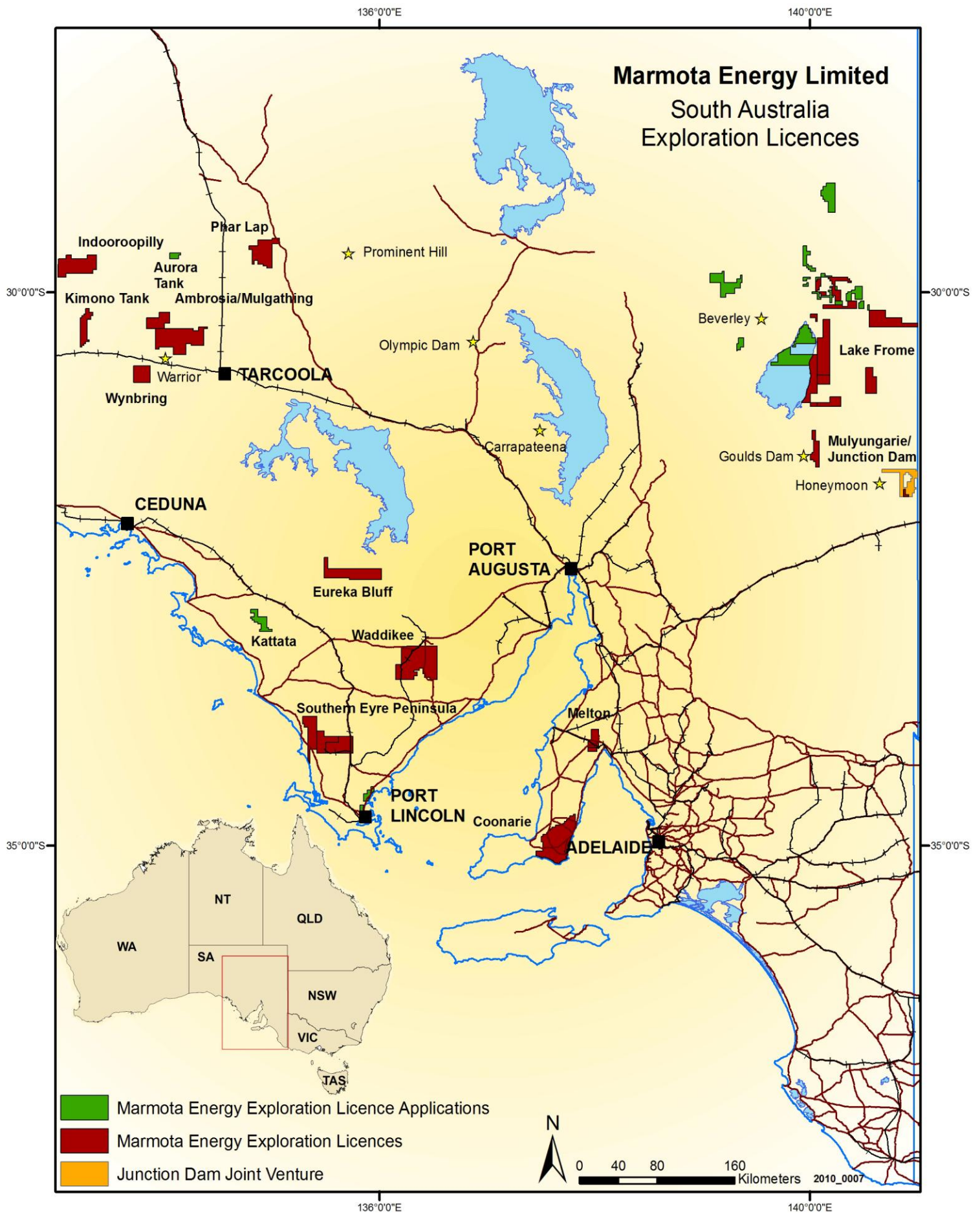


Highlights

- Maiden drilling program discovers outstanding high grade uranium mineralisation in 20 km long segment of a palaeochannel at Junction Dam, near the Honeymoon uranium mine.
- 30% interest earned in joint venture with global mining group Teck and its partners for the Junction Dam project. Marmota Energy on schedule to reach 51% interest early in 2010.
- Exploration program launched at Melton copper-gold project on the northern Yorke Peninsula. High resolution airborne magnetic data defines five large scale targets for drill testing.
- Additional \$4 million raised through successful placement and share purchase plan. Additional funds will ensure the significant exploration momentum is maintained across Marmota's key projects.
- New exploration licences 100% owned by Marmota granted and further applications lodged in the highly prospective Lake Frome region near the Beverley uranium mine and Four Mile development.



Marmota Energy tenement locations

Review of Operations

"The Company launched exploration programs across two high potential and strategic projects in South Australia."

Corporate Activities

In the December Quarter of 2009, the Company launched exploration programs across two high potential and strategic projects in South Australia. High grade uranium mineralisation was discovered on the Junction Dam project near Broken Hill. High resolution magnetic data has defined five large scale anomalies with copper -gold potential at the company's Melton Project on the northern Yorke Peninsula. Drill testing of targets is planned to be completed

across both key projects in 2010. Marmota is continuing to focus its resources on a twofold strategy to develop a pipeline of projects that will offer a combination of short-term and sustainable longer term revenue potential. This strategy will assist in maintaining Marmota's strong cash position while promoting an expanded program of focused exploration. Marmota has increased its tenement position in the highly prospective Lake Frome region near the Beverley and Four

Mile developments. These projects are 100% owned by Marmota Energy and are considered by the Company to be prospective for both uranium and precious metals.

Finance

As at 31 December 2010, Marmota Energy had available funds of \$11.5 million, of which the majority is held in term deposits with Australian Banks. During the December Quarter, total net operating expenditure by the company was \$640 thousand.

Exploration Activities

Melton Copper Gold Project

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



Marmota Energy Limited (ASX: MEU) launched its exploration program on the highly prospective Melton copper-gold project late third quarter 2009. High resolution airborne magnetic and radiometric data were acquired to improve definition of key anomalies exhibited in broad spaced data.

Marmota Energy considers this region prospective for the discovery of new deposits of copper and gold. Recently the prospectivity of the region and in particular the Pine Point Fault has been demonstrated by the discovery of significant copper-gold-uranium mineralisation by Rex Minerals at their Hillside Project immediately south of Marmota's Melton project.

The two Melton tenements (EL3911 and EL4000), cover the northern extension of the Pine Point Fault and contain a number of discrete magnetic and gravity features consistent with copper -gold mineralisation elsewhere along the fault. As part of its earn in requirement, Marmota Energy plans to immediately undertake a program of detailed geophysical data acquisition across the tenements to further define anomalies and identify targets intended for drill testing in 2010.

The Melton joint venture is in line with Marmota's corporate strategy of creating shareholder value and reducing exploration risk by acquiring projects with a high discovery potential or a known resource with significant expansion potential.

The Melton project is ideally located close to mine and civil infrastructure. The project's proximity to major centres and good access to port, road and rail infrastructure makes this a very strategic project for Marmota Energy.

Preliminary processing of the magnetic data covering the first three of five anomalies identified has been completed. Data acquired over the North White Cliffs and Melton targets in the south of the Melton project have defined major features interpreted to be magnetite rich structures. The extents of the Pine Point Fault and related cross cutting and parallel features have also been further defined.

The aeromagnetic survey data is considered to be critical in target assessment processes as there appears to be a strong correlation between magnetite and copper in the region. Results from drilling completed at Rex Minerals' Hillside project to the south, confirms this relationship which is similar to other styles of deposits such as the Ernest Henry deposit in Queensland.

The new high resolution survey data better defines not only the five large individual anomalies in the Melton project area, but also better maps the northern extension of the Pine Point Fault, which runs for more than 15 kilometres through the entire extent of the project.

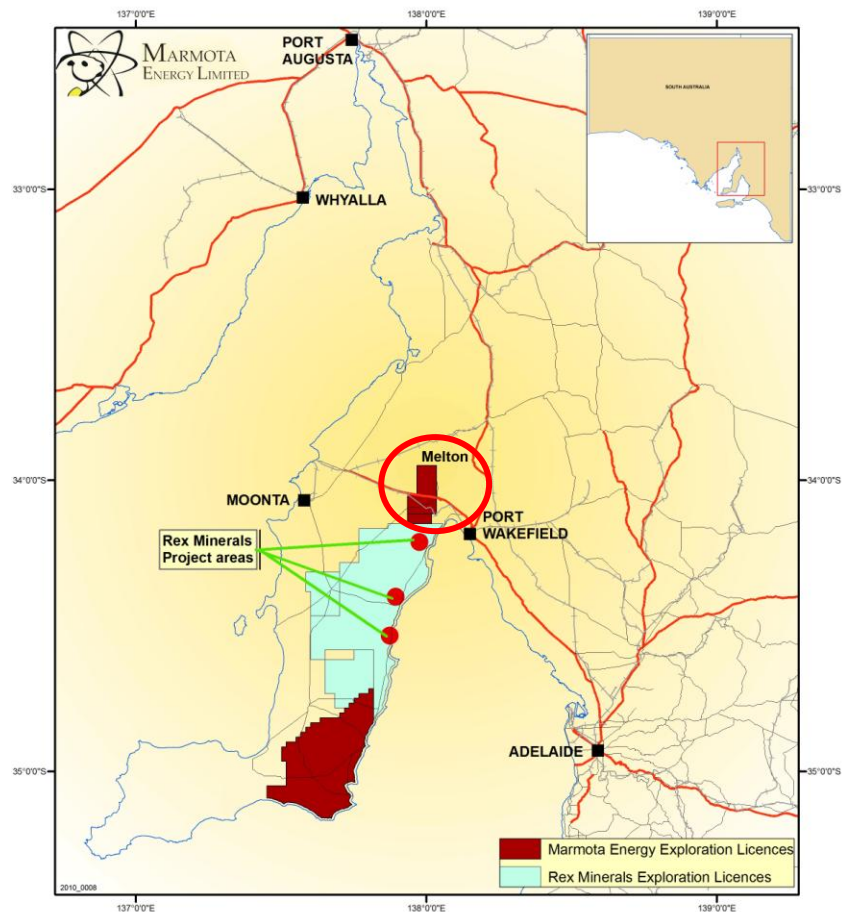
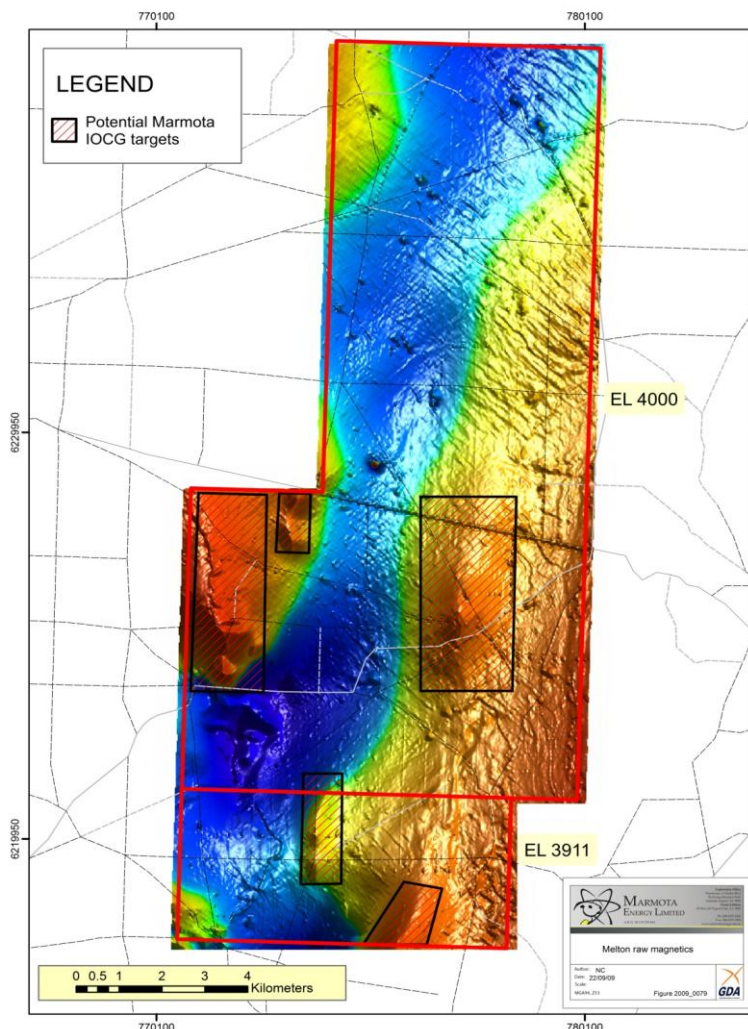


Figure 1. Melton project area



The largest of the five magnetic anomalies extends for more than 4 kilometres, with the smallest extending approximately 1.6 kilometres (Figure 2). Further processing of this data is continuing to define the structural characteristics of each target zone. This will be integrated with the detailed gravity data acquired in January 2010 and together, these datasets will assist in finalising an initial drill program testing the multiple anomalies.

Figure 2. New high resolution magnetic data over the Melton project, with potential target zones defined (in red hash).

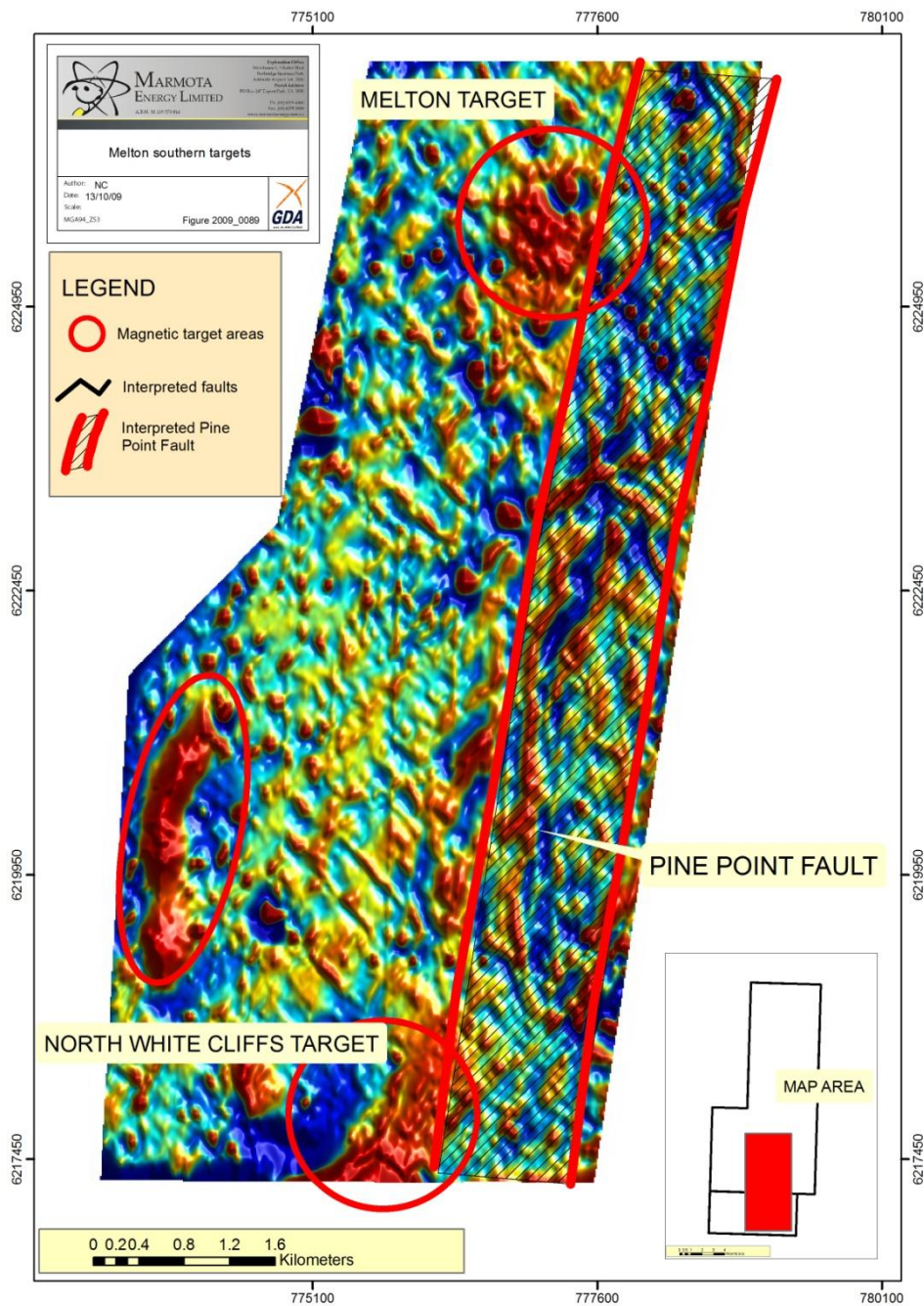


Figure 3. Reprocessed total magnetic intensity, Melton region.

Processed data

The new high resolution data is enabling subtle structural characteristics of each anomaly to be defined, and facilitate better mapping of potential magnetic rocks.

In the adjacent image the reprocessed magnetic data has better defined the structural characteristics of anomalies (Figure 3). The Pine Point Fault can be seen to be extending through the entire length of the target area.

Within the North White Cliffs anomaly area (Figure 3) the magnetic image displays what the Company interprets to be distinct fault bound zones. These zones appear to be similar in signature to those found at Hillside, and offer good potential for mineralisation.

Elongate zones of magnetic anomalism also envelop sections of the Pine Point Fault system as shown on the adjacent inset processed image. These not only assist in mapping the fault itself, but they may also offer additional potential for mineralisation and testing.

Junction Dam uranium project

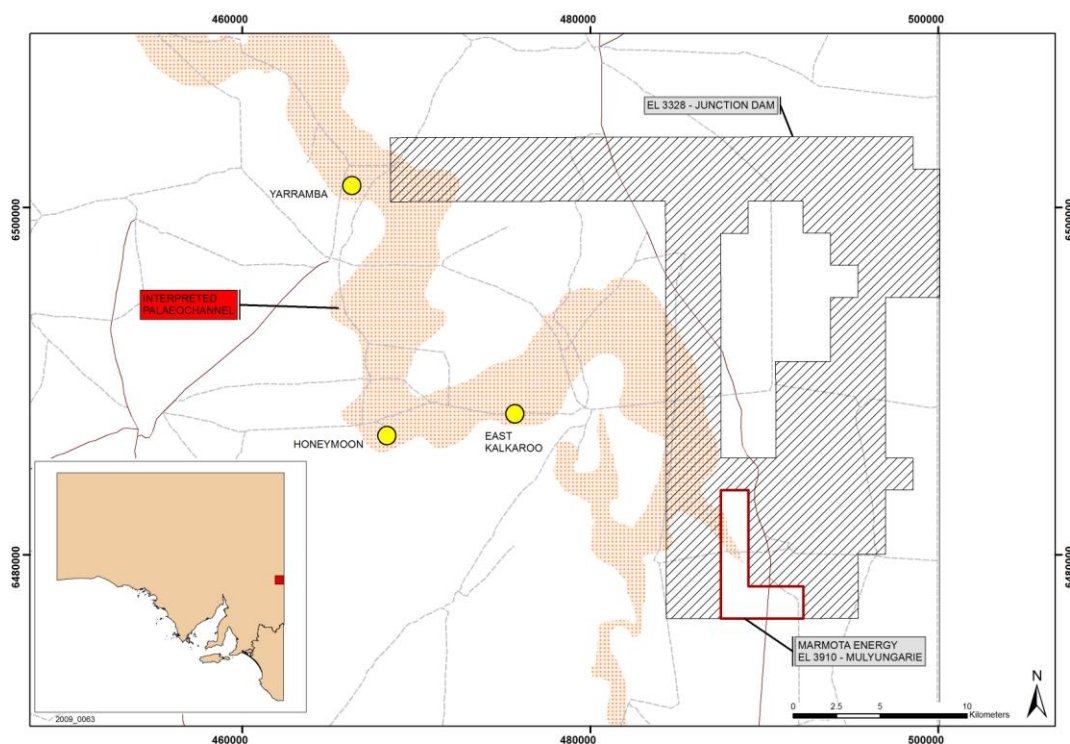
(Marmota earning 51% under JV Agreement with Teck Australia Pty Ltd (Teck), PlatSearch NL and Eaglehawk Geological Consulting Pty Ltd)

Marmota Energy Limited ('the Company') has moved to a 30% share of the high grade uranium prospect on the Junction Dam uranium project ('the project') in northeastern South Australia. On the project, Marmota has the right to earn a 51% interest in the uranium rights from Teck Australia Pty Ltd, PlatSearch NL (ASX: PTS) and Eaglehawk Geological Consulting Pty Ltd.

Marmota has satisfied the first 30% earn-in commitment on the project as part of its agreement with Teck and its partners. The Company is on track to achieve 51% interest in the uranium rights through its planned exploration expenditure in the first half of 2010.

Outstanding results were obtained from drill holes completed at Junction Dam as part of the Company's broad spaced maiden 20 hole reconnaissance drilling program. Downhole gamma readings indicating high grade uranium mineralisation of potential economic significance were returned from what has been interpreted as Eyre Formation carbonaceous and pyritic sands. These sands offer an ideal environment for sandstone hosted uranium. The Eyre Formation hosts the nearby Honeymoon Uranium Mine and Beverley Four Mile uranium project to the north of Junction Dam.

Multiple holes returned peak eU_3O_8^* grades of more than 1000 ppm eU_3O_8^* . Outstanding high grade intercepts included peak grades of **3226 ppm** eU_3O_8^* (13,040.8 counts per second) in hole JDRM0121, and **7551 ppm** eU_3O_8^* (30,519.60 counts per second) in hole JDRM0118 (Table 1).



Junction Dam location map

An exciting greenfields uranium exploration discovery of this grade has not been made in the region since 2006. The high grade results achieved from this maiden drilling program are extremely significant, confirming the Company's belief that mineralisation intercepted is analogous with the mineralisation model at the nearby Honeymoon Uranium Mine. Marmota is assessing the next stages of its exploration program to most effectively define the potential economic mineralisation at Junction Dam.

HOLE ID	EASTING	NORTHING	URANIUM PEAK GRADE eU3O8*(ppm)	URANIUM PEAK GRADE %eU3O8*	DEPTH (metres)	THICKNESS (metres)	AVERAGE GRADE ppm	ACCUMULATION (grade thickness) m%eU3O8
JDRM0105	485033	6489130	134	0.0135	123.45	0.15	120	0.002
JDRM0106	484980	6488734	341	0.0342	117.05	1.05	211	0.022
			300	0.0300	122.7	0.85	166	0.014
JDRM0107	484996	6487979	1381	0.1382	121	0.65	508	0.033
JDRM0108	485001	6487501	204	0.0205	110.85	0.4	147	0.006
JDRM0111	484800	6488818	348	0.0349	112.7	1.5	232	0.035
			1152	0.1152	125.1	0.8	588	0.047
JDRM0114	485000	6488530	169	0.0170	111.72	0.4	141	0.006
			218	0.0219	119.52	0.85	165	0.014
			218	0.0219	124.87	1.2	148	0.018
			830	0.0831	126.87	0.75	370	0.028
JDRM0115	485000	6488330	1676	0.1677	129.16	0.75	648	0.049
JDRM0116	485000	6488130	530	0.0530	118.78	0.95	308	0.029
			1411	0.1411	124.28	0.85	540	0.046
JDRM0117	485000	6487850	1095	0.1095	116.82	0.9	509	0.046
			1996	0.1997	123.67	0.85	674	0.057
JDRM0118	484799	6488726	266	0.0266	110.88	0.6	172	0.010
			675	0.0676	124.83	1.2	289	0.035
			7551	0.7552	129.43	0.95	2011	0.191
JDRM0120	484700	6488750	1044	0.1045	125.05	0.65	412	0.027
			179	0.0179	128.75	0.15	148	0.002
JDRM0121	484800	6488530	316	0.0317	128.08	0.5	210	0.011
			3226	0.3227	129.83	1.1	889	0.098
JDRM0124	484900	6488430	212	0.0212	112.25	0.65	167	0.011
			808	0.0809	129	1.35	236	0.032

KEY

	Uranium peak grade greater than 1000 ppm
	Accumulation (grade thickness) greater than .0150 m%eU3O8
	Accumulation (grade thickness) greater than .0450 m%eU3O8

Table 1: Downhole gamma readings in Marmota's drill holes on Junction Dam.

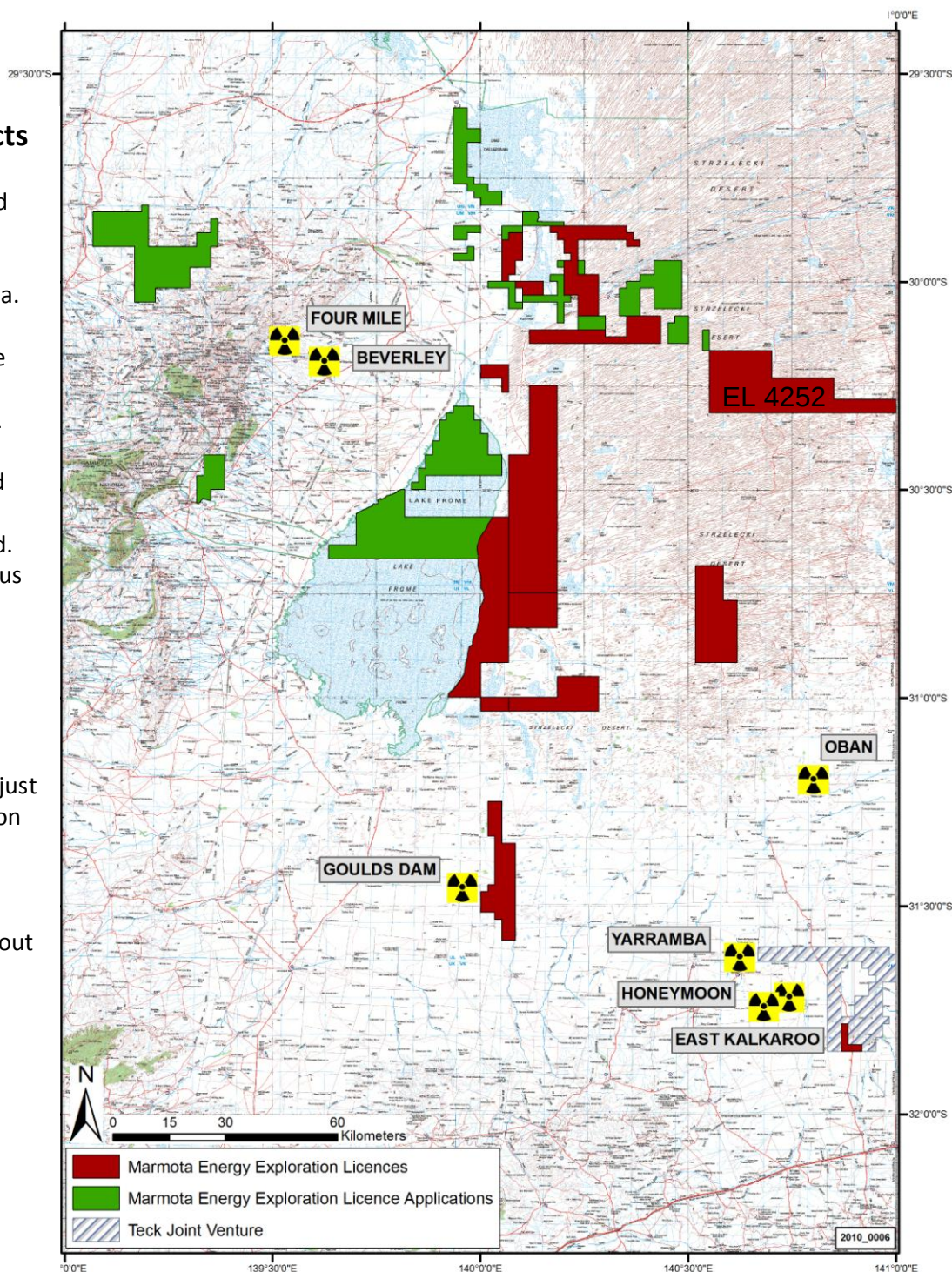
*Equivalent grades (eU₃O₈) from Borehole Wireline Pty Ltd gamma probe 3024, calibrated at Adelaide Test Pits. Dead time 6.06656e-6, k factor 2.47442e-5, 108mm hole, water filled.

Lake Frome Uranium Projects

Marmota Energy Limited has moved to increase its exploration licence footprint in the highly prospective Lake Frome region in South Australia. The tenements contain the same package of sediments that hosts the nearby Beverley uranium mine and Four Mile deposit. Lake Coonee (EL 4252) has confirmed uranium mineralisation from regional spaced drilling that was completed in the 1970's by Union Corporation Pty Ltd. Other tenements have listed precious metals and uranium occurrences.

Licences continue to be granted to Marmota Energy in this highly prospective uranium province. The new licences are 100% owned by Marmota and are considered to be just as prospective as Marmota's Junction Dam uranium project to the south.

Low cost ground radon surveys and sampling are planned to be carried out across the Lake Frome tenements during 2010.



Marmota Energy Lake Frome uranium projects in South Australia

General

Marmota Energy successfully raised \$4 million through a placement and share purchase plan bringing cash reserves up to approximately \$12 million dollars. The funds will be used for exploration at Marmota's two high priority projects at Junction Dam and Melton. The additional funds will also ensure that the level of exploration momentum across its key projects is maintained.

The additional funds will allow Marmota Energy to continue to assess opportunities for focused gold and uranium exploration across Australia and overseas, in line with its twofold corporate strategy. Gold is seen as offering strong short-term revenue potential, with uranium providing a sustainable longer term investment within the context of growing worldwide demand for nuclear energy. The additional funds will better place Marmota to participate in any high grade gold projects sourced through its agreement with high grade gold producer Ramelius Resources.

Marmota Energy Limited

Exploration Office:
Unit I, 5 Butler Blvd
Burbridge Business
Park, SA 5950

PHONE:
08 8375 4300

FAX:
08 8375 3999

E-MAIL:
info@marmotaenergy.
com.au

We're on the Web!

See us at:

**www.marmotaenergy
.com.au**

Forward Program

Undertaking low cost exploration utilising Marmota's own equipment and resources, such as ground radon surveys, ground magnetic surveys and sampling programs will be carried out early in the First Quarter in preparation for drill testing of targets later in the Quarter. Further definition of high grade uranium mineralisation on Junction Dam is planned to continue late in the First Quarter of 2010.

Timing	Project	Project
November 2009	Melton	- Processing and modelling of magnetic data - Landholder consultation
December 2009	Melton	Phase 1 ground gravity survey
January 2010	Melton	- Phase 2 ground gravity survey - Infill ground magnetic survey
	Junction Dam	- Logging of drillhole samples - Assessment of results
February 2010	Melton	Drill testing of anomalies commences
March 2010	Junction Dam	Definition drilling program commences



Mr Dom Calandro
MANAGING DIRECTOR

29 January 2010

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Marmota Energy Limited

ABN

38 119 270 816

Quarter ended ("current quarter")

31 December 2009

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(584)	(872)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(285)	(445)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	315	319
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material))		
	GST	(86)	(50)
	Other	-	10
Net Operating Cash Flows		(640)	(1,038)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(10)	(10)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	(3)	(3)
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)		
	Loans repaid to other entities	-	-
Net investing cash flows		(13)	(13)
1.13	Total operating and investing cash flows (carried forward)	(653)	(1,051)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(653)	(1,051)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	4,053	4,053
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)		
	Payments relating to issue of shares / options	(192)	(192)
	Net financing cash flows	3,861	3,861
	Net increase (decrease) in cash held	3,208	2,810
1.20	Cash at beginning of quarter/year to date	8,049	8,447
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	11,257	11,257

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	155
1.24	Aggregate amount of loans to the parties included in item 1.10	3

1.25 Explanation necessary for an understanding of the transactions

The amount at 1.23 above represents non executive directors' fees and executive director's salary (including SGC superannuation) , legal fees paid to a legal firm in which a director is a partner and exploration costs reimbursed to a director related entity.

The amount at 1.24 above represents costs to be recovered in relation to shared facilities, from a related entity.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Note:

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	750
4.2 Development	-
Total	750

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	348	66
5.2 Deposits at call	10,909	7,983
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	11,257	8,049

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased.	EL 3328	Joint venture – uranium only	0%	30%
	ELA 369/09	Acquired	0%	100%
	ELA 383/09	Acquired	0%	100%
	EL 4411 (formerly ELA 154/09)	Granted	100%	100%
	EL 4412 (formerly ELA 171/09)	Granted	100%	100%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	149,909,490	149,909,490		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	28,853,481 335,000 Release from escrow	28,853,481 335,000 54,412,000	\$0.145 \$0.04 End of escrow period was 21 November 2009	\$0.145 \$0.04
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	28,000,000 290,000	- -	<i>Exercise Price</i> \$0.40 \$0.04	<i>Expiry Date</i> 11/07/12 23/12/13
7.8 Issued during quarter				
7.9 Exercised during quarter	335,000	-	<i>Exercise Price</i> \$0.04	<i>Expiry Date</i> 23/12/13
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~/does not~~* (delete one) give a true and fair view of the matters disclosed.

Print name: Virginia Suttell..... Date:29/01/2010.....
(Director/Company Secretary)

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.