

Freehills

Fax

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

From Neil Pathak 9 March 2007
Phone +61 3 9288 1630
Fax +61 8 9288 1567

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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 announcement in relation to an increase in the consideration offered under the Bid.

Yours faithfully



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101 Collins Street Melbourne VIC 3000 Australia
Telephone +61 3 9288 1234 Facsimile +61 3 9288 1567 www.freehills.com

Buttermere Australia Pty Limited

ACN 120 663 710

9 March 2007

Buttermere announces increased bid price for Marathon Resources to \$3.52 per share

Buttermere Australia Pty Limited ('Buttermere') announces its intention to increase the consideration under its Offer (set out in its Bidder's Statement dated 15 August 2006) to acquire all ordinary shares in Australian company Marathon Resources Limited (ASX: MTN) ('Marathon').

Buttermere – a wholly owned subsidiary of Crosby Capital Partners – intends to increase the consideration under its Offer from A\$0.68 to A\$3.52 for every Marathon share.

The Increased Offer Price represents:

- A 6.7% premium to the closing price of Marathon shares on 8 March 2007, one day prior to this announcement;
- A 10.0% premium to the 30 trading day volume weighted average price prior to this announcement;
- A 60.2% premium to the 90 trading day volume weighted average price prior to this announcement;
- A 220.0% premium to the price of the placement shares of \$1.10 to Talbot Group Holdings Limited and CITIC Australia Pty Limited announced on 9 November 2006; and,
- The opportunity for all shareholders to realise a near-term, cash return for their investment, eliminating any future risk associated with their investment.

The Increased Offer values Marathon at \$206.5 million on a fully diluted basis which is \$173.1 million more than what Marathon was valued at under the original Offer.

The increased Offer is primarily in response to the strong increase in the price of uranium and the resulting strong performance of the uranium sector as a whole, particularly in Australia.

Notwithstanding that, Buttermere maintains its own view that the underlying fundamentals of Marathon have not changed significantly since the announcement of Buttermere's original Offer.

Buttermere will lodge a formal notice relating to the variation of its Offer and a supplementary bidder's statement in the next few days. Copies of the supplementary bidder's statement and the variation notice, together with a new acceptance form, will also be sent to Marathon shareholders.

Buttermere encourages Marathon shareholders to carefully consider its revised Offer. Further information about the revised Offer will be set out in Buttermere's supplementary bidder's statement.

Buttermere's revised Offer is currently due to expire on 4 May 2007, unless extended.

-ENDS-

Media enquiries:

John Gardner

Savage & Partners

Phone: +612 8281 3237

Mobile: +61 (0)413 355 997

Email: john@sandp.com.au