



**MARENICA
ENERGY** LIMITED

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ASX/Media Announcement

Share Purchase Plan Exceeds Underwriting

Marenica Energy Limited ("Company" or "Marenica") is pleased to announce that its recent Capital Raising exceeded expectations, raising \$400,000. The Capital Raising allowed existing eligible Shareholders to subscribe for new fully paid ordinary shares ("New Shares") in the Company at an issue price per New Share of \$0.0016 representing a discount of 20% to the average closing price of Shares traded on ASX in the 5 days on which sales of Shares were recorded prior to the issue date of the New Shares. The funds raised through the Capital Raising will be used for working capital purposes whilst Marenica embarks on its strategy to commercialise **U-pgrade™**.

The Capital Raising was through a Share Purchase Plan ("Plan") which was strongly supported by the Marenica Directors and Management with all Australian based Directors and CEO taking up their full entitlement. The Plan was underwritten to \$300,000 by Marenica's CEO, Murray Hill, and consultant Strategic Advisor, John Sestan. The Plan was oversubscribed by \$77,500 above the \$300,000 underwriting. An additional \$22,500 has been raised from existing shareholders pursuant to a placement at the same issue price made in accordance with section 708 of the Corporations Act.

Additional Share Placement to meet new demand

The Company is encouraged by the high level of interest from new investors, that were not eligible for the Plan, and existing shareholders that were keen to take up more than the Share Purchase Plan maximum of \$15,000. To accommodate this demand the Company intends to offer additional Shares in accordance with section 708 of the Corporations Act. These Shares will be issued under the Company's available ASX Listing Rule placement capacity.

The Board consider it is in the interests of the Company to accommodate this additional demand. This will improve the financial position of the Company whilst the financing of Uranium Beneficiation Pty Ltd ("UB") is undertaken.

"We are excited about the interest and positive response expressed by our shareholders towards the strategic direction for the company," commented Murray Hill, CEO of Marenica Energy. "It is a great endorsement for our quest to commercialise the **U-pgrade™** process technology."

U-pgrade™ commercialisation strategy

As previously announced, Marenica has embarked on a new strategy to commercialise its proven **U-pgrade™** process. This is in direct response to the dramatic deterioration in Uranium price, and weak price expectations in the short to medium term. It involves the transfer of the proprietary **U-pgrade™** beneficiation technology to a wholly owned subsidiary, Uranium

Beneficiation Ltd. (UB). This provides an opportunity for new investors to participate in the funding and commercialisation of **U-pgrade™** alongside existing Marenica shareholders. The Company has received a very positive response to date from a range of finance sources for UB. Subject to funding UB plans to construct and operate a pilot plant on three higher grade ore sources than Marenica ore and Marenica has commitment from three resource companies in relation to providing their ore for processing in the pilot plant which is planned to be located at CSIRO's facilities in Perth, Western Australia. Marenica's Technical Steering Committee continues to prepare for construction and operation of the pilot plant so that it is ready to move quickly once UB financing is in place.

Marenica would like to thank shareholders for their ongoing support, and look forward to providing updates on the progress of the Company's new strategy.

R&D Tax Return

The company has lodged its annual R&D tax return and expects to receive a refund of \$362,000 from the Australian Taxation Office during September 2014.

CEO Performance Rights

The company also wishes to advise that Mr Murray Hill (or nominee) has today been issued 67.5 million Performance Rights which are subject to certain performance hurdles related to successful commercialisation of **U-pgrade™**. On vesting Marenica shall issue fully paid ordinary shares in the company within 14 days of the achieving the required performance hurdle.

Any unvested Performance Rights will automatically vest on sale of the **U-pgrade™** technology or change of control of Marenica. In the event of Mr Hill ceasing to be an employee of Marenica or its subsidiary any unvested Performance Rights will lapse unless the Marenica Board otherwise determines, at its discretion, that all or any of the unvested Performance Rights shall vest. Any Performance Rights that have not vested within seven years from the date of issue will lapse.

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