ASX ANNOUNCEMENT

16th July 2008

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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr D J Calandro, who is a Member of the Australian Institute of Geoscientists. Mr Calandro is employed full time by the Company as Managing Director and, has a minimum of five years relevant experience in the style of mineralisation and type of deposit under consideration and qualifies as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Calandro consents to the inclusion of the information in this report in the form and context in which it appears.

MARMOTA ENERGY LIMITED

EXPLORATION UPDATE AMBROSIA – MULGATHING PROJECT

- **Major drilling program underway on the Company's flagship Ambrosia-Mulgathing project in North West South Australia**
- **Lignites intersected in adjoining holes with anomalous gamma response – potential uranium bearing system**
- **Geophysical testing has defined major shallow conductive targets to be drill tested for IOCGU potential**

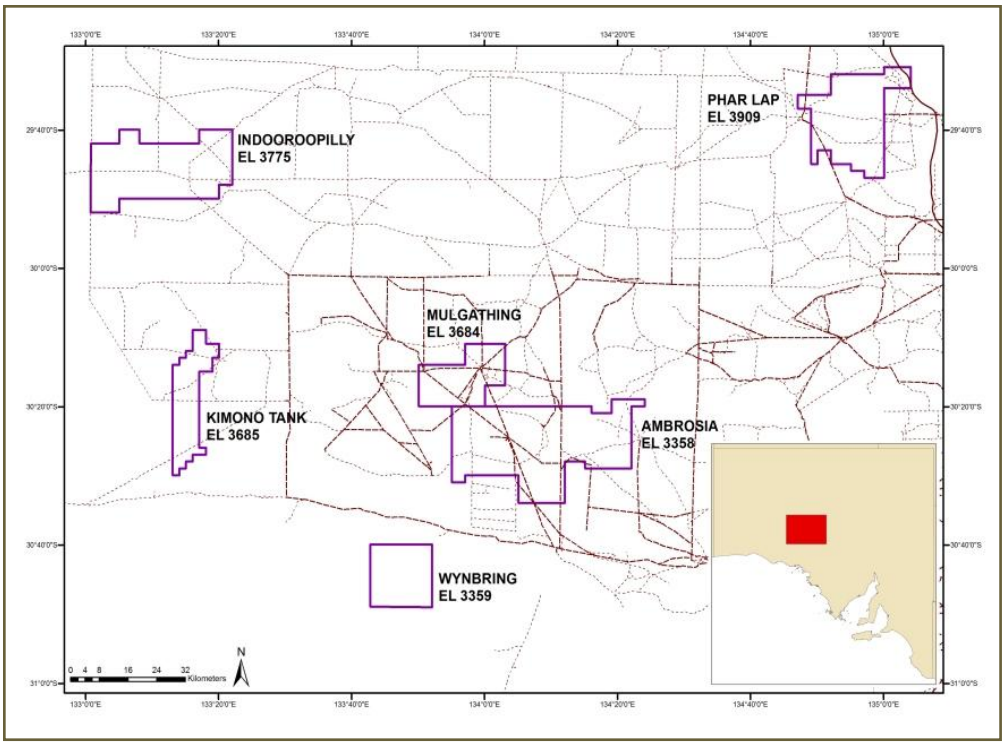


Figure 1: Location of the Ambrosia - Mulgathing project area.

Marmota Energy Limited (ASX Code 'MEU') is pleased to announce that the first phase drill testing of targets on its flagship project Ambrosia–Mulgathing is underway. Testing of the extensive palaeodrainages in the project area is currently in progress. Two adjoining holes drilled 500 metres apart (DBRM0205 and DBRM0206) in the Dusty Bore target region have intersected lignite layers. This is very positive for potential uranium mineralisation, because lignite is conducive to an interaction with uranium-rich oxidising fluids to give rise to uranium mineralisation. Down hole logging responses recorded within these holes have indicated zones with gamma radiation levels higher than background, with samples collected for laboratory analysis. The Company believes that results achieved during this early stage of the program confirm the presence of a potential uranium bearing system in the project area.

Several bedrock-hosted iron-oxide-copper-uranium-gold (IOCGU) targets, potentially at shallow depths, have been identified as electrically conductive features from the airborne EM survey. These will also be drill tested. A number of other discrete conductive anomalies that coincide with gravity or magnetic anomalies are also present within the project area.

Ambrosia – Mulgathing Projects

(Marmota earning 50% under Ambrosia JV Agreement with Monax Mining Limited)

(Marmota earning 70% under Farm in and JV Agreement with Monax Mining Limited)

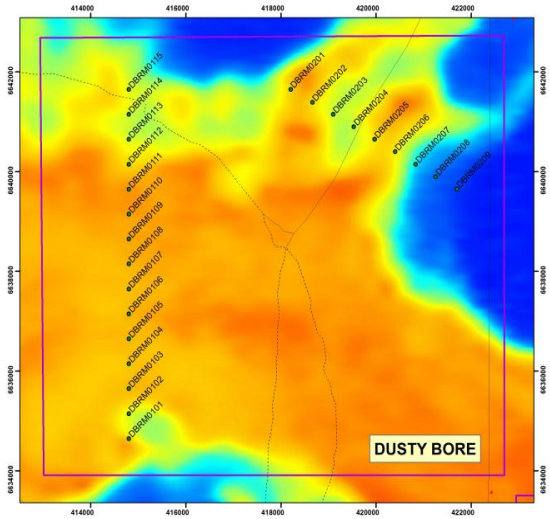
The Ambrosia Mulgathing Project tenement totals 1,112 km^2 of pastoral lease land and is located approximately 100 kilometres north west of the township of Tarcoola in the north of South Australia (Figure 1).

On the Ambrosia project (EL 3358) Marmota is earning 50% equity across all commodities from Monax Mining Limited, and 70% equity for uranium only on Mulgathing (EL 3684) from Monax Mining Limited. Supported by advanced geophysical and geological data for our flagship project, Marmota believes the geological setting is prospective for palaeochannel hosted roll front uranium, Olympic Dam style IOCGU deposits and tabular style sandstone-hosted uranium in Mesozoic and Permian sediments.

High resolution geophysical surveys including airborne EM were completed over the project area from which the Company has determined palaeodrainage systems and discrete conductive basement priority targets.

Drilling Program

This initial phase of drill testing of the Ambrosia palaeodrainages will comprise a series of 70-80 rotary-mud holes with drilling commenced in the Dusty Bore target region in the middle of the project area. Later in the program testing of the system immediately north of the Warrior uranium prospect is planned. This area is believed to be closer to uranium-bearing granites. Drillholes have been sited on the basis of the recent geophysical data and previous company drillhole data. The program is designed to provide an understanding of the channel forms and the detail of the channel sediments as well as directly testing for the presence of uranium mineralisation. All holes are being down-hole logged using gamma probes and samples collected for analytical testing.



Above: Dusty Bore target region drillhole locations over AEM data in central Ambrosia project area.

Project timing

The Company's initial drill campaign will take approximately 8 weeks to complete over which time Marmota will continue to issue periodic market updates. This schedule should mean that the company will be in receipt of final results from the drill program by the end of September 2008.

Mr Dom Calandro
MANAGING DIRECTOR

16 July 2008