

16 February 2011

By fax: +61 29347 0005

Attention: The Manager

Company Announcement Office  
Australian Securities Exchange

Notice of interests of substantial holder

In accordance with section 671B of the Corporations Act, we are submitting herewith a Notice of Initial Substantial Holder (Form 603) to the Exchange.

For any inquiries regarding this Notice, pls. contact our Legal and Compliance department:

Legal (New York): Dennis Crilly +1 212 588 6106 [DCrilly@MountKellett.com](mailto:DCrilly@MountKellett.com)

Compliance (Hong Kong): Irene Chu + 852 3900 8004 [IChu@Mountkellett.com](mailto:IChu@Mountkellett.com)

**Form 603**  
**Corporations Act 2001**  
**Section 671B**

**Notice of initial substantial holder**

**To: Company Name/ Scheme** Marathon Resources Ltd

**ACN/ ARSN** ACN 107 531 822

**1. Details of substantial holder (1)**

**Name** Mount Kellett Capital Partners (Ireland) Limited (MKCPIL)  
Mount Kellett Capital Management LP (MKCMLP)  
Mount Kellett Capital Partners GP LLC (MKCPGPLLC)  
Mount Kellett Capital LLC (MKCLLC)  
Mount Kellett Capital Management GP LLC (MKCMGPLLC)  
Mount Kellett Master Fund II, L.P. (MKMFILP)  
BNY Corporate Trustee Services Limited (BNYCTSL)

**ACN/ ARSN (if applicable)** N/A

**The holders became a substantial holder on** 14/02/2011

**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

| Class of securities (4)    | Number of securities | Person's votes (5) | Voting Power (6) |
|----------------------------|----------------------|--------------------|------------------|
| Fully paid ordinary shares | 17,425,068           | 17,425,068         | 19.8%            |

**3. Details of relevant interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

| Holder of relevant interest | Nature of relevant interest (7)                                                  | Class and number of securities        |
|-----------------------------|----------------------------------------------------------------------------------|---------------------------------------|
| MKCPIL                      | Registered holder of the shares                                                  | 17,425,068 fully paid ordinary shares |
| MKCMLP                      | manager of holder - relevant interest under s.608(1)(b) and (c)                  | 17,425,068 fully paid ordinary shares |
| MKCPGPLLC                   | controls the holder - relevant interest under s.608(3)(b)                        | 17,425,068 fully paid ordinary shares |
| MKCLLC                      | controls the holder- relevant interest under s.608(3)(b)                         | 17,425,068 fully paid ordinary shares |
| MKCMGPLLC                   | controls the manager of the holder - relevant interest under s.608(1)(b) and (c) | 17,425,068 fully paid ordinary shares |
| MKMFILP                     | controls the holder - relevant interest under s.608(3)(b)                        | 17,425,068 fully paid ordinary shares |
| BNYCTSL                     | taken to control holder under s.608(3)(a)                                        | 17,425,068 fully paid ordinary shares |

#### 4. Details of present registered holders MKCPIL

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

| Holder of relevant interest | Registered holder of securities | Person entitled to be registered as holder (8) | Class and number of securities        |
|-----------------------------|---------------------------------|------------------------------------------------|---------------------------------------|
| MKCPIL                      | MKCPIL                          | MKCPIL                                         | 17,425,068 fully paid ordinary shares |
| MKCMLP                      | MKCPIL                          | MKCPIL                                         | 17,425,068 fully paid ordinary shares |
| MKCPGPLLC                   | MKCPIL                          | MKCPIL                                         | 17,425,068 fully paid ordinary shares |
| MKCLLC                      | MKCPIL                          | MKCPIL                                         | 17,425,068 fully paid ordinary shares |
| MKCMGPLLC                   | MKCPIL                          | MKCPIL                                         | 17,425,068 fully paid ordinary shares |
| MKMFILP                     | MKCPIL                          | MKCPIL                                         | 17,425,068 fully paid ordinary shares |
| BNYCTSL                     | MKCPIL                          | MKCPIL                                         | 17,425,068 fully paid ordinary shares |

#### 5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

| Holder of relevant interest | Date of Acquisition | Consideration     |          | Class and number of securities        |
|-----------------------------|---------------------|-------------------|----------|---------------------------------------|
|                             |                     | Cash              | Non-Cash |                                       |
| MKCPIL                      | 14/02/2011          | AUD<br>13,068,801 |          | 17,425,068 fully paid ordinary shares |
| MKCMLP                      | 14/02/2011          | nil               |          | 17,425,068 fully paid ordinary shares |
| MKCPGPLLC                   | 14/02/2011          | nil               |          | 17,425,068 fully paid ordinary shares |
| MKCLLC                      | 14/02/2011          | nil               |          | 17,425,068 fully paid ordinary shares |
| MKCMGPLLC                   | 14/02/2011          | nil               |          | 17,425,068 fully paid ordinary shares |
| MKMFILP                     | 14/02/2011          | nil               |          | 17,425,068 fully paid ordinary shares |
| BNYCTSL                     | 14/02/2011          | nil               |          | 17,425,068 fully paid ordinary shares |

#### 6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

| Name and CAN/ ARSN (if applicable) | Nature of association                                                                                                                          |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| MKCMLP                             | an associate of each person named in paragraph 3 above other than BNYCTS by virtue of s.12(2)(a)(ii) or s.12(2)(a)(i) of the Corporations Act. |
| MKCPGPLLC                          | an associate of each person named in paragraph 3 above other than BNYCTS by virtue of s.12(2)(a)(ii) or s.12(2)(a)(i) of the Corporations Act. |
| MKCLLC                             | an associate of each person named in paragraph 3 above other than BNYCTS by virtue of s.12(2)(a)(ii) or s.12(2)(a)(i) of the Corporations Act. |
| MKCMGPLLC                          | an associate of each person named in paragraph 3 above other than BNYCTS by virtue of s.12(2)(a)(ii) or s.12(2)(a)(i) of the Corporations Act. |
| MKMFILP                            | an associate of each person named in paragraph 3 above other than BNYCTS by virtue of s.12(2)(a)(ii) or s.12(2)(a)(i) of the Corporations Act. |
| BNYCTSL                            | is not an associate                                                                                                                            |

**7. Address**

The addresses of persons named in this form are as follows:

| Name      | Address                                                                                                          |
|-----------|------------------------------------------------------------------------------------------------------------------|
| MKCPIL    | 4th Floor, Hanover Building, Windmill Lane<br>Dublin 2<br>Ireland                                                |
| MKCMLP    | 623 Fifth Avenue, 18th Floor<br>New York, New York 10022<br>United States                                        |
| MKCPGPLLC | 623 Fifth Avenue, 18th Floor<br>New York, New York 10022<br>United States                                        |
| MKCLLC    | 623 Fifth Avenue, 18th Floor<br>New York, New York 10022<br>United States                                        |
| MKCMGPLLC | 623 Fifth Avenue, 18th Floor<br>New York, New York 10022<br>United States                                        |
| MKMFILP   | c/o Walkers SPV Limited<br>Walker House<br>87 Mary Street, George Town<br>Grand Cayman, KY1-9002, Cayman Islands |
| BNYCTSL   | One, Canada Square<br>London E14 5AL<br>United Kingdom                                                           |

**Signature**

Print Name: Jonathan Florello

Capacity : Authorized Signatory of Mount Kellett Capital Management LP

Sign Here



Date

2/15/11