

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

From Freehills 26 April 2007
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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**) (**Offer**).

We attach, pursuant to section 650D(1)(c)(i) and section 630(2)(b) of the Corporations Act, a notice of variation lodged with ASIC and Marathon today, which will also be sent to Marathon shareholders, extending the closing date of Buttermere's Offer to 7.00pm (Sydney time) on 4 July 2007 and extending the Offer to shares issued under placements and shares issued as a result of the exercise of options that were issued since the Offer opened.

In accordance with section 647(3) of the Corporations Act we also attach the Second Supplementary Bidder's Statement in relation to the Offer.

We also attach a covering letter, which (along with the variation notice) will be sent to Marathon shareholders.

Yours sincerely

Freehills



If you are not the intended recipient:

- please phone the sender immediately (reverse charges)
- you must not disclose or use the information

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Buttermere Australia Pty Limited ACN 120 663 710 ("Buttermere")
Company notice – subsection 650D(1) Corporations Act 2001 (Cth)
Notice of variation – extension of offer period and extension of offer to new shares

To: Australian Securities and Investments Commission (ASIC);
Marathon Resources Limited ABN 31 107 531 822 (Marathon); and
Each person to whom offers were made under the takeover bid referred to in this notice.

1 Extension of Offer

Buttermere gives notice under sections 650D(1) and 630(2)(b) of the Corporations Act 2001 (Cth) that:

- (1) it varies its takeover offer dated 30 August 2006 (**Offer**) for all of the ordinary shares in Marathon which is contained in its bidder's statement dated 15 August 2006 (**Bidder's Statement**) by extending the period during which the Offer will remain open so that the Offer will now close at 7.00pm (Sydney time) on 4 July 2007;
- (2) the new date for the purposes of giving notice of status of defeating conditions under section 630 of the Corporations Act will be 26 June 2007;
- (3) accordingly, the Offer is varied by replacing:
 - "4 May 2007" with "4 July 2007" in section 9.2.1(a) of the Bidder's Statement;
 - "26 April 2007" with "26 June 2007" in section 9.10 of the Bidder's Statement; and
- (4) as at the date of this notice, so far as Buttermere is aware, no conditions of the Offer have been freed or fulfilled.

2 Extension of offer to Shares issued under Placements and Executive Options

Buttermere gives notice under section 650D(1) of the Corporations Act 2001 (Cth) that it varies its Offer in accordance with section 650BA of the Corporations Act 2001 (Cth) (as set out in an ASIC declaration dated 12 April 2007), by extending the Offer to:

- (a) 3,250,000 Shares issued on 29 November 2006 to Talbot Group Holdings Pty Ltd and 3,250,000 Shares issued on 22 December 2006 to CITIC Australia Pty Ltd; and
- (b) any ordinary shares that are issued upon exercise of the 3,000,000 options issued to Marathon directors on 11 January 2007 under the terms of Marathon's Employee Share Option Plan.

3 Withdrawal of Acceptance

In this section headed "Withdrawal of Acceptance", unless the context requires otherwise or unless otherwise defined in this notice of variation, capitalised terms have the meaning ascribed to them under the ASTC Settlement Rules.

This variation of the Offer has the effect of postponing, for more than 1 month, the period within which Buttermere is required to meet its obligations to any Marathon shareholder who has accepted the Offer and does so at a time when the Offer remains subject to defeating conditions. Pursuant to section 650E of the Corporations Act, if you are a Marathon shareholder who has validly accepted the Offer on or before the date of this notice, you may withdraw your acceptance at any time within the 1 month period commencing on the day after the day on which you receive a copy of this notice of variation (**Withdrawal Period**) by giving Buttermere a notice which must:

- (a) in the event that your securities in Marathon are held in a CHESS Holding, be in the form of a Valid Originating Message transmitted to the ASX Settlement and Trading Corporation Pty Limited (**ASTC**) by the Controlling Participant for that Holding, specifying the number of shares to be released from the Offer Accepted Subposition in which the shares have been reserved; or
- (b) in any other case, be in writing,
(Withdrawal Notice).

If you are legally entitled to give, and in fact do give, Buttermere a Withdrawal Notice within the Withdrawal Period, Buttermere will, within 14 days of receiving your Withdrawal Notice:

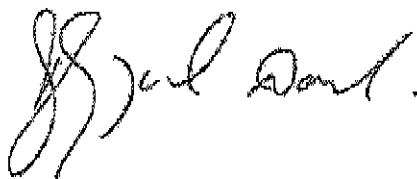
- (a) return to you any documents which you sent to Buttermere with your acceptance of the Offer; and
- (b) if your shares in Marathon are in a CHESS Holding, Transmit to ASTC a Valid Message that authorises the release of those shares from the Offer Accepted Subposition in which the Holding has been reserved.

4 Lodgement with ASIC

A copy of this notice was lodged with ASIC on 26 April 2007. ASIC takes no responsibility for the contents of this notice.

DATED: 26 April 2007

Signed for and on behalf of Buttermere pursuant to a resolution passed by the directors of Buttermere.



Bhagyesh Dash
Director

Second Supplementary Bidder's Statement

In relation to the Offer by

Buttermere Australia Pty Ltd ACN 120 663 710

to purchase all your ordinary shares in

Marathon Resources Limited ABN 31 107 531 822

This document is a supplementary bidder's statement under section 643 of the Corporations Act 2001 (Cth). It is the second supplementary bidder's statement (**Second Supplementary Bidder's Statement**) issued by Buttermere Australia Pty Limited ACN 120 663 710 (**Buttermere**) in relation to its off-market takeover offer (**Offer**) for all the ordinary shares in Marathon Resources Limited ABN 31 107 531 822 (**Marathon**). This Second Supplementary Bidder's Statement supplements, and should be read together with, Buttermere's bidder's statement dated 15 August 2006 (**Bidder's Statement**) and Buttermere's first supplementary bidder's statement dated 13 March 2007 (**First Supplementary Bidder's Statement**).

Copies of the Bidder's Statement and the First Supplementary Bidder's Statement are available from the ASX website: www.asx.com.au.

Unless the context otherwise requires, terms defined in this Second Supplementary Bidder's Statement have the same meaning as in the Bidder's Statement.

1 Extension of Offer Period

Buttermere has extended the Offer Period. The Offer will now close at 7.00pm (Sydney time) on 4 July 2007 (unless extended).

Attached to this Second Supplementary Bidder's Statement is a notice under section 650D of the Corporations Act which formally varies the terms of the Offer to give effect to the extension of the Offer period.

2 Withdrawal right

This variation of the Offer has the effect of postponing, for more than 1 month, the period within which Buttermere is required to meet its obligations to any Marathon shareholder who has accepted the Offer and does so at a time when the Offer remains subject to defeating conditions.

Accordingly, those Marathon Shareholders who have validly accepted the Offer on or before the date of this notice may withdraw their acceptance by giving notice to Buttermere within 1 month beginning on the day after the day on which they receive this notice. Further information about this right of withdrawal appears in the attached notice.

3 Shares issued under Placements and Executive Options

Buttermere has been granted a modification from ASIC (under Section 655A) to extend its Offer to the 6.5 million Shares issued to Talbot Group Holdings Pty Ltd

and CITIC Australia Pty Ltd (**Placement Shares**) and to Shares issued upon exercise of the 3 million options issued to directors of Marathon under the terms of Marathon's Employee Share Option Plan (the **Executive Options**).

The Placement Shares and Executive Options will be acquired on the same terms as those shares existing at the beginning of the Offer Period.

Attached to this Second Supplementary Bidder's Statement is a notice under section 650D of the Corporations Act which formally varies the terms of the Offer to give effect to the extension of the Offer to the Placement Shares and the Shares issued upon exercise of the Executive Options.

4 Foreign Investment Review Board approval

In Marathon's Fifth Supplementary Target Statement (dated 22 March 2007), Marathon noted that following the increase in the Offer price to \$3.52 per Share, the Offer became subject to Foreign Investment Review Board (**FIRB**) approval.

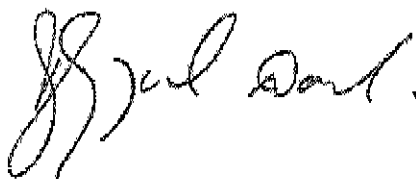
Buttermere has received confirmation from FIRB that there is no objection to the Offer in terms of the Government's foreign investment policy.

Notwithstanding that FIRB approval has now been obtained, Buttermere is not in a position to confirm whether the condition set out in clause 9.7.3 of the Bidder's Statement (Regulatory Approvals) has been satisfied in full, as Buttermere has not been granted due diligence access by Marathon in order to determine (among other things) whether or not any other regulatory approvals or consents may apply to the Offer or the transactions contemplated in the Bidder's Statement.

5 Other information

A copy of this Second Supplementary Bidder's Statement has been lodged with ASIC. Neither ASIC nor any of its officers take any responsibility for its contents.

Signed for and on behalf of Buttermere Australia Pty Ltd following a resolution of the directors of Buttermere Australia Pty Ltd.



Bhagyesh Dash
Director

Dated: 26 April 2007

Buttermere Australia Pty Limited
ACN 120 663 710

26 April 2007

Dear Marathon Shareholder,

Takeover bid for Marathon Resources Limited – Seventh extension of offer period

I am writing to advise you that Buttermere has extended the offer period for its takeover bid for Marathon Resources Limited.

The offer is now scheduled to close at 7.00pm (Sydney time) on 4 July 2007 (unless extended).

A formal notice by Buttermere extending the offer period is enclosed with this letter. Buttermere is required to send a copy of the notice of variation to shareholders under the Corporations Act.

Yours Sincerely,



Bhagyesh Dash
Director