

28 September 2009

ASX Release

Update on Clear Creek Operations

- Clean-up works on first target well largely completed
- Production of gas into the sales process expected to be re-established in the near term
- Preparations underway for commencement of works on second target well

Marion Energy Limited (ASX: MAE) is pleased to provide an update on the progress made in the implementation of its operational strategy, as announced to the market on 14 August 2009.

The strategy targets four to six gas wells at the Clear Creek and Helper projects in Utah, USA with the aim of gradually bringing them back to production.

The wells to be targeted through the staged program have been shut in for approximately six months, largely due to low gas prices during that period, however in the current significantly improved pricing environment are considered to be potentially the most productive and profitable.

Ridge Runner (RR) 11-17 Well.

Work commenced on the Ridge Runner 11-17 well in August 2009. This well, considered to be the most potentially productive, was previously drilled and production tested at flow rates of up to 7 million cubic feet of gas per day.

Preliminary results indicate that the clean-up work and chemical treatments have been successful with significant volumes of gas being flowed in conjunction with the removal of the residual well fluids. The last of the planned treatments has now been completed and it is anticipated production of gas into the sales process will be re-established in the near term.

Ridge Runner (RR) 2-19 well.

In anticipation of the operations on the RR11-17 well being completed near term, the Company is commencing operations on the second well, the RR2-19.

The well previously production tested at up to 2 million cubic feet of gas per day. Initial indications are that only limited chemical treatment will be required and that the well may largely clean up of its own accord through pumping operations.

Further information on both wells will be released as it becomes available.

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