

MARATHON RESOURCES LIMITED - Shareholder Update

22 January 2008

Marathon Resources Limited (“Marathon”) has noted the diminution in its share price over the past three weeks. Although directors are not aware of any specific reason for the change in price, they are aware that it has occurred in an environment which has seen Australian share prices fall for the most prolonged period in more than 20 years.

Directors are also aware of media comments and speculation from parties outside of Marathon concerning the manner in which the company has disposed of exploration materials at its Mt Gee project in South Australia. Marathon is conscious of its continuous disclosure requirements and advises it is currently working with Primary Industries and Resources South Australia (“PIRSA”) and the Environmental Protection Authority (“EPA”) on this issue.

Marathon has commenced an internal investigation into exploration practices adopted to assess compliance with its Exploration Licence requirements. The company has comprehensive records and photographs of all processes undertaken and if PIRSA and EPA require further work to be done, the company's records enable it to do whatever is required, and it will.

Exploration work at the company’s Mt Gee project has resumed after the holiday break. It is anticipated that there may be some delay to the program while procedures for disposal of exploration materials are clarified. Once the extent of any delay is known, the market will be advised.

Appointment of Mt Gee Project Executive

The Board of Marathon is pleased to announce the appointment of Mr. W Ian McRae as Mt Gee Project Executive. Mr. McRae will have overall responsibility for the conduct and completion of Marathon’s feasibility studies concerning the Mt Gee deposit for the development of the project to mine status

Mr. McRae brings extensive capabilities and experience to Marathon at a time when strong leadership and a thorough understanding of the industry are required to deliver the company’s objectives. His effective communication skills and strong background in operations and infrastructure management will be key factors in the community and government consultation processes the company has embarked on.

Mr. McRae joins Marathon after an extensive career in the mining industry firstly in mining operations management and then in executive roles in project development funding and technical services. In the 1980’s and 1990’s he was Manager of Operations for Peko Mines at Tennant Creek, General Manager Operations for the Pilbara operations of Robe River Mining Company, and General Manager Operations for Cumnock Coal Ltd between 1994 and 1997.

Mr. McRae continued consulting activities and was Senior Site Executive for Macarthur Coal Limited at its Coppabella project and for Macmahon Contractors Pty Ltd at the Englefield coal mine.

Peter L Williams
Chairman
Marathon Resources Limited

MEDIA CONTACTS:

Belinda Yates
Communications, Marathon Resources
(08) 8366 2500
(0439) 795 521

John Field
Field Public Relations
(08) 8234 9555
(0418) 819 527