MARION ENERGY LIMITED

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ASX RELEASE

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Marion Energy Limited announces completion of Strategic Review and retains Goldman Sachs & Co to seek global buyers for the Company and/or its assets either in whole or in part.

The Board of Marion Energy Limited (ASX:MAE) announced on 19 June , 2008 that it had commenced a Strategic Alternatives Review to be undertaken by management in conjunction with Goldman Sachs & Company who has been retained as financial adviser.

In the last six months, the Company has completed an independent assessment of the natural gas Resource in Place at its 100% owned Clear Creek and Helper projects located in Utah, U.S.A: this assessment was undertaken by Ryder Scott Company, LP and William H. Cobb and Associates. The assessment has estimated the Company has a gross potential Resource in Place of gas of 32.5 trillion cubic feet ("Tcf") and a potential recoverable resource of between 2.4 and 4.3 Tcf of natural gas. This is a very large, long term asset of high quality.

In addition to this resource, the Company's 1P and 2P Reserves at 30 June 2007 stood at 319 billion cubic feet ("Bcf") of natural gas. Since the last independent reserve report undertaken at 30 June, 2007, the Company has undertaken significant drilling activities at both its Clear Creek and Helper projects. A new independent Reserve Report of the Company's Reserves as of February 2009 is currently being completed by Cobb and Associates.

The Company has identified over 200 drilling locations within its reserves and to fully develop the Resource in Place will require a significant number of wells additional to these currently identified locations. The Company has in excess of 40,000 net acres in its Utah projects.

The Board is of the view that the underlying value of the Company's assets is materially in excess of the current market capitalisation of the Company and has resolved to seek alternatives to enhance the value for shareholders. This decision has been taken against a background of the current early stage development of the large Clear Creek and Helper projects. Significant capital expenditure and associated financial capital will be required to fully develop the Company's non-conventional gas resources, in what are currently difficult and unstable financial and commodity price environments.

The Board has therefore resolved that the preferred alternative to best realise the value of the Company's assets is to seek a sale or merger of the Company and/or its assets either in whole or in part, including through the formation of a strategic partnership. Accordingly, it has mandated Goldman Sachs & Company to undertake this process, commencing once the Reserve Report is completed. There can be no assurance that any particular transaction will occur or on what terms.

The Company will provide further updates to this process as they become available.

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