MARION
ENERGY
LIMITED

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www.marionenergy.com.au

ACN 000 031 292

10 March, 2009

Mr Nicholas Ong
Principal Adviser, Issuers (Perth)
ASX Markets Supervision Pty Ltd
2 The Esplanade
Perth WA 6000

Dear Nicholas,

<u>RE: PRICE QUERY</u>

I refer to your letter dated 10 March, 2009 regarding the change in the price of the Company's securities from $0.345 on 3 March, 2009 to a high of $0.525 today with an accompanying increase in volume of trading in the securities over this period and reply to your queries as follows:

1. The Company is not aware of any information that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company.
2. The Company advised the ASX on 16 February, 2009 that it had mandated Goldman Sachs & Co to commence a process to seek global buyers for the company and/or its assets either in whole or in part. This appointment was made as a result of the Board of the Company being of the view that the company's recently independently assessed natural gas Resource in Place of between 2.4 and 4.3 Trillion cubic feet of gas recoverable has an underlying value materially in excess of the then market capitalisation and it therefore resolved to seek alternatives to enhance the value for shareholders. The Company has also recently announced to the ASX that it has commissioned an independent update of its 1P and 2P Reserves which stood at 319 billion cubic feet of gas as at 30 June 2007.
3. Apart from possible interest caused by the above factors, we have no other explanation for the price change.
4. We confirm that the Company is in compliance with the listing rules and in particular Listing Rule 3.1.

Yours sincerely

P.T. Collery

Peter Collery
Company Secretary

AUSTRALIA / AMERICA

ASX
AUSTRALIAN SECURITIES EXCHANGE

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10 March 2009

Peter Collery
Company Secretary
Marion Energy Limited
Suite 3, 14 Pacific Tower
737 Burwood Road
Hawthorn VIC 3122

By: Facsimile: (03) 8862 6614

Dear Peter,

Marion Energy Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from $0.345 on 3 March 2009 to a high of $0.525 today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

   Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me on **facsimile number (08) 9221 2020**. It should <u>not</u> be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie **before 10.00 a.m. (E.D.S.T) Wednesday, 11 March 2009.**

The response must be in a form suitable for release to the market. If you have any concern about release of a response, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and the guidance note titled "Trading halts" we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please contact me on (08) 9224 0017

Yours sincerely,

Nicholas Ong
Principal Adviser, Issuers (Perth)