

ASX Announcement

ASX Online
5 December 2008

Notice under Appendix 7A of the ASX Listing Rules

Marathon Resources Limited (ASX: MTN) (**Marathon**) refers to its Offer Memorandum and Appendix 3B lodged with ASX on 3 November 2008 in relation to a two (2) for five (5) non-renounceable pro-rata rights issue priced at \$0.32 per new Marathon share (**Rights Issue**).

This notice is given in accordance with Appendix 7A of the ASX Listing Rules.

Marathon advises that the Rights Issue of 24,296,115 shares was undersubscribed by 16,499,693 shares (**Shortfall Shares**).

The Rights Issue was partially and severally underwritten by Marathon's substantial shareholders, Talbot Group Holdings Pty Ltd (**Talbot**) and CITIC Australia Pty Ltd (**CITIC**) up to \$4 million in total or 12.5 million shares (inclusive of their respective entitlements under the rights issue).

As CITIC and Talbot subscribed for their respective entitlements under the Rights Issue, according to the terms of the underwriting agreement they will each subscribe for 3,713,134 of the Shortfall Shares, for a total subscription price of \$1,188,202.88 (less the underwriting fee, being 3% of the total amount raised under the Rights Issue).

Having reserved the right to do so in the Offer Memorandum, the Marathon Board intends to place the remaining Shortfall Shares (being 9,073,425 shares) at its discretion. Any of the remaining Shortfall Shares placed by the Marathon Board will:

- (a) be placed at a price that is not less than \$0.32 per share, being the issue price for shares under the Rights Issue; and
- (b) be issued within 3 months of the closing date of the Right Issue (ie by 1 March 2009).



S M Appleyard
Company Secretary