

ASX ANNOUNCEMENT

19 December 2008

Marathon Resources: Non-Renounceable Rights Issue Update

Marathon Resources (ASX: MTN) is pleased to announce it has successfully raised \$4.7 million (after underwriting fees) under its non-renounceable two-for-five Rights Issue.

Marathon is grateful for the continued support from Marathon shareholders, particularly the Company's major shareholders, CITIC Australia Pty Ltd (**CITIC**) and Talbot Group Holdings Pty Ltd (**Talbot**). CITIC and Talbot each took up their full respective entitlements under the Rights Issue and partially underwrote the Rights Issue.

"On behalf of the Board of Marathon Resources, I would like to personally thank our shareholders for the interest shown in this Rights Issue," Chairman, Mr Peter Williams, said today.

"The current global financial crisis has made it a difficult climate in which to raise funds and I sincerely appreciate the support of our shareholders during this time," Mr Williams said.

In total, including underwriting commitments, Marathon shareholders took up about 62% of the shares available under the Rights Issue, representing approximately 15.2 million new ordinary shares, taking the total number of shares on issue to 75,977,977.

The Board is currently investigating various options for the placement of the additional shortfall of approximately 9 million shares, and is confident of finding suitable investors at an issue price of not less than \$0.32 per share. Shareholders will be advised immediately a decision is made in respect of this.

Proceeds from the Rights Issue will help fund the next stage of development of Marathon's Mt Gee uranium project in South Australia's northern Flinders Ranges (subject to obtaining all necessary government approvals), further exploration of Marathon's other tenements, as well as general working capital requirements.

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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