

TO: ASX COMPANY ANNOUNCEMENTS OFFICE

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MARATHON RESOURCES LODGES SUBMISSION TO S.A. GOVERNMENT'S "SEEKING A BALANCE" DRAFT PLAN

Marathon Resources (ASX: MTN) advises that it has formally lodged its submission to the South Australian Government's "Seeking a Balance" draft plan.

The Government's "Seeking a Balance" paper contains proposals for management policies and zones for the Northern Flinders Ranges area in South Australia, including Marathon Resources' Mt Gee Uranium project.

Marathon has been advised by the State Government that individual submissions it receives during the public consultation process – which ends at the close of business today (Friday, 29 January 2010) - will not be made publicly available.

However, Marathon Resources' Chairman, Mr Peter Williams, said the Company was committed to keeping its shareholders updated on all activities regarding its flagship project. Accordingly, the Board provides the following brief summary of its 97-page submission to the SA Government's draft plan:

"Marathon Resources believes the proposed management plan for the Northern Flinders Ranges is a flawed policy document that:

- was undertaken without consultation with key stakeholders;***
- relies on a questionable scientific base; and***
- adds unnecessary layers of regulation and control.***

"Importantly, the proposed paper could have a significant unintended consequence that would seriously damage South Australia's reputation as a safe haven for investment.

"On January 15, 2010, the South Australian Premier, Mike Rann, pointed out that mining, along with defence, would be the State's future twin strengths.

"However, the proposed "Seeking a Balance" management plan is, and will be seen to be, a disguised form of retrospective legislation.

"Retrospective legislation is shunned by investors and normally only occurs in developing economies, not in sophisticated economies like South Australia. In doing so, the government has introduced greater uncertainty as a consideration in investing in the state – thus raising the sovereign risk of the State of South Australia.

"International competition for resource investment funds is very transparent, mobile and intense."

Mr Williams said today: “If this draft plan is implemented in its current form, South Australia risks becoming a focus of intense scrutiny and reappraisal by the global investment market.

“The proposed scheme will severely damage South Australia’s credibility as a jurisdiction that respects investment in lawful enterprises,” he said.

“These unintended outcomes may take years to remedy in an already competitive international investment environment.

“The introduction of management zones as proposed in ‘Seeking a Balance’ will mean that a number of very significant resources will not be able to be assessed and developed, thus depriving Australia, the State, and its citizens of large, long-term economic benefits.”

“Marathon sees major opportunities for its Northern Flinders Ranges projects to bring long-term, sustainable social and economic benefits to the South Australian community generally, the Northern Flinders Ranges community, and the Adnyamathanha people as the traditional and legal owners of much of the Northern Flinders Ranges.

“Our vision for this long-term outcome is seriously threatened by the decision to introduce management zones for the region. Marathon cannot see how the existing regulatory and approvals environment that spans 19 laws requires additional layers of regulation.

“Marathon would greatly value the South Australian Government’s support for the development of mining projects in the Northern Flinders Ranges that showcase to the world, the co-existence of mining and tourism, while maintaining biodiversity, and preserving cultural heritage.”

Mr Williams said Marathon would seek such support through a collaborative, considered, pragmatic approach rather than through the “mechanism of no-win compromise, which ‘Seeking a Balance’ introduces”.

The Company believed the only exclusions from exploration and mining should relate to specific locations, for example, those registered as significant Aboriginal heritage sites.

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Notes to Editors

Marathon is a minerals exploration company focused on the development of one of Australia’s largest undeveloped uranium deposits.

The Company’s Northern Flinders Ranges project is located within the Paralana Mineral System of South Australia, a uranium-rich state which is home to the world’s largest uranium deposit at Olympic Dam.

Marathon listed on the Australian Securities Exchange on 15 March 2005, under the stock code of MTN. www.marathonresources.com.au