

7 April 2010

ASX Release

Marion Successfully Completes Further Restructure and Extension of Bank Facility

Marion Energy Limited (ASX:MAE) is pleased to announce that it has restructured its senior secured debt facility to give the company greater flexibility to manage the ongoing development of its Clear Creek well rehabilitation program.

The restructure, agreed with its international bankers, BNP Paribas Fortis and Fortis Netherlands, represents an important improvement to the Company's balance sheet.

The restructure will enable management to continue to focus on the operational aspects of the business, as well as significantly reducing short-term refinancing risk.

It will also provide the Board with the opportunity to consider a range of options to further improve the capital structure and financial position of the Company over the next six months.

Under the terms of the restructure, Marion's bankers have approved:

- The removal of the requirement to make the second principal repayment of US\$5 million due by 30 September, 2010;
- A 6 month extension of the maturity date for the loan balance to 30 September, 2011 from 31 March, 2011;
- The repayment terms will now comprise a first scheduled reduction of the debt facility of US\$5 million by 30 June, 2010 with the balance of the loan repayable on 30 September 2011 to coincide with forecast increased gas flows and sales; and
- The interest margin and fees remain unchanged and no restructuring fee will be payable.

Marion Executive Director, Mr Peter Collery, said that the restructure represents a further sign of confidence in the strength of our underlying assets and reserves.

"This restructure provides an excellent platform from which the Company can progress its multi well remediation program that is being implemented by our Chief Operating Officer, Jay Stratton Jnr, and which is already delivering returns," said Mr Collery.

“The restructure of our debt facility gives us greater flexibility in managing our working capital as we look to both increase gas production from a number of wells at our Clear Creek and Helper Operations in Utah.

“Over the past 12 months, Marion has faced a range of significant challenges and this restructure will enable greater management focus to our core business of maximising the value of our gas assets.

”It also grants us time and flexibility to finalise our capital requirements of between A\$5 million and A\$10 million over the next six months, as well as to implement our operational well remediation program to secure on-going sales,” said Mr. Collery

“We acknowledge and appreciate the important ongoing support of our bankers, BNP Paribas Fortis and Fortis Netherlands, thus enabling us to move forward on a more stable basis. “

The restructuring has received all necessary bank credit approvals and final documentation has been completed.

For further information contact:

Australia

Mr Peter Collery

Executive Director & Company Secretary

Ph + 61 3 8862 6466

Email: peter@marionenergy.com.au