

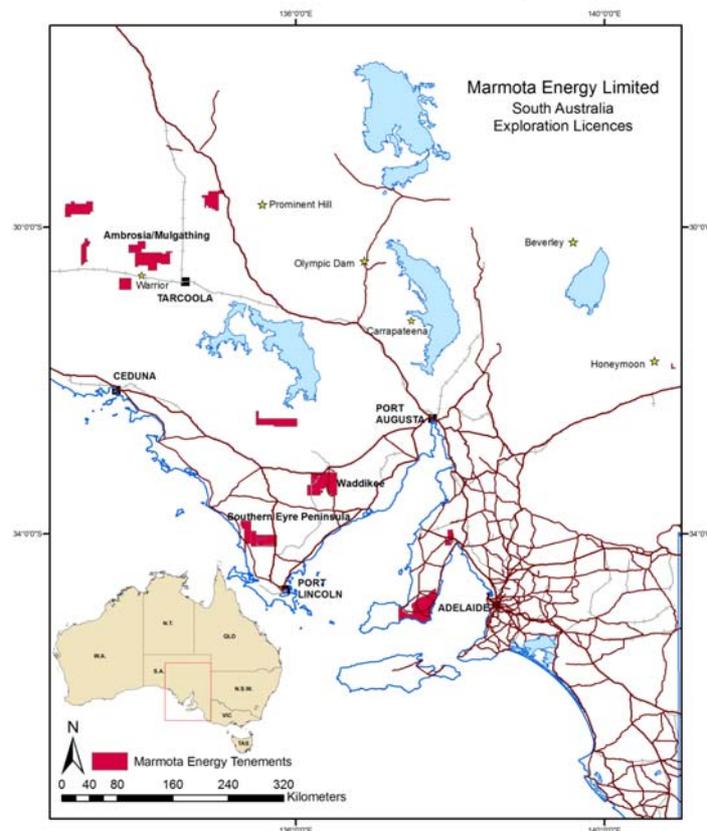
Marmota Energy



Marmota Energy
Limited (ASX: MEU)

Highlights

- The Marmota Energy IPO was completed successfully with the company listing on the ASX on the 21st November 2007.
- Intersection of 200m wide lignite rich palaeochannel system on the Southern Eyre Peninsula confirming prospectivity for uranium mineralisation.
- A high resolution gravity infill survey was completed over Mulgathing and Ambrosia successfully delineating new prospective palaeochannels.
- The company has established itself in new offices in Keswick SA and is well progressed in the recruitment of key exploration personnel and the acquisition of essential items and exploration equipment.
- Deed of Access (exploration) with the Commonwealth of Australia and landholder consultation was completed for Marmota's tenements located within the Woomera Prohibited Area (WPA).



Review of Operations

Corporate Activities

This is the first quarterly report of Marmota Energy Limited and follows a very successful capital raising. The Directors of the company were very pleased with the significant support for the Marmota Energy IPO not only from the shareholders of Monax Mining Ltd but from across the wider investment community.

At listing on the ASX, on the 21st November 2007, the company had 2,346 shareholders and had raised a total of A\$15 million.

With this level of funding the company is well equipped to undertake the comprehensive exploration programs outlined in the IPO prospectus and to actively pursue other suitable corporate and

exploration opportunities as they may arise.

Marmota Energy has established an office at 11a Croydon Rd Keswick SA. This facility is shared with Monax Mining Ltd providing the company with facilities that are cost effective and are well suited to the management of mineral exploration logistics.

“the company is well equipped to undertake comprehensive exploration programs”

Finance

As at 31st December 2007, Marmota Energy had available funds of \$14.2 million, of which the majority is held in term deposits with an Australian Bank. During the December quarter, total net operating expenditure by the company was \$347,000.

Exploration Activities

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

The Ambrosia project covers approximately 1,112 square kilometres of granted tenements north west of the

township of Tarcoola in central South Australia. During the reporting period, Marmota successfully completed a 2,251 station high resolution gravity survey (figure 1). The survey was designed to map potential uranium - bearing palaeochannels

and further improve the resolution of data over potential Olympic Dam style iron oxide copper gold uranium (IOCGU) targets.



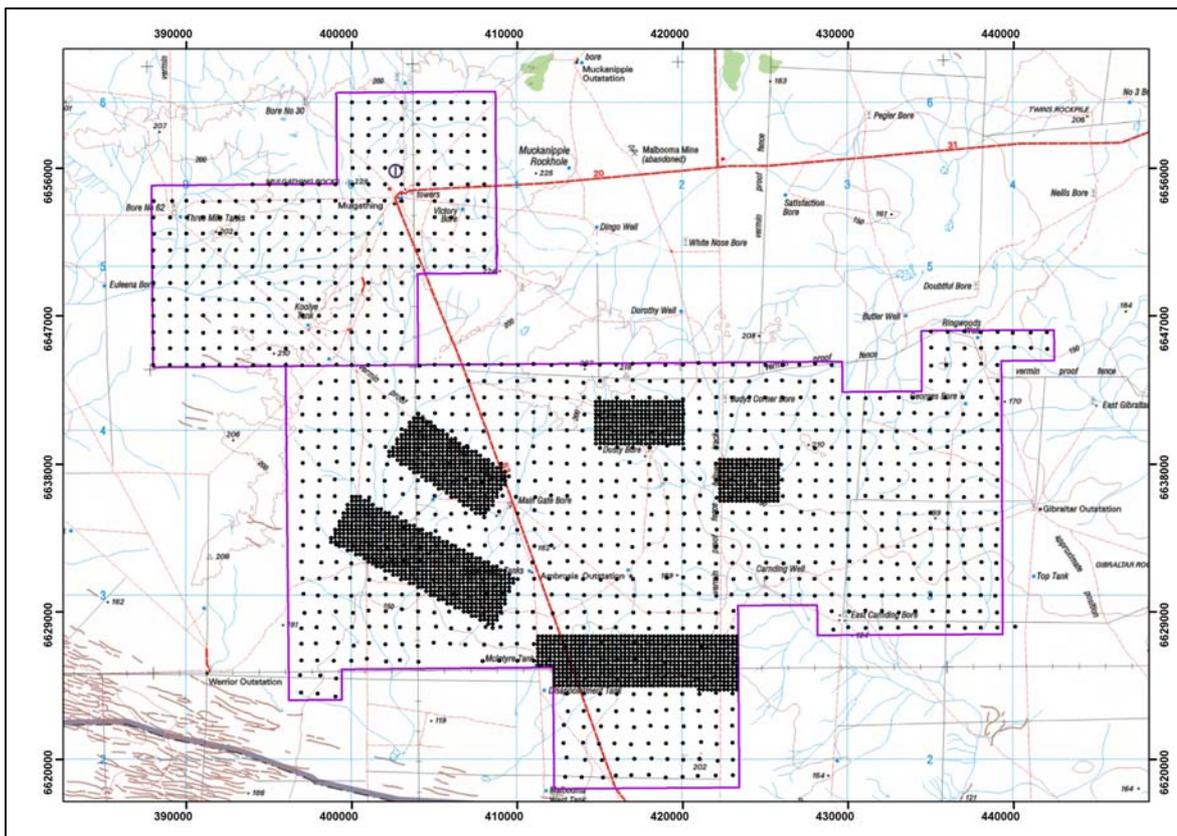


Figure 1. Ambrosia, Mulgathing targeted gravity infill stations

The survey was completed in mid December 2007 ahead of schedule.

Preliminary review of the data obtained from the survey have better delineated palaeochannels on the Ambrosia tenement along with identification of new channels on the Mulgathing tenement (figure 2).

The data are currently undergoing extensive

computer processing and modelling which will be completed during February 2008.

Further high resolution Airborne Electromagnetic (AEM) survey is planned for the next quarter. This will enable the geometry of the palaeochannels to be mapped at depth, in which sandstone-hosted uranium deposits may have developed. This along

with the new gravity data acquired will greatly improve target vectoring processes in preparation for drill testing planned early in the second quarter of 2008.

"identification of new channels on the Mulgathing tenement not previously known"

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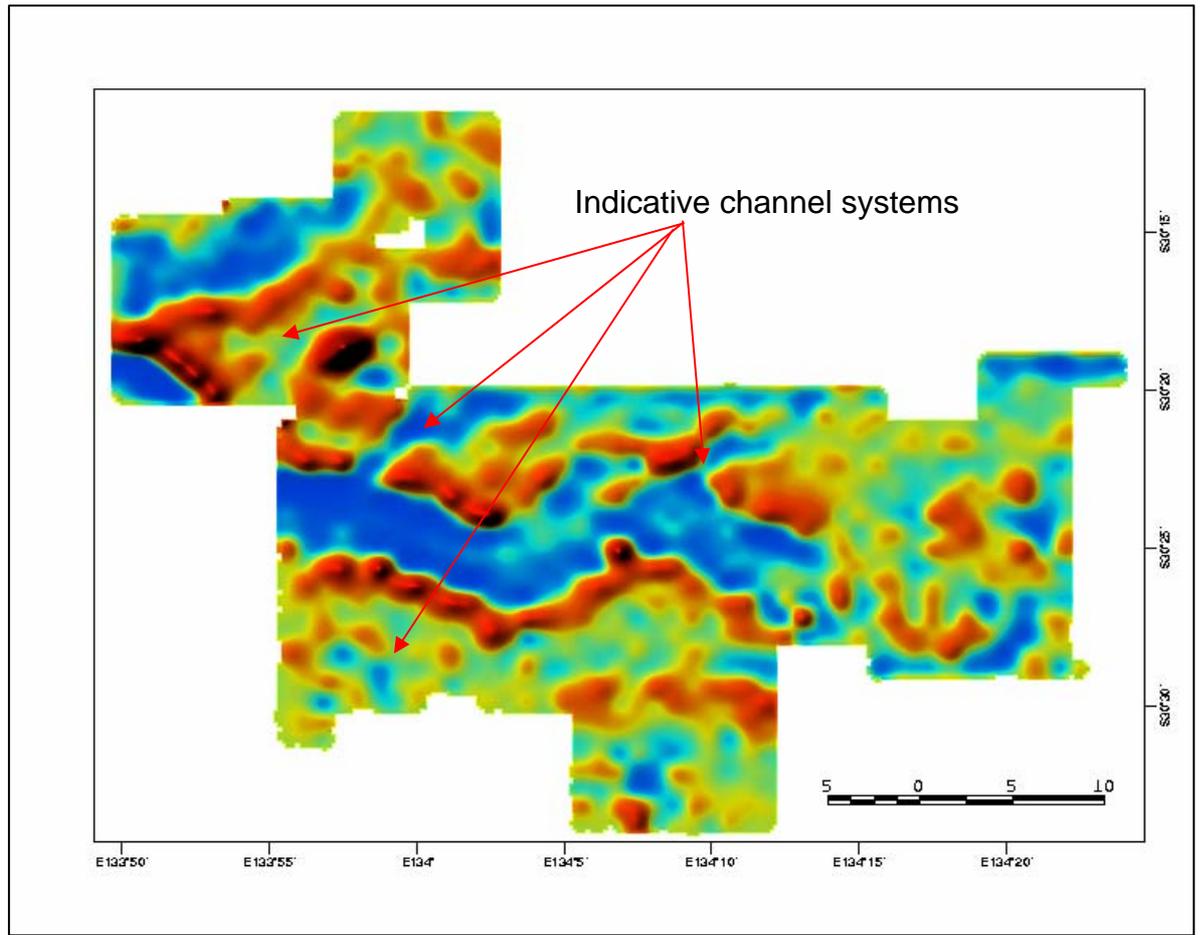


Figure 2. Ambrosia, Mulgathing preliminary residual gravity data.

“Samples analysed have returned anomalous uranium results 10 times above background”

Southern Eyre Peninsula Project
(Marmota earning 70% Uranium under JV agreement with Monax Mining Limited)

The Southern Eyre Peninsula project covers approximately 865 square kilometres of granted tenements south of Elliston on South Australia’s Eyre Peninsula.

A recently completed auger drilling program

undertaken by joint venture partner Monax Mining Limited intersected new palaeochannels with anomalous uranium.

Several holes intersected a 200m wide palaeochannel system with reduced organic material (lignites) within the channel fill. This result confirms the presence of suitable environments for

rollfront uranium mineralisation.

Samples analysed have returned anomalous uranium results 10 times above background. Further analysis of other drill hole samples from the program will be undertaken in the first quarter of 2008.

Future Exploration

Marmota plans to undertake targeted acquisition of high resolution geophysical and geochemical data to further enhance its target assessment and ranking processes over the coming months.

The proposed exploration program for Marmota's tenements is outlined in the table:

Timing	Action	Tenement	Project Name
4Q 2007	Gravity Survey	EL 3358, EL 3684	Ambrosia, Mulgathing
1Q 2008	High resolution AEM Surveys	EL 3358, EL 3684, EL 3355, 3356, 3561, EL 3357, EL 3907, 3908, EL 3458	Ambrosia, Mulgathing, Southern Eyre Peninsula, Waddikee, Coonarie, Eureka Bluff
1Q 2008	High Resolution Magnetic /Radiometric surveys	EL 3358, EL 3684, EL 3355, 3356, 3561, EL 3357, EL 3907, 3908	Ambrosia, Mulgathing, Southern Eyre Peninsula, Waddikee, and Coonarie
1Q 2008	Gravity Infill Surveys	EL 3561, EL 3359, EL 3685, EL 3775, EL 3907, EL3908, EL 3909 EL 3910, EL 3907, 3908	Brimpton Lake, Wynbring, Kimono Tank, Indooroopilly, Phar Lap, Mulyungarie and Coonarie
Late 1Q 2008	Drilling	EL 3358, EL 3684	Ambrosia, Mulgathing

General



The Company has completed consultation with the Commonwealth of Australia and landholder stakeholders regarding upcoming planned exploration activities it intends to undertake on its Ambrosia, Mulgathing, Wynbring, Kimono

Tank, Indooroopilly, and Phar Lap projects in South Australia.

Marmota Energy Limited

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We're on the Web!

See us at:

**www.marmotaenergy
.com.au**

New Staff

Exploration Geologist – Mr Daniel Gray

The company is delighted to have Mr Gray join Marmota from his most recent position as State Gravity Coordinator for the South Australian Government. In this role he was responsible for the design and management of a variety of geoscience programs designed to reduce exploration risk.

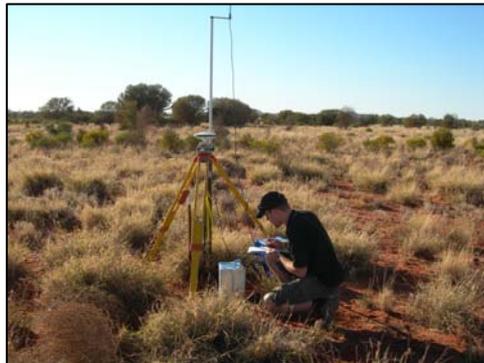
As State Gravity Coordinator, Mr Gray oversaw the largest industry/government joint funded regional gravity acquisition program ever conducted in South Australia.

He has extensive expertise as a geologist and geophysicist and working as part of an energetic team will be tasked with designing and implementing

exploration programs across Marmota's stable of tenements. He is particularly well suited to work on the Company's flagship and adjoining Ambrosia and Mulgathing uranium prospects.

Dom Calandro
Managing Director

30th January 2008



Dan Gray
Marmota Exploration
Geologist

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 2007

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	(163)	(163)
(b) development	-	-
(c) production	-	-
(d) administration	(123)	(147)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	47	47
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(1)	(1)
1.7 Other (provide details if material))		
GST	(107)	(120)
Other	-	-
Net Operating Cash Flows	(347)	(384)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(101)	(105)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)		
Loans repaid to other entities	(87)	(87)
Net investing cash flows	(188)	(192)
1.13 Total operating and investing cash flows (carried forward)	(535)	(576)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(535)	(576)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	15,016	15,846
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	(970)	(1,097)
	Net financing cash flows	14,046	14,749
	Net increase (decrease) in cash held	13,511	14,173
1.20	Cash at beginning of quarter/year to date	666	4
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	14,177	14,177

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	22
1.24	Aggregate amount of loans to the parties included in item 1.10	-

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.

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

Effective 21 November 2007, the Company acquired 100% of the share capital of Marmosa Pty Ltd. Consideration paid was 36,000,000 ordinary shares and 18,000,000 options in Marmota Energy Limited with a fair value of \$9.4 million.

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	227	666
5.2 Deposits at call	13,950	-
5.3 Bank overdraft	-	-
5.4 Other (provide details) – IPO Trust Account	-	-
Total: cash at end of quarter (item 1.22)	14,177	666

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	EL 3907 EL 3908 EL 3909 EL3910 EL 3911 Pursuant to the Mineral Rights Transfer and Joint Venture Agreement, Marmosa Pty Ltd 'Marmosa', a 100% owned subsidiary of Marmota Energy Limited, transfers to Monax Mining Limited 'Monax' 100% of its interest in minerals other than uranium, and 30% of its interest in uranium and has entered a joint venture with Monax to explore for and if feasible mine uranium.	-	Refer 6.2
6.2	Interests in mining tenements acquired or increased	EL 3907 EL 3908 EL 3909 EL 3910 EL 3911 Interest acquired through the acquisition of subsidiary Marmosa Pty Ltd from Monax Mining Limited effective 21 November 2007. EL 3684 EL 3685 EL 3357 EL 3775 EL 3355 EL 3356 EL 3359 EL 3458 EL 3561 Pursuant to the Farm-In and Joint Venture Agreement, 'Monax Mining Limited 'Monax' gives Marmosa Pty Ltd 'Marmosa' the exclusive right to conduct exploration for uranium. Once Marmosa has spent \$4 million under the agreement, it will have earned a 25% interest in the tenements and be deemed to have entered into a joint venture with Monax. Marmosa has two years to earn its 25% interest. Once Marmosa has earned its 25% interest it may elect to continue to carry out exploration for uranium to earn a further 25% by spending a further \$4 million within a further two years. Each two year period may in limited circumstances be extended to two years and six months. Once Marmosa has earned its 50% interest it may elect to continue to carry out exploration to earn a further 20% by spending a further \$5 million within a further one year period.	- - - - -	100% 100% 100% 100% 100% Refer 6.1 -

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Mining exploration entity quarterly report

EL 3358	Pursuant to the Ambrosia Farm-In & Joint Venture Agreement, Monax Mining Limited 'Monax' gives Marmosa Pty Ltd 'Marmosa' the right to carry out exploration for all minerals. Once Marmosa has spent \$1 million on exploration under the agreement, it will have earned a 25% interest in the tenement and will be deemed to have entered a joint venture with Monax. Marmosa has two years to earn its 25%. Once Marmosa has earned its 25% interest, it may elect to carry out exploration for minerals to earn a further 25%.	-	-
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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	120,706,776	63,385,776		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	96,064,771	60,064,771	60,064,771 - \$0.25 36,000,000 - \$nil	60,064,771 - \$0.25 36,000,000 - \$nil
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 19,934,503	- 19,934,503	<i>Exercise Price</i> \$0.40 \$0.25	<i>Expiry Date</i> 11/07/12 30/06/08
7.8 Issued during quarter	28,000,000 19,999,274	- 19,999,274	\$0.40 \$0.25	11/07/12 30/06/08
7.9 Exercised during quarter	64,771		\$0.25	\$0.25
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:30/01/2008.....
(~~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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