



ASX/Media – 19th November 2010

Issue of Convertible Notes

The company is pleased to advise that it has today issued Convertible Notes to the value of \$2,000,000 to Hanlong Energy Limited in accordance with funding arrangements announced to the market on 1st November 2010, having received the funds.

Under the terms of the Convertible Notes Hanlong Energy Limited will receive interest at 8.00% per annum, payable annually in arrears and the Convertible Notes may be converted into shares at \$0.07 per share at any time within 3 years.

Hanlong Energy Limited has also agreed to underwrite the Company's \$2,000,000 Rights Issue which is currently underway and has also subscribed for and been issued 14,285,714 shares under a placement which raised \$1,000,000.

An Appendix 3B in relation to the Convertible Notes issue is attached.

The Hanlong Group – Background

Sichuan Hanlong Group is a large, privately held Chinese company with a wide portfolio of investments including mining resources development, electricity production, infrastructure development, pharmaceutical production, food and alcoholic beverages real estate development, environmental technology, tourism development and high tech industries.

The Group has over 12,000 employees worldwide and annual revenues in excess of 16 billion RMB (approximately US\$ 2.5 billion), with total assets exceeding 36 billion RMB. Hanlong Group Chairman, Mr. Liu Han, is well known for his philanthropic work in China, especially in Hanlong's home province of Sichuan, having donated over 1.3 billion RMB over the last 3 years.

Hanlong Group's overseas interests are solely in the mining resources sector; the company has a base in Sydney, Australia where it has built a multicultural team of mining and finance specialists.

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Marenica Energy Limited

ABN

71 001 666 600

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Convertible Notes |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 2,000,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Convertible into shares at \$0.07 cents per share (28,571,429 shares) within 3 years. Interest at 8.00% per annum, payable annually in arrears |

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

4	Do the ⁺ securities rank equally in all respects from the date of allotment with an existing ⁺ class of quoted ⁺ securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	N/A	
5	Issue price or consideration	\$2,000,000	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Provide funding for the Company’s operations	
7	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	19 November 2010	
8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 2 if applicable)	Number 498,629,166	⁺ Class Ordinary fully paid shares (MEY)

⁺ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	3,000,000	Unlisted Options exercisable at 15 cents each on or before 30 June 2011
	41,300,000	Unlisted Options exercisable at 25 cents each on or before 30 June 2011
	7,450,000	Unlisted Options exercisable at 20 cents each on or before 31 October 2011
	12,500,000	Unlisted Options exercisable at 21 cents each on or before 15 December 2013
	2,000,000	Convertible Notes convertible into shares at \$0.07 cents per share (28,571,429 shares)
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No policy	

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	
12 Is the issue renounceable or non-renounceable?	
13 Ratio in which the +securities will be offered	
14 +Class of +securities to which the offer relates	

+ See chapter 19 for defined terms.

15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	

29	Date rights trading will end (if applicable)	
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	
33	⁺ Despatch date	

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) ☐ Securities described in Part 1
- (b) ☐ All other securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
- 1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

⁺ See chapter 19 for defined terms.

37 ☐ A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

38 Number of securities for which ⁺quotation is sought

39 Class of ⁺securities for which quotation is sought

40 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

42	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the securities in clause 38)	Number	⁺ Class

Quotation agreement

- 1 ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those ⁺securities should not be granted ⁺quotation.

- An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any ⁺securities to be quoted and that no-one has any right to return any ⁺securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the ⁺securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the ⁺securities to be quoted, it has been provided at the time that we request that the ⁺securities be quoted.
- If we are a trust, we warrant that no person has the right to return the ⁺securities to be quoted under section 1019B of the Corporations Act at the time that we request that the ⁺securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before ⁺quotation of the ⁺securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 19 November 2010
(Company Secretary)

Print name: Simon Robertson

⁺ See chapter 19 for defined terms.