

MEDIA STATEMENT

Tuesday, 12 February 2008

MARATHON RESOURCES TO REMEDIATE DISPOSAL SITES

Marathon Resources Limited (ASX: MTN) today accepted the restrictions imposed on the company by the State Government after investigations conducted by PIRSA and the EPA.

Marathon maintained that there was no significant environmental risk or health risk to visitors or wildlife at Arkaroola and this was confirmed by PIRSA and the EPA.

Marathon acknowledges an error of judgment in the manner in which exploration materials at Mt Gee were disposed of but the company had no intention of any breach.

Marathon Chairman, Mr Peter Williams, said today that all exploration material identified as being disposed of incorrectly would be immediately excavated, as soon as PIRSA approval was given, and removed off-site, and on-site rehabilitation will be completed to the satisfaction of the State Government.

"Marathon remains committed as ever to the Mt Gee uranium project, one of the largest undeveloped uranium deposits in Australia," Mr Williams said

"The Company deeply regrets its actions. It was an error of judgment which fell outside current practice and the tenor and excellent record of the Australian mining industry code

"From the outset of the investigation, Marathon has co-operated fully with authorities.

"Further, we initiated our own internal investigation into our exploration practices to ensure we were complying with our interpretation of the current guidelines."

Mr Williams also announced today that Marathon had essentially completed currently authorised drilling activity at Mt Gee, and following discussions with the South Australian Government, had decided to demobilise the four rigs currently at the project.

Two of the rigs have already completed operations and had been released from the site.

The Company also announced that it would commission an independent report into the Company's environmental practices and use the findings of the report to improve its operations, where necessary, in the Mount Gee area and to report back to Government.

As part of the process, the independent expert will be asked to liaise with all project stakeholders, including the Aboriginal community, pastoralists, owners of the Arkaroola Tourist Village, industry representatives and State and Federal government, and to identify all issues and address means to resolve them.

Mr Williams said Marathon recognised the concerns expressed by the State Government and others into the manner in which the Company disposed of exploration materials at Mt Gee, and would suspend drilling operations until the matter was clarified.

“With our normal exploration cut-off looming, we have completed sufficient drilling to enable us to conduct the next exploration phase, including environmental and other studies, and we have assembled the required technical details for continued mine planning work,” Mr Williams said.

“Marathon has a strong focus on sustainable exploration, and seeks to limit any adverse environmental impact,” he said.

“Whether it is Marathon or any other mining company, it is critically important to uphold the State’s reputation as welcoming of investment and exploration in a sustainable manner.

“Marathon recognises that the community and the Federal and State Governments expect us to consistently achieve the highest levels of environmental excellence’.

“Accordingly, to reinforce and honour the Company’s commitment to the environment, the Company has taken the steps announced today.”

Mr Williams said that Marathon – as announced last year - would continue with a raft of data acquisition and pre-feasibility study activities on the Mt Gee uranium project, including:

- Geotechnical assessment of the resource.
- Base line environmental surveys.
- Plant and infrastructure location studies.
- Logistics studies.
- Native title negotiations.

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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