

MARATHON RESOURCES LIMITED
ACN 107 531 822

ASX ANNOUNCEMENT

Notice under Section 708AA of the Corporations Act

Marathon Resources Limited (ASX: MTN) (**Marathon**) refers to its Offer Memorandum and Appendix 3B lodged with ASX on 28 September 2007 in relation to a one (1) for five (5) non-renounceable rights issue priced at \$2.50 per new Marathon share (**Rights Issue**).

This notice is given under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (the **Act**). Marathon advises that:

- (1) the securities being offered under the Rights Issue will be offered for issue without disclosure to investors under Part 6D.2 of the Act;
- (2) as at the date of this notice Marathon has complied with the provisions of Chapter 2M of the Act as they apply to Marathon and section 674 of the Act;
- (3) as at the date of this notice there is no information that is excluded information under section 708AA(8) and (9) of the Act that has not already been disclosed to investors generally or in the Offer Memorandum and Appendix 3B lodged on 28 September 2007;
- (4) the potential effect the Rights Issue will have on the control of Marathon is as follows:
 - (a) If all shareholders take up their entitlements under the Rights Issue, the Rights Issue will have no effect on the control of Marathon.
 - (b) If the Rights Issue is subscribed to the extent of 50%, with Talbot Group Holdings Pty Ltd (**Talbot**), CITIC Australia Pty Ltd (**CITIC**) and the Directors fully subscribing their entitlements in respect of the shares they respectively control, the Rights Issue will have the following effects on control of Marathon's undiluted share capital, measured as an increase in substantial shareholdings:
 - (i) Talbot's and CITIC's collective control will increase from 19.59% to 21.38%;¹ and
 - (ii) the Directors' collective control will increase from 11.23% to 12.25%.
 - (c) If all shareholders do not take up their entitlements under the Rights Issue other than Talbot, CITIC and the Directors who fully subscribe their entitlements in respect of the shares they respectively control, the Rights Issue will have the following effects on control of Marathon's undiluted share capital, measured as an increase in substantial shareholdings:
 - (i) Talbot's and CITIC's collective control will increase from 19.59% to 22.14%; and
 - (ii) the Directors' collective control will increase from 11.23% to 12.69%.

¹ Talbot and CITIC are "associates" of each other for the purposes of the *Corporations Act 2001* (Cth) and, therefore, collectively currently control 19.59% of Marathon's undiluted share capital.

- (5) The consequences of the potential effect on control of Marathon referred to in paragraph (4)(b) above will be an increase in the voting power of the substantial shareholders referred to in that paragraph by an amount equal to the percentage increase in their control of Marathon's undiluted share capital. Given that the maximum control any of those substantial shareholders will have post the Rights Issue is 22.14%, the Board is of the view that none of those substantial shareholders will control Marathon within the meaning of section 50AA(1) of the Act.

Dated this 12th day of October 2007

By order of the Board



Peter L Williams
Chairman
Marathon Resources Limited