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MARATHON RESOURCES EXPLORATION LICENCE No. EL 4355

On 7 February 2011, Marathon Resources Limited ("Marathon") advised shareholders that it had accepted a renewal of South Australian Exploration Licence No EL 4355 on 3 February 2011 and that the licence included operating conditions required by the SA Minister for Mineral Resources Development. Marathon also advised shareholders that it will conduct approved exploration activities in accordance with the licence conditions.

Exploration Licence EL 4355 & Arkaroola

Shareholders will be aware of the Ministerial Statement by the SA Premier, Mike Rann, in the South Australian Parliament on 22nd February when he announced (among other things), a consultative process on the conservation management of Arkaroola. The Premier made it clear that all options to preserve the Arkaroola sanctuary, including a definitive ban on mining, were on the table and that the consultation process would involve native title holders, pastoral lease holders and the holders of exploration licences (of which Marathon is one).

Marathon's Chairman, Mr Peter Williams, said Marathon is seeking more detailed information regarding the proposed government consultation and intends to participate fully in such process.

"Marathon continues to operate under the conditions of its newly-granted Exploration Licence, under the terms and conditions as approved by the SA Government," Mr Williams said.

"Marathon remains firmly of the view that modern mining, with appropriate environmental controls, can readily co-exist with the environmentally-sensitive areas of Arkaroola and enhance the tourism potential of Arkaroola, as well as bringing significant benefits to the traditional owners, the region and South Australia as a whole," he said.

Marathon's New Major Shareholder

A Notice of Initial Substantial Shareholder was lodged with the ASX on 16 February 2011 by Mount Kellett Capital Management LP ("Mount Kellett"). That notice disclosed that Mount Kellett has a relevant interest in 19.8% of Marathon's voting shares. Also on that date, Talbot Group Holdings Pty Ltd and Talbot Group Investments Pty Ltd notified the ASX that they no longer had a relevant interest in any of Marathon's voting shares.

Mount Kellett is a multi-strategy investment firm, based in New York and investing in North America, Asia and Europe. It also has principal offices in London and Hong Kong.

Rights Issue

Marathon also announced on 7 February 2011 a one-for-10 rights issue to Shareholders to raise funds for the Company's ongoing operations. More details of that issue were then announced on 16th February 2011, and the Offer memorandum relating to the rights issue will be despatched to Shareholders on 1 March 2011.

Marathon's major shareholders, CITIC Australia Pty Ltd and Mount Kellett, have notified Marathon that they will subscribe for their full entitlements in the rights issue to the extent permitted by law and ASX listing rules.

"This is a most pleasing outcome for Marathon to have Mount Kellett, a major global investment fund, as a new key stakeholder," Mr. Williams said.

"It is also significant for the future of our Company that Mount Kellett has already advised us of its intention to support the proposed rights issue," he said.

"CITIC Australia Pty Ltd continues to support the company in every way and we value its ongoing contribution."

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Notes to Editor

Marathon Resources is a minerals exploration company focused on the development of several prospects in the North Flinders Ranges.

These prospects (including Mt Gee, which is one of Australia's largest undeveloped uranium deposits), are located within the Paralana Mineral System of South Australia, a uranium-rich state that is home to the Olympic Dam deposit.

Marathon listed on the Australian Securities Exchange on 15 March 2005, under the stock code of MTN

www.marathonresources.com.au