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ABN 31 107 531 822

ASX RELEASE

MARATHON RESOURCES

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5 November 2007

Manager Companies
Companies Announcements Office
Australian Stock Exchange Limited

By e-mail: ASX On-Line

Dear Sir/Madam

ASX Code: MTN
Appendix 3B Confirming Rights Issue Allotment

Marathon is pleased to confirm allotment of shares to security holders following its recent rights issue.

Computershare will dispatch holding statements to security holders in the normal course of business following the allotment.

Enclosed please find

1. Appendix 3B application for quotation of additional securities following Marathon's recent rights issue; and
2. Marathon's On-Sale Cleansing Statement under S 708A(5) of the Corporations Act 2001, (Cth).

Yours faithfully

Sam Appleyard
Company Secretary

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

**New issue announcement,
application for quotation of additional securities
and agreement**

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

MARATHON RESOURCES LTD

ABN

31 107 531 822

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|----------------------------|
| 1 | +Class of +securities issued or to be issued | ordinary fully paid shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 6,200,592 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | ordinary fully paid shares |
| 4 | Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | rank equally |

| | | | |
|----|---|---|--|
| 5 | Issue price or consideration | \$2.50 cents per share | |
| 6 | Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets) | Rights issue for funding of next stage of development of Marathon's Mt Gee project and general working capital for its business including ongoing exploration activities on its other tenements | |
| 7 | Dates of entering +securities into uncertificated holdings or despatch of certificates | 5 November 2007 | |
| 8 | Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable) | Number | +Class |
| | | 60,571,687 | ordinary shares |
| 9 | Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable) | Number | +Class |
| | | 1,124,300 | unlisted 20 cent options expiring 30/6/09 |
| | | 30,000 | unlisted 20 cent options expiring 30/6/2010 |
| | | 145,000 | unlisted 45 cent options expiring 30/6/2010 |
| | | 3,000,000 | unlisted \$1.18 options expiring 30/6/2011 |
| | | 500,000 | unlisted \$4.36 options expiring earlier of 6/8/2010, or 12 mths from employment cessation |
| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | N/A | |

Part 2 - Bonus issue or pro rata issue

- N/A

| | | |
|----|---|--|
| 11 | Is security holder approval required? | |
| 12 | Is the issue renounceable or non-renounceable? | |
| 13 | Ratio in which the +securities will be offered | |
| 14 | +Class of +securities to which the offer relates | |
| 15 | +Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small> | |
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |

- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do ⁺security holders sell their entitlements *in full* through a broker?
- 31 How do ⁺security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:
the date from which they do
the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

| | Number | +Class |
|---|--------|--------|
| 42 Number and +class of all +securities quoted on ASX (including the securities in clause 38) | | |

Quotation agreement

1 Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:
(Company Secretary)

Date: 5 November 2007

Print name: S M APPLEYARD

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ASX ANNOUNCEMENT

Notice under Section 708A(5) of the Corporations Act

Marathon Resources Limited (ASX: MTN) (**Marathon**) refers to its Offer Memorandum and Appendix 3B lodged with ASX on 28 September 2007 in relation to a one (1) for five (5) non-renounceable rights issue priced at \$2.50 per new Marathon share (**Rights Issue**).

This notice is given under section 708A(5)(e) of the *Corporations Act 2001* (Cth) (the **Act**). Marathon advises that:

- (1) the securities offered under the Rights Issue were issued without disclosure to investors under Part 6D.2 of the Act;
- (2) as at the date of this notice Marathon has complied with the provisions of Chapter 2M of the Act as they apply to Marathon and section 674 of the Act; and
- (3) as at the date of this notice there is no information that is excluded information under section 708A(7) and (8) of the Act that has not already been disclosed to investors generally or in the Offer Memorandum and Appendix 3B lodged on 28 September 2007.

Dated this 5th day of November 2007



Sam Appleyard
Company Secretary