX: USA), in which the company holds a 7% stake; and with Primary Resources Ltd (ASX: PRZ) in the Warburton Project in Western Australia.

Marathon listed on the Australian Securities Exchange on 15 March 2005, under the stock code of MTN.

www.marathonresources.com.au