

Form 603

Corporations Act
Section 671B

Notice of initial substantial holder

To: Company Name/Scheme MARATHON RESOURCES LIMITED

1. Details of substantial holder (1)

Name: MM&E Capital Pty Limited

ABN: 90097712975

The holder became a substantial holder on: 29/08/2006

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

| Class of securities (4) | Number of securities | Persons' votes (5) | Voting power (6) |
|-------------------------|----------------------|--------------------|------------------|
| Ordinary | 2,170,289 | 2,170,289 | 5.01% |

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

| Holder of relevant interest | Nature of relevant interest (7) | Class and number of securities |
|-----------------------------|--|--------------------------------|
| MM&E Capital Pty Limited | As Trustee for MM&E Capital Investment Trusts 1 & 2, and the MM&E Investment Fund No.3 | Ordinary 2,170,289 |

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

| Holder of relevant interest | Registered holder of securities | Person entitled to be registered as holder (8) | Class and number of securities |
|--|---------------------------------|--|--------------------------------|
| MM&E Capital Pty Limited <ATF MM&E Capital Investment Trust No.1> | UBS Nominees Pty Limited | MM&E Capital Pty Limited <ATF MM&E Capital Investment Trust No.1> | Ordinary 607,819 |
| MM&E Capital Pty Limited <ATF MM&E Capital Investment Trust No.2> | UBS Nominees Pty Limited | MM&E Capital Pty Limited <ATF MM&E Capital Investment Trust No.2> | Ordinary 172,551 |
| MM&E Capital Pty Limited <ATF MM&E Investment Fund No.3> | Citigroup Nominees Limited | MM&E Capital Pty Limited <ATF MM&E Investment Fund No.3> | Ordinary 1,389,919 |

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

| Holder of relevant interest | Date of acquisition | Consideration (9) | | Class and number of securities |
|---|---------------------|-------------------|----------|--------------------------------|
| | | Cash | Non-cash | Ordinary Shares |
| MM&E Capital Pty Limited <ATF MM&E Capital Investment Trust No.1> | 8-Aug-06 | \$ 52,489.21 | | 70,051 |
| | 9-Aug-06 | \$ 56,452.38 | | 76,287 |
| | 10-Aug-06 | \$ 65,423.40 | | 88,410 |
| | 11-Aug-06 | \$ 35,512.61 | | 49,132 |
| | 14-Aug-06 | \$ 49,098.10 | | 67,313 |
| | 15-Aug-06 | \$ 18,758.88 | | 25,828 |
| | 16-Aug-06 | \$ 21,819.41 | | 30,046 |
| | 21-Aug-06 | \$ 40,458.24 | | 55,628 |
| | 24-Aug-06 | \$ 45,294.00 | | 64,056 |
| | 25-Aug-06 | \$ 6,019.20 | | 8,360 |
| 29-Aug-06 | \$ 51,721.27 | | 72,429 | |
| MM&E Capital Pty Limited <ATF MM&E Capital Investment Trust No.2> | 8-Aug-06 | \$ 14,961.27 | | 19,967 |
| | 9-Aug-06 | \$ 15,609.56 | | 21,094 |
| | 10-Aug-06 | \$ 18,656.88 | | 25,212 |
| | 11-Aug-06 | \$ 10,121.37 | | 14,003 |
| | 14-Aug-06 | \$ 14,000.83 | | 19,195 |
| | 15-Aug-06 | \$ 5,346.29 | | 7,361 |
| | 16-Aug-06 | \$ 6,217.00 | | 8,561 |
| | 21-Aug-06 | \$ 11,542.98 | | 15,871 |
| | 24-Aug-06 | \$ 12,910.03 | | 18,258 |
| | 25-Aug-06 | \$ 1,716.48 | | 2,384 |
| 29-Aug-06 | \$ 14,742.52 | | 20,645 | |
| MM&E Capital Pty Limited <ATF MM&E Investment Fund No.3> | 8-Aug-06 | \$ 119,874.51 | | 159,982 |
| | 9-Aug-06 | \$ 127,738.06 | | 172,619 |
| | 10-Aug-06 | \$ 148,958.30 | | 201,295 |
| | 11-Aug-06 | \$ 80,856.02 | | 111,865 |
| | 14-Aug-06 | \$ 112,024.90 | | 153,585 |
| | 15-Aug-06 | \$ 42,800.86 | | 58,930 |
| | 16-Aug-06 | \$ 50,306.78 | | 69,274 |
| | 21-Aug-06 | \$ 93,458.78 | | 128,501 |
| | 24-Aug-06 | \$ 104,428.77 | | 147,686 |
| | 25-Aug-06 | \$ 13,864.32 | | 19,256 |
| 29-Aug-06 | \$ 119,201.38 | | 166,926 | |

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:


| Name and ACN (if applicable) | Nature of association |
|---|--|
| MM&E Capital Pty Limited ACN 097 712 975 | As Trustee for MM&E Capital Investment Trusts 1 & 2, and the MM&E Investment Fund No.3 |

7. Addresses

The addresses of persons named in this form are as follows:

| Name | Address |
|--------------------------|---|
| MM&E Capital Pty Limited | Level 7, 350 Collins Street, Melbourne Vic 3000 |

Signature

| | | | |
|-------------|---|-----------|-------------------|
| Print name: | Tom Elliott | Capacity: | Managing Director |
| Sign here: |  | Date: | 25 August 2006 |