

1 March 2011

Manager Companies
Companies Announcements Office
Australian Securities Exchange Ltd

E-Lodgement via ASX On-Line

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 16 February 2011 in relation to a one (1) for ten (10) non-renounceable pro-rata rights issue priced at \$0.50 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 16 February 2011;
- (4) the potential effect the Rights Issue will have on the control of Marathon's undiluted share capital will depend on the extent shareholders take up their entitlements. If all shareholders take up their entitlements the Rights Issue will have no effect on the control of Marathon. The maximum effect the Rights Issue could potentially have on the control of Marathon is the increase in the percentage of Marathon's total issued share capital held by its substantial shareholders, Mount Kellett Capital Partners (Ireland) Limited (through its nominee National Nominees Limited) (**Mount Kellett**) and CITIC Australia Pty Ltd (**CITIC**) from 37.71% to a maximum of 38.7% in aggregate, if those entities took up their respective entitlements in full (to the extent permitted by law and so that Mount Kellett's beneficial holding does not exceed 20% of Marathon's issued share capital) and no other shareholders took up their entitlements. The Company has been advised by Mount Kellett and CITIC that they will each take up their entitlements in full to the extent indicated above.

- (5) the consequences of the potential effect on control of Marathon referred to in paragraph (4) 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. The maximum combined voting power that Mount Kellett and CITIC could collectively have post the Rights Issue is 38.7%, representing an increase of 0.99% from their current combined voting power.

Dated this 1st day of March 2011

By order of the Board



Peter L Williams
Chairman
Marathon Resources Limited