

8 February 2010

ASX Release

Company's bankers approve extension of bank credit facility until March 31, 2011.

Marion Energy Limited is pleased to announce that its bankers, BNP Paribas Fortis and Fortis Netherlands, have approved an extension of the Company's bank credit facility to a maturity date of March 31, 2011, subject to final documentation. The credit facility currently is fully drawn to a balance of US\$42 million.

The loan document will contain certain repayment provisions, and financial and operational covenants. The repayments schedule will include a requirement for a reduction of the amount outstanding from US\$42 million to US\$37 million by June 30, 2010, a further reduction to US\$32 million by September 30, 2010 and the remaining balance outstanding repayable by the maturity date of March 31, 2011. The current interest margin and fees remain unchanged and a US\$500,000 loan extension fee will be payable.

The extension of the maturity date of the credit facility in combination with the announced intention of undertaking a rights issue in the March 2010 quarter will considerably strengthen the Company's balance sheet. This, together with the recently instituted operations program, will strengthen the foundation for the Company's future development as it pursues the generation of production, revenue and cash flow from its substantial reserve base.

For further information contact:

Australia

Mr Peter Collery
Executive Director & Company Secretary
Ph + 61 3 8862 6466
Email: peter@marionenergy.com.au

North America

Mr Jeff Clarke
Managing Director & CEO
Ph: +00111 214 244 7690
Email: jclarke@marionenergy.com

Suite 3.14, Pacific Tower
737 Burwood Road, Hawthorn
VIC 3122 Australia
Telephone: +61 3 8862 6466
Facsimile: + 61 3 8862 6614
ABN 99 000 031 292