



Friday, 9 March 2007

Dear Marathon Shareholder,

The Marathon Board of Directors is aware that today Buttermere Australia Pty Limited (**Buttermere**) announced to the ASX its intention to increase the consideration under its unsolicited off-market takeover bid for all the ordinary shares in Marathon from A\$0.68 to A\$3.52.

Buttermere's announcement is, at this stage, an announcement of intention only and does not constitute a formal increase in the offer price. According to its announcement, Buttermere will lodge a formal notice of variation of its offer together with a supplementary bidder's statement in the next few days.

The Marathon Board advises shareholders to take no action in response to Buttermere's announcement or its offer until such time as Buttermere formally varies its offer and the Marathon Board has had an opportunity to consider its revised offer and respond to the variation with a further supplementary target's statement.

If you have any questions regarding Buttermere's offer or its latest announcement, please call the Marathon information line on 1300 138 684 (toll free in Australia) or +61 3 9415 4349 for international calls. Calls to these numbers will be recorded in accordance with the Corporations Act.

Yours sincerely,

Peter Williams
Chairman