Freehills

Fax

Takeover bid by Buttermere Australia Pty Limited (ACN 120 663 710) for Marathon Resources

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22 December 2006

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To Company Announcements Manager
Australian Stock Exchange Limited
Fax 1900 999 279

Dear Sir/Madam

We act for Buttermere Australia Pty Limited (**Buttermere**) in relation to its takeover bid for all the ordinary shares in Marathon Resources Limited (**Marathon**).

Please see the attached notice of variation, which was lodged with ASIC and the ASX today, extending the closing date of Buttermere's offer to 7.00pm (Sydney time) on Tuesday 6 February 2007.

We have also attached a sample copy of a letter which will be sent to Marathon shareholders, with notice of the variation.

Yours sincerely

Simon Reed
Senior Associate
Freehills

Buttermere Australia Pty Limited ACN 120 663 710 ("Buttermere")

Company notice – subsection 650D(1) Corporations Act 2001 (Cth)

Notice of variation – extension of offer period

To: Australian Securities and Investments Commission (**ASIC**);

Marathon Resources Limited ABN 31 107 531 822 (**Marathon**); and

Each person to whom offers were made under the takeover bid referred to in this notice.

1 Extension of Offer

Buttermere gives notice under sections 650D(1) and 630(2)(b) of the Corporations Act 2001 (Cth) that:

(1) it varies its takeover offer dated 30 August 2006 (**Offer**) for all of the ordinary shares in Marathon which is contained in its bidder's statement dated 15 August 2006 (**Bidder's Statement**) by extending the period during which the Offer will remain open so that the Offer will now close at 7.00pm (Sydney time) on Tuesday 6 February 2007;

(2) the new date for the purposes of giving notice of status of defeating conditions under section 630 of the Corporations Act will be 29 January 2007;

(3) accordingly, the Offer is varied by replacing:

- "5 January 2007" with "6 February 2007" in section 9.2.1(a) of the Bidder's Statement;
- "28 December 2006" with "29 January 2007" in section 9.10 of the Bidder's Statement; and

(4) as at the date of this notice, so far as Buttermere is aware, no conditions of the Offer have been freed or fulfilled.

2 Withdrawal of Acceptance

In this section headed "Withdrawal of Acceptance", unless the context requires otherwise or unless otherwise defined in this notice of variation, capitalised terms have the meaning ascribed to them under the ASTC Settlement Rules.

This variation of the Offer has the effect of postponing, for more than 1 month, the period within which Buttermere is required to meet its obligations to any Marathon shareholder who has accepted the Offer and does so at a time when the Offer remains subject to defeating conditions. Pursuant to section 650E of the Corporations Act, if you are a Marathon shareholder who has validly accepted the Offer on or before the date of this notice, you may withdraw your acceptance at any time within the 1 month period commencing on the day after the day on which you receive a copy of this notice of variation (**Withdrawal Period**) by giving Buttermere a notice which must:

(a) in the event that your securities in Marathon are held in a CHESS Holding, be in the form of a Valid Originating Message transmitted to the ASX Settlement and Trading Corporation Pty Limited (**ASTC**) by the Controlling Participant for that Holding, specifying the number of shares to be released from the Offer Accepted Subposition in which the shares have been reserved; or

(b) in any other case, be in writing,

(Withdrawal Notice).

If you are legally entitled to give, and in fact do give, Buttermere a Withdrawal Notice within the Withdrawal Period, Buttermere will, within 14 days of receiving your Withdrawal Notice:

(a) return to you any documents which you sent to Buttermere with your acceptance of the Offer; and

(b) if your shares in Marathon are in a CHESS Holding, Transmit to ASTC a Valid Message that authorises the release of those shares from the Offer Accepted Subposition in which the Holding has been reserved.

3 Lodgement with ASIC

A copy of this notice was lodged with ASIC on 22 December 2006. ASIC takes no responsibility for the contents of this notice.

DATED: 22 December 2006

Signed for and on behalf of Buttermere pursuant to a resolution passed by the directors of Buttermere.

Bhagyesh Dash
Director

Buttermere Australia Pty Limited

22 December 2006

Mr A B SAMPLE
123 SAMPLE STREET
SAMPLEVILLE ABC 1234

Dear Marathon Shareholder

Takeover bid for Marathon Resources Limited – Fourth extension of offer period

I am writing to advise you that Buttermere has extended the offer period for its takeover bid for Marathon Resources Limited.

The offer is now scheduled to close at 7.00pm (Sydney time) on 6 February 2007 (unless extended).

A formal notice by Buttermere extending the offer period is enclosed with this letter.

By accepting the offer, you will receive $0.68 cash for each ordinary share you hold in Marathon, subject to satisfaction or waiver of the conditions to the offer. I encourage you to read carefully the details of our offer, which are set out in Buttermere's bidder's statement sent to you previously.

Yours sincerely

Bhagyesh Dash
Director
Buttermere Australia Pty Limited