

Friday 15 October 2010

Manager Companies
Company Announcements Office
Australian Securities Exchange Limited

By e-Lodgement: ASX On-line

Dear Sir/Madam

ASX Code: MTN
Dispatch of Notice of Meeting

I enclose a copy of the Company's Notice of Annual General Meeting, Explanatory Memorandum and (sample) Proxy Form being sent today to the Company's shareholders.

Yours faithfully



Sam Appleyard
Company Secretary

Marathon Resources Limited

ABN 31 107 531 822

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the Shareholders of Marathon Resources Limited will be held at the Sebel Playford, 120 North Terrace, Adelaide, SA 5000 on 16 November 2010, at 9.30 a.m. (Adelaide time).

Business:

Accounts

To consider the financial report and the reports of the Directors and of the Auditors for the financial year ended 30 June 2010.

The annual report is available to view online at the following web site
www.edocumentview.com.au/mtn1

Resolution 1 - Re-election of Mr Christopher Schacht as a Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Mr Christopher Schacht, having retired by rotation in accordance with the Company’s Constitution and having offered himself for re-election, is hereby re-elected as a Director of the Company with immediate effect.”

Information regarding the candidate for re-election can be found in the Explanatory Memorandum that accompanies this Notice of Annual General Meeting.

Resolution 2 - Adoption of the Remuneration Report for the year ended 30 June 2010

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of Section 250R(2) of the Corporations Act, the Company adopt the Remuneration Report for the period ended 30 June 2010 as set out in the Directors’ Report section of the 2010 Annual Report.”

The vote on the resolution to adopt the Remuneration Report is advisory only and does not bind the Directors of the Company.

Special Business:

Resolution 3 – Approval of grant of Options to Cluan Capital Management Pty Ltd, the nominee of Chairman, Mr Peter Williams

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the grant by the Company to Cluan Capital Management Pty Ltd, the nominee of Mr Peter Williams, of a total of 2,000,000 unlisted Options on the terms and conditions set out in Annexure A, is approved.”

Information regarding Resolution 3 can be found in the Explanatory Memorandum that accompanies this Notice of Annual General Meeting.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 3 by Cluan Capital Management Pty Ltd and its associates, including Mr Peter Williams, or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities. However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the relevant proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the relevant proxy form to vote as the proxy decides.

Information for Members

Explanatory Memorandum

The Explanatory Memorandum accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting and should be read in conjunction with this Notice.

Members are specifically referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used both in this Notice of Annual General Meeting and the Explanatory Memorandum.

“Snap-shot” Time

In accordance with Regulation 7.11.37 of the Corporations Regulations 2001, the Company has determined that for the purposes of voting at the meeting, Shares will be taken to be held by those who hold them as at 5.00pm Adelaide time on 14 November 2010.

Proxies

A Shareholder entitled to attend and vote at the meeting may appoint a proxy. The person appointed as a proxy may be an individual or a body corporate and need not be a Shareholder. If a Shareholder is entitled to cast two or more votes, the Shareholder may appoint one or two proxies.

Where two proxies are appointed, each proxy may be appointed to represent a specific proportion of the Shareholder’s voting rights. If the proportion is not specified, each proxy may exercise half of the Shareholder’s voting rights. Fractional votes will be disregarded.

Please read carefully the instructions on the enclosed Proxy Form and consider how you wish to direct the proxy to vote on your behalf. You may direct the proxy to vote “for”, “against” or “abstain” from voting on each resolution or you may leave the decision to the appointed proxy after discussion at the meeting.

To record a valid vote members will need to take either of the following steps:

- (a) Cast your vote online by visiting www.investorvote.com.au and following the instructions and information provided on the enclosed proxy form ; or
- (b) Complete and lodge the Proxy Form (and the power of attorney or other authority (if any) under which it is signed, or a certified copy of it) at the share registry of the Company, Computershare Investor Services Pty

Limited, located at GPO Box 242,
Melbourne VIC 3001, or by facsimile
on 1800 783 447 (within Australia) or
+61 3 9473 2555 (outside Australia);
or

- (c) For Intermediary Online subscribers
only (custodians), please visit
www.intermediaryonline.com to
submit your voting intentions,

no later than 48 hours before the time for
the holding of the meeting.

Corporate Representative

A corporation that is a Shareholder or a
proxy may elect to appoint a person to act
as its corporate representative at the
meeting, in which case the corporate
Shareholder or proxy (as applicable) must
provide that person with a certificate or
letter executed in accordance with the
Corporations Act authorising him or her to
act as that Shareholder's or proxy's (as
applicable) corporate representative. The
authority must be sent to the Company
and/or the Company's Share Registry
(detailed above) in advance of the
meeting or handed in at the meeting
when registering as a corporate
representative.

By order of the Board



S M Appleyard
Company Secretary
Marathon Resources Limited
7 October 2010

Explanatory Memorandum

Introduction

This Memorandum has been prepared for the information of Shareholders of Marathon Resources Limited in connection with the business to be conducted at the Annual General Meeting of the Company to be held at the Sebel Playford, 120 North Terrace, Adelaide, SA 5000 on Tuesday 16 November 2010 at 9.30 a.m. (Adelaide time).

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting. Capitalised terms in this Explanatory Memorandum are either defined in the Glossary or elsewhere in this Explanatory Memorandum.

Resolution 1 - Re-election of Mr Christopher Schacht as a Director

In accordance with clause 46 of the Constitution, at every Annual General Meeting, one third of the Directors for the time being must retire from office and are eligible for re-election. The Directors to retire are to be those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

The Directors presently in office are Messrs Peter Williams, Chen Zeng and Christopher Schacht and Dr John G (Shad) Linley.

Mr Peter Williams, Mr Christopher Schacht and Dr John G (Shad) Linley were all elected or re-elected at the 2008 Annual General Meeting and therefore have all been in office for an equal length of time since their last appointment or last re-appointment (as the case requires). As Dr John G (Shad) Linley is the Managing Director of the Company, in accordance with clause 46.5 of the Constitution he is not to be taken into account in determining the Directors to retire by rotation.

Mr Peter Williams and Mr Christopher Schacht have agreed between themselves that Mr Christopher Schacht is the Director who retires by rotation at the Annual General Meeting. He has offered himself for re-election.

Mr Schacht was appointed by the Board as a non-executive Director of Marathon on 24 January 2008. In accordance with the Constitution, he retired and was subsequently elected as a non-executive Director at the 2008 Annual General Meeting.

Mr Schacht is a qualified teacher who entered political service in the 1970's as a ministerial advisor to both South Australian state government and Federal government. Mr Schacht served in the Senate of the Federal Parliament for 15 years until 2002. During his time as a minister from 1993 to 1996, he held the portfolios at various times of Science, Small Business, Customs and Construction. He is the chairman of the Company's Audit Committee.

An assessment of the performance of Mr Schacht has been conducted in the context of his skills, experience, knowledge and understanding of the Company's business. The Directors (other than Mr Schacht) recommend Shareholders vote in favour of Resolution 1. The Chairman intends to vote undirected proxies in favour of this Resolution.

Resolution 2 - Adoption of the Remuneration Report

In accordance with Section 250R(2) of the Corporations Act, Shareholders are required to vote on the Company's Remuneration Report for the year ended 30 June 2010.

The Remuneration Report is contained in the Directors' Report in the 2010 Annual Report. The Report describes the underlying policies and structure of the remuneration arrangements of the Company and sets out the remuneration arrangements in place for Directors and senior executives.

The Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. Members should note that the vote on Resolution 2 is not binding on the Company or the Directors.

The Directors recommend Shareholders vote in favour of Resolution 2. The Chairman intends to vote undirected proxies in favour of the Resolution.

Resolution 3 - Approval of grant of Options to Mr Peter Williams

1. Background

Resolution 3 seeks approval of the grant of 2,000,000 Options to Cluan Capital Management Pty Ltd, the nominee of Mr Peter Williams, (**Nominee**) in the following tranches and on the terms set out in Annexure A to this Explanatory Memorandum:

Tranche 1 – 500,000 Options

Tranche 2 – 750,000 Options

Tranche 3 – 750,000 Options

The Options, if approved for grant, will form part of Mr Williams' remuneration package. The Options will be in addition to his non-executive Director fee of \$64,500 per annum (inclusive of government mandated superannuation contributions).

The Board acknowledges the grant of options to non-executive directors is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board (excluding Mr Williams) considers the grant of the Options to Mr Williams' Nominee to be reasonable and appropriate in the circumstances for the following reasons:

- Marathon is at a critical stage in its development. Mr Peter Williams as Chairman of Marathon has, for necessity, been providing services to Marathon well beyond the scope of a non-executive Chairman. The Board believes that Mr Williams' additional time commitment on Marathon business is likely to continue into the foreseeable future. This additional time commitment is estimated to equate to approximately 125 days per annum over and above normal time commitments as the non-executive Chairman;
- In order to ensure that grant of the Options acts as an incentive to Mr Williams to align himself with the Company's strategic plan focussing on optimising performance with the benefits flowing through to enhanced Shareholder returns, the exercise price of the Options comprising each Tranche has been set at a substantial premium to the recent Marathon Share price and the Options will (subject to the terms and conditions of the Options set out in Annexure A) lapse if Mr Williams ceases to be a Director;

- If the future Marathon share price does not reach the substantial premium exercise price set for each tranche of Options and the Options are not exercised then there will be no cash flow or dilutive impact on Shareholders;
- If the future Marathon share price does reach the substantial premium exercise price set and the Options are exercised, then Shareholders will receive a significant cash flow benefit well in excess of the accounting cost of the benefit provided, and while there will be a dilutive impact on all Shareholders, the resultant growth in Marathon's market capitalisation will significantly compensate Shareholders for any dilution;
- If cash was used to 'pay' Mr Williams for his time commitment, the cost and cash flow impact would not be in Marathon's interests. Compensating Mr Williams in the form of Options enables Marathon to preserve its cash resources;
- The estimated value of the proposed grant of Options has been independently calculated and is less than the equivalent cash cost of compensating a non-executive Director for the time and services provided by Mr Williams based on standard per diem rates;
- Independent advice received by the Board on the proposed grant of Options to remunerate Mr Williams for his services is that the number of Options proposed to be granted is both 'fair and reasonable' compensation for the actual and anticipated additional time commitment of Mr Williams.

If Resolution 3 is approved, Mr Williams will have a relevant interest in¹ 817,600 Shares² and 2,250,000 Options.

2. Key Details of Options

The full terms and conditions of the Options are set out in Annexure A. The key terms of the Options are as follows:

| | |
|--|--|
| Grantee: | Cluan Capital Management Pty Ltd, Mr Peter Williams' nominee. Mr Williams is director and majority shareholder of Cluan Capital Management Pty Ltd. |
| Maximum number of Options to be issued: | Tranche 1 – 500,000 Tranche 2 – 750,000 Tranche 3 – 750,000 Total 2,000,000 |
| Issue dates: | Each tranche of Options will be issued as soon as practicable following Shareholder approval and in any case, not more than 1 month after the date of that approval. |

¹ The securities in which Mr Williams has a relevant interest (as defined in the Corporations Act) is determined as at 5 October 2010 and assumes Resolutions 3 is approved. Subject to the Corporations Act, the Listing Rules and the Company's Constitution, Mr Williams may from time to time either dispose of some or all of his security holdings in the Company and/or increase his security holdings in the Company.

² Shares include the Shares directly held by Mr Williams and those indirectly held by, and in which, Mr Williams has a relevant interest, including those held by Cluan Capital Management Pty Ltd.

| | |
|--------------------------------------|---|
| Exercise price of each Option | <p>Tranche 1 - The higher of \$0.65 and the price that is equal to 150% of the volume weighted average closing price of Marathon Shares over the 5 ASX trading days to but not including the date of grant of the Tranche 1 Options.</p> <p>Tranche 2 - \$1.25, which represents a 314% premium to the volume weighted average closing price of Marathon Shares over the 5 ASX trading days to 5 October 2010.</p> <p>Tranche 3 - \$1.75, which represents a 440% premium to the volume weighted average closing price of Marathon Shares over the 5 ASX trading days to 5 October 2010.</p> |
| Underlying Securities: | Each Option is an Option to subscribe for one fully paid ordinary Share (subject to possible adjustment in accordance with the terms and conditions of the Options set out in Annexure A of this Explanatory Memorandum). |
| Consideration: | <p>Tranche 1 – \$0.0001 cash per Option.</p> <p>Tranche 2 – \$0.0001 cash per Option.</p> <p>Tranche 3 – \$0.0001 cash per Option.</p> |
| Terms of issue: | The full terms and conditions of the Options are set out in Annexure A of this Explanatory Statement. |
| Intended use of funds raised: | If any Options are exercised, the funds received on exercise will be used for general working capital purposes. |
| First Exercise Date: | <p>Tranche 1 – 1 November 2012</p> <p>Tranche 2 – 1 November 2013</p> <p>Tranche 3 – 1 November 2014</p> |
| Last Exercise Date: | <p>Tranche 1 – 1 November 2013</p> <p>Tranche 2 – 1 November 2014</p> <p>Tranche 3 – 1 November 2015</p> |

3. Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a Related Party, or a person whose relationship with the entity or a Related Party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

The grant of the Options to the Nominee requires the Company to obtain Shareholder approval because the Nominee is a Related Party of the Company by reason of it being controlled by Mr Williams who, as a Director, is also a Related Party of the Company.

It is the view of the Directors (excluding that of Mr Williams) that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought under Listing Rule 10.11 for the grant of Options to the Nominee.

Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting requesting shareholder approval under Listing Rule 10.11. In accordance with Listing Rule 10.13, this information is set out at paragraph 2 above under the section titled 'Key Details of Options'.

4. Listing Rule 7.1

Approval pursuant to Listing Rule 7.1 is not required in order to grant the Options to the Nominee if approval is obtained under Listing Rule 10.11. Accordingly, the grant of Options to the Nominee will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

5. Chapter 2E Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a Related Party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) Shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, Mr Williams is considered to be a Related Party of the Company because he is a director of the Company and his nominee is also a Related Party of the Company because it is controlled by Mr Williams, a Related Party of Marathon.

The proposed grant of Options by the Company to the Nominee constitutes the giving of a financial benefit to a Related Party of the Company. However it is the view of the Directors (excluding Mr Williams) that the proposed grant of Options falls under one of the nominated exceptions to the Chapter 2E provisions.

The relevant exception, contained in section 211(1) of the Corporations Act, states that shareholder approval is not required in order to give a financial benefit to a Related Party if that benefit is reasonable remuneration given to an officer or employee.

The Directors have commissioned an independent report on the proposed remuneration of Mr Williams. The report compares Mr Williams' total remuneration to that of similar officers in similar companies. Based on this report, it is the view of the Directors (excluding that of Mr Williams) that:

- a) the proposed grant of Options to the Nominee as part of Mr Williams' remuneration package is reasonable in the Company's circumstances and for the position in which Mr Williams is employed, taking into account the substantial time commitment that Mr Williams has made and is anticipated to make to Marathon in the foreseeable future; and
- b) for the purposes of Chapter 2E of the Corporations Act, the proposed grant of Options does not require Shareholder approval under the Corporations Act.

6. Recommendations of Directors

Mr Peter Williams declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of that Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 3, recommend that Shareholders vote in favour of Resolution 3 on the basis that they consider the grant of Options

is reasonable and appropriate in the circumstances, given the necessity to compensate Mr Williams for his substantial time commitment to the Company, whilst maintaining the Company's cash reserves and for the other reasons set out in paragraph 1 above, titled 'Background'.

The Board (other than Mr Williams) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 3.

GLOSSARY

In this Explanatory Memorandum, the following terms have the following unless the context otherwise requires:

"\$" means Australian dollars.

"**ASX**" means ASX Limited ACN 008 624 691;

"**Board**" means the Board of Directors from time to time.

"**Company**" or "**Marathon**" means Marathon Resources Limited ABN 31 107 531 822.

"**Constitution**" means the constitution of the Company from time to time.

"**Corporations Act**" means the *Corporations Act 2001* (Cth).

"**Directors**" means the directors of the Company from time to time and "**Director**" means any one of them.

"**Explanatory Memorandum**" means this explanatory memorandum.

"**Listing Rules**" means the listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

"**Meeting**" or "**Annual General Meeting**" means the annual general meeting of Shareholders of the Company or any adjournment thereof, convened by the Notice.

"**Nominee**" means Cluan Capital Management Pty Ltd.

"**Notice**" or "**Notice of Annual General Meeting**" means the notice of general meeting which accompanies this Explanatory Memorandum.

"**Option**" means an option to subscribe for a Share.

"**Related Party**" has the meaning given to that term in Section 228 of the Corporations Act.

"**Resolution**" means a resolution referred to in the Notice.

"**relevant interest**" has the meaning given in sections 608 and 609 of the Corporations Act.

"**Share**" means a fully paid ordinary share in the capital of the Company.

"**Shareholder**" means a holder of Shares in the Company.

Annexure A

TERMS AND CONDITIONS

1. The Option holder is entitled on payment of the applicable exercise price for the relevant Option to be allotted one ordinary fully paid share for each Option exercised (subject to possible adjustments as referred to below). The exercise price for the Tranche 1 Options, the Tranche 2 Options and the Tranche 3 Options are as follows:

Tranche 1: The higher of \$0.65 and the price that is equal to 150% of the volume weighted average closing price of Marathon Shares over the 5 ASX trading days to but not including the date of grant of the Tranche 1 Options.

Tranche 2: \$1.25;

Tranche 3: \$1.75,

(the **Exercise Price**).
2. Options held by the Option holder are exercisable from the First Exercise Date up to and including the Last Exercise Date for the relevant Tranche of Options as set out below (the **Exercise Period**). Reminder notices will be forwarded to the Option holder prior to the Last Exercise Date for each Tranche of Options.

| | First Exercise Date | Last Exercise Date |
|-----------|---------------------|--------------------|
| Tranche 1 | 1 November 2012 | 1 November 2013 |
| Tranche 2 | 1 November 2013 | 1 November 2014 |
| Tranche 3 | 1 November 2014 | 1 November 2015 |

3. Each Option that is not exercised on or before the Last Exercise Date for that Option will lapse. Unexercised Options will also lapse if Mr Peter Williams ceases to be a Director of the Company during the relevant Exercise Period for those Options unless Mr Williams ceases to a Director by reason of permanent disability or death, in which case the Option holder will have 1 month or such longer period as the Board may determine to exercise any remaining unexercised Options. Any longer period granted by the Board to exercise an Option must not exceed the relevant Last Exercise Date for that Option.
4. An Option is exercisable by notice in writing to the Company lodged at the office of the Company's share registry together with payment of the Exercise Price for each Option exercised. The minimum number of Options which may be exercised at any time is a marketable parcel except where less than that number is held in which case all Options held by one holder must be exercised.
5. The Company will not apply for official quotation of Options on the ASX. The Company will make application for official quotation on the ASX of new shares allotted on exercise of Options. Shares allotted on exercise of Options will participate equally in all respects with existing issued ordinary shares. In particular, shares allotted on exercise of Options will qualify for dividends declared after the date of allotment.
6. Options carry no right (without exercising the Options) to participate in rights issues which may be offered by the Company to its shareholders after the date of issue of the Options or in bonus issues or dividends. However the Company must give prior notice to Option holders of any new issue before the record date for determining entitlements to the issue in accordance with ASX Listing Rules and Option holders have the right to exercise the Options prior to the record date for determining entitlements.
7. If during the currency of the Options the issued capital of the Company is reorganised, the rights of the Option holder in respect of those Options may be varied to comply the ASX Listing Rules which apply to the reorganisation.
8. If the Company makes a rights issue (other than a bonus issue), the exercise price of Options on issue will be reduced according to this formula:

$$A = O - \frac{E[P - (S + D)]}{(N + 1)}$$

Where:

- A = the new exercise price of the Option;
O = the old exercise price of the Option;
E = the number of underlying ordinary shares into which one Option is exercisable

- P = the average closing sale price per ordinary share (weighted by reference to volume) recorded on the stock market of ASX during the 5 trading days ending on the day before the ex rights date or ex entitlements date (excluding special crossings and overnight sales);
- S = the subscription price for an ordinary share under the pro rata issue;
- D = the dividend due but not yet paid on each ordinary share at the relevant time (except those to be issued under the pro rata issue); and
- N = the number of ordinary shares that must be held to entitle holders to receive a right to one new ordinary share in the pro rata issue.
9. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the Option is exercisable will be increased by the number of ordinary shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
10. Options may, with the prior approval of the Board, be transferred at any time prior to their expiry by completing a standard form of transfer.
11. Optionholders appearing on the Company's Register of Optionholders at the relevant date will be entitled to receive and will be sent all reports and accounts required to be laid before shareholders in general meetings and all notices of general meetings and will have the right to attend but shall have no right to vote at such meetings.



000001 000 MTN
 MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Lodge your vote:

Online:
 www.investorvote.com.au

By Mail:
 Computershare Investor Services Pty Limited
 GPO Box 242 Melbourne
 Victoria 3001 Australia

Alternatively you can fax your form to
 (within Australia) 1800 783 447
 (outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
 (custodians) www.intermediaryonline.com

For all enquiries call:
 (within Australia) 1300 850 505
 (outside Australia) +61 3 9415 4000

Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au

- Cast your proxy vote**
- Access the annual report**
- Review and update your securityholding**

Your secure access information is:

Control Number: 999999

SRN/HIN: 19999999999

PIN: 99999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 9:30 am (Adelaide time) Sunday 14 November 2010

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
 or turn over to complete the form →**

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Marathon Resources Limited hereby appoint

the Chairman of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Marathon Resources Limited to be held at the Sebel Playford, 120 North Terrace, Adelaide, SA 5000 on Tuesday, 16 November 2010 at 9:30 am (Adelaide time) and at any adjournment of that meeting.

Important for Item 3: If the Chairman of the Meeting is your proxy and you have not directed him how to vote on Item 3 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 3 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 3 of business.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he has an interest in the outcome of that Item and that votes cast by him, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Ordinary Business

For Against Abstain

1 Re-election of Mr Christopher Schacht as a Director of the Company

| | | |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--------------------------|--------------------------|--------------------------|

2 Adoption of the Remuneration Report

| | | |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--------------------------|--------------------------|--------------------------|

Special Business

3 Approval of grant of Options to Cluan Capital Management Pty Ltd, the nominee of Chairman, Mr Peter Williams

| | | |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--------------------------|--------------------------|--------------------------|

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____/____/____

MTN

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Computershare +