



Marmota Energy Limited and Controlled Entities

Consolidated Half Year Financial Report

31 December 2008

CORPORATE DIRECTORY

Marmota Energy Limited

ACN 119 270 816
ABN 38 119 270 816
Incorporated in SA

Registered Office

140 Greenhill Road
UNLEY SA 5061
Telephone: (08) 8373 6271 / (08) 8373 5588
Facsimile: (08) 8373 5917

Email: info@marmotaenergy.com.au

Share Registrar

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
ADELAIDE SA 5000
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+61 3 9415 4000 (outside Australia)

Facsimile: +61 8 8236 2305

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Auditor

Grant Thornton
Chartered Accountants
67 Greenhill Road
Wayville SA 5034

Marmota Energy Limited and Controlled Entities

Directors' Report

The directors present their report together with the half-year financial report of Marmota Energy Limited ("the Company") and its controlled entities for the period ended 31 December 2008 and the auditor's independent review report thereon.

Directors

The directors of the Company at any time during or since the end of the half-year are:

Robert M Kennedy (*Chairman*)
Reginald G Nelson
Glenn S Davis
Dr Neville F Alley
Domenic J Calandro (*Managing Director*)

Principal activities

The consolidated entity's principal activity is uranium exploration.

Review and results of operations

During the half year ending 31 December 2008, the Company undertook and completed a strategic review of all of its projects and renewed the focus of vital dollars on projects with the highest chance of potential success, thus maintaining a strong cash position whilst undertaking targeted exploration. During the period, Marmota Energy Limited completed its first phase of drill testing of the Ambrosia palaeodrainages and identified the presence of uranium in a number of drill holes. Several holes intersected lignites and carbonaceous sand, which act as the reducing agents necessary to aid in the deposition of uranium mineralisation in rollfront and tabular systems.

The Company completed all contracted geophysical data acquisition across its tenements during the period, resulting in the identification of a number of new palaeochannels and uranium prospective formations.

The net loss after extraordinary items and income tax for the half-year was \$74,560.

Likely developments

Further information about likely developments in the operations of the Company and the expected results of those operations in future years have not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

Competent Person Statement

The information in the Financial Report that relates to Exploration Results, Mineral Resources, Ore Reserves or targets is based on information compiled by Mr D J Calandro, who is a Member of the Australian Institute of Geoscientists. Mr Calandro is employed full time by the Company as Managing Director and, has a minimum of five years relevant experience in the style of mineralisation and type of deposit under consideration and qualifies as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Calandro consents to the inclusion of the information in this report in the form and context in which it appears.

Marmota Energy Limited and Controlled Entities

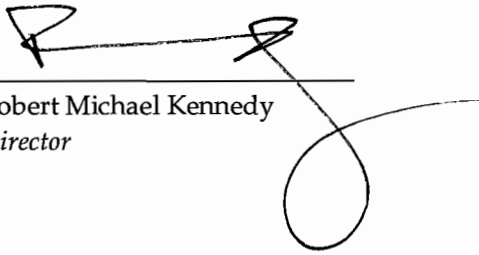
Directors' report (continued)

Auditors independence declaration

Section 307C of the Corporations Act 2001 requires the Company's auditors, Grant Thornton, to provide the directors of Marmota Energy Limited with an Independence Declaration in relation to the review of the half-year financial report. The Independence Declaration is set out following this Report.

Dated at Adelaide this 2nd day of March 2009.

Signed in accordance with a resolution of the Board of Directors:



Robert Michael Kennedy
Director



Grant Thornton

**Grant Thornton South Australian
Partnership**
ABN 27 244 906 724

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67 Greenhill Rd
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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF MARMOTA ENERGY LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Marmota Energy Limited for the half-year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON
South Australian Partnership
Chartered Accountants



S J Gray
Partner

Signed at Wayville on this 2 day of March 2009

Marmota Energy Limited and Controlled Entities
Consolidated Income Statement
For the half-year-ended 31 December 2008

	Note	Dec 2008 \$	Dec 2007 \$
Other revenues from ordinary activities	4	352,103	137,439
Total revenue		352,103	137,439
Administrative expenses		143,095	163,403
Consultancy expenses		37,036	124,014
Depreciation		10,958	1,159
Employment expenses		162,170	44,315
Occupancy expenses		2,776	5,435
Other expenses from ordinary activities		70,628	49,832
(Loss)/profit from ordinary activities before related income tax expense		(74,560)	(250,719)
Income tax (expense)/benefit relating to ordinary activities		-	(377,355)
(Loss)/profit from ordinary activities after related income tax expense		(74,560)	(628,074)
Basic earnings per share (cents)		(0.062)	(1.307)

The accompanying notes form part of these financial statements.

Marmota Energy Limited and Controlled Entities

Consolidated Balance Sheet

As at 31 December 2008

	Dec 2008	June 2008
	\$	\$
Current assets		
Cash and cash equivalents	5,670,486	3,917,560
Trade and other receivables	240,982	658,432
Financial assets	4,000,000	8,000,000
Other current assets	42,359	15,593
Total current assets	<u>9,953,827</u>	<u>12,591,585</u>
Non-current assets		
Property, plant and equipment	314,644	271,157
Investments in associates	1	1
Exploration and evaluation expenditure	13,896,202	12,146,007
Total non-current assets	<u>14,210,847</u>	<u>12,417,165</u>
Total assets	<u>24,164,674</u>	<u>25,008,750</u>
Current liabilities		
Trade and other payables	121,855	912,245
Short Term provisions	22,466	23,759
Total current liabilities	<u>144,321</u>	<u>936,004</u>
Non-current liabilities		
Long term provisions	9,068	10,651
Total non-current liabilities	<u>9,068</u>	<u>10,651</u>
Total liabilities	<u>153,389</u>	<u>946,655</u>
Net assets	<u>24,011,285</u>	<u>24,062,095</u>
Equity		
Issued Capital	22,187,511	22,187,511
Reserves	2,472,350	2,448,600
Retained (losses)/profits	(648,576)	(574,016)
Total equity	<u>24,011,285</u>	<u>24,062,095</u>

The accompanying notes form part of these financial statements.

Marmota Energy Limited and Controlled Entities
Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2008

	Issued Capital \$	Reserves \$	Retained profits / (losses) \$	Total \$
Balance at 1 July 2007	18,005	-	(16,591)	1,414
Shares issued during the period	23,046,442	-	-	23,046,442
Options issued during the period	-	2,448,600	-	2,448,600
Transaction costs associated with the issue of shares (net of tax)	(880,495)	-	-	(880,495)
(Loss)/Profit attributable to shareholders	-	-	(628,074)	(628,074)
Balance as at 31 December 2007	<u>22,183,952</u>	<u>2,448,600</u>	<u>(644,665)</u>	<u>23,987,887</u>
Balance at 1 July 2008	22,187,511	2,448,600	(574,016)	24,062,095
Shares issued during the period	-	-	-	-
Options issued during the period	-	23,750	-	23,750
Transaction costs associated with the issue of shares (net of tax)	-	-	-	-
(Loss)/profit attributable to shareholders	-	-	(74,560)	(74,560)
Balance as at 31 December 2008	<u>22,187,511</u>	<u>2,472,350</u>	<u>(648,576)</u>	<u>24,011,285</u>

The accompanying notes form part of these financial statements.

Marmota Energy Limited and Controlled Entities
Consolidated Cash Flow Statement
For the half-year ended 31 December 2008

	Note	Dec 2008 \$	Dec 2007 \$
Cash flows from operating activities			
Cash payments in the course of operations		(335,608)	(382,244)
Cash receipts in the course of operations		-	-
Interest received		720,720	47,399
Finance costs		(959)	-
Net cash provided by/(used in) operating activities		384,153	(334,845)
Cash flows from investing activities			
Payments for property, plant and equipment		(135,446)	(105,411)
Loans repaid to related parties		(70,886)	-
Loans to related parties		(70,686)	-
Payments for mining tenements and exploration		(2,354,209)	(230,953)
Net cash provided by/(used in) investing activities		(2,631,227)	(336,364)
Cash flows from financing activities			
Proceeds from issue of shares		-	15,830,250
Payments associated with capital raising		-	(985,658)
Net cash provided by/(used in) financing activities		-	14,844,592
Net increase/(decrease) in cash held		(2,247,074)	14,173,383
Cash at the beginning of the half-year		11,917,560	3,907
Cash at the end of the half-year		9,670,486	14,177,290

The accompanying notes form part of these financial statements.

Marmota Energy Limited and Controlled Entities
Condensed Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2008

1 Basis of preparation

The half year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that the financial report be read in conjunction with the annual financial report for the year ended 30 June 2008 and any public announcements made by Marmota Energy Limited and its controlled entities during the half year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies described in this report have been consistently applied by the entities in the consolidated group and are consistent with those in the June 2008 financial report.

The half year report does not include a full disclosures of the type normally included in an annual financial report.

2 Reporting basis and conventions

The half year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

3 Significant accounting policies

The accounting policies applied by the consolidated entity in this consolidated half-year financial report do not differ from those applied by the parent entity in its financial report as at and for the year ended 30 June 2008.

	Dec 2008	Dec 2007
	\$	\$
4 Other revenues from ordinary activities		
Included in other revenues from ordinary activities:		
Interest: other parties	352,103	137,439

5 Contingent liabilities

There have been no changes to contingent liabilities since 30 June 2008.

Marmota Energy Limited and Controlled Entities
Condensed Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2008

6 *Controlled entities*

(a) **Controlled entities consolidated**

	Country of incorporation	Percentage owned (%)	
		Dec 2008	June 2008
Parent entity:			
Marmota Energy Limited	Australia	-	-
Subsidiaries of Marmota Energy Limited:			
Marmosa Pty Ltd	Australia	100	100

7 *Investment in associates*

Interests are held in the following associated companies.

Name	Principal activities	Country of incorporation	Shares	Ownership interest		Carrying amount of investment	
				Dec 2008	Dec 2007	Dec 2008	Dec 2007
Groundhog Services Pty Ltd	Administration services	Australia	Ord	50%	50%	1	1

(a) **Summarised presentation of aggregate assets, liabilities and performance associates**

	Note	December 2008	December 2007
		\$	\$
Current assets		160,015	2
Non-current assets		261,745	-
Total assets		421,760	-
Current liabilities		(320,926)	-
Non-current liabilities		(100,832)	-
Total liabilities		(421,758)	-
Net assets		2	2
Share of associate's profit after tax		-	-

8 *Events subsequent to balance date*

There has not arisen in the interval between 31 December 2008 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future years.

Marmota Energy Limited and Controlled Entities

Directors' Declaration

For the half-year ended 31 December 2008

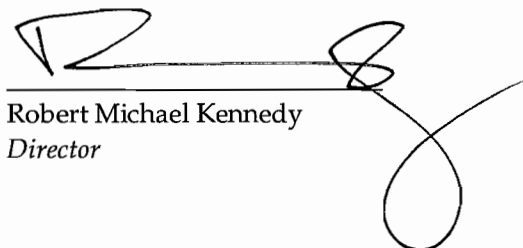
Directors' Declaration

In the opinion of the directors of Marmota Energy Limited ("the Company"):

- (a) the half-year financial statements and notes, set out on pages 5 to 10, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2008 and of its performance, as represented by the results of its operations and its cash flows, for the six months ended on that date; and
 - (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Adelaide this 2nd day of March 2009.

Signed in accordance with a resolution of the directors:



Robert Michael Kennedy
Director



Grant Thornton

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MARMOTA ENERGY LIMITED

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Marmota Energy Ltd (the Company) and consolidated entity, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration. The consolidated entity comprises both the Company and the entities it controlled at the half-year's end or from time to time during that half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards including the Australian Accounting Interpretations and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagement ASRE 2410: Review of an Interim and Other Financial Reports Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



Grant Thornton

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MARMOTA ENERGY LIMITED (Cont)

Auditor's responsibility

As the auditor of Marmota Energy Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Marmota Energy Ltd is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

GRANT THORNTON
South Australian Partnership
Chartered Accountants



S.J. Gray
Partner

Signed at Wayville on this 2 day of March 2009