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MARATHON RESOURCES

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TAKEOVER OFFER BY BUTTERMERE TO LAPSE

Buttermere Australia Pty Ltd ("Buttermere") has notified Marathon Resources that after seven extensions it proposes letting its offer lapse for Marathon Resources. The offer is due to close at 7pm (Sydney time) on 4 July 2007.

Marathon looks forward to continuing its exploration and development program without the need to divert resources to an unsolicited and opportunistic offer that significantly undervalued the Company's assets and future prospects.

Buttermere originally announced an offer of 68 cents per Marathon share on 6 July 2006 and subsequently increased that offer to \$3.52 per Marathon share on 9 March 2007.

Marathon's closing price of \$6.27 on 26 June 2007 - the day Buttermere announced it would not proceed with its Marathon offer - represents a premium of 822% to Buttermere's original offer and 78% to Buttermere's revised offer.

Marathon's share price has always traded at a premium to Buttermere's offer price since the date the offer was announced.

The significant difference between Marathon's current market price and Buttermere's original and revised offer clearly reflects the total inadequacy of the takeover bid and strongly supports the advice of the Marathon Board that shareholders reject the offer.

Despite the distraction of the Buttermere offer, the Marathon Board has, during the period of the offer, focussed on developing Marathon's assets for the benefit of all shareholders.

The Company undertook an extensive drilling program at Mt Gee, in South Australia's far north, engaged Hellman and Schofield to prepare a new resource calculation and raised new capital via a share placement to Talbot Group Holdings Pty Ltd and CITIC Australia Pty Ltd.

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Chairman
Marathon Resources Limited

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Notes to Editor

Marathon Resources is a minerals exploration company focused on the development of Mt Gee, one of Australia's largest undeveloped uranium deposits.

The Mt Gee 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. Mt Gee has an Inferred Resource of 45.5 million tonnes of uranium mineralisation averaging 0.068% U₃O₈, or 69 million pounds of contained U₃O₈, and is one of Australia's largest undeveloped uranium deposits.

Marathon's portfolio also includes highly prospective copper-gold-uranium properties in the Gawler Craton of South Australia.

The company has other gold and copper-gold projects in other parts of South Australia and western Victoria, including first class copper-gold and base metal (silver-lead-zinc) projects in the Adelaide Geosyncline in South Australia and a prospective copper-gold project in the Moyston Fault Zone in Victoria.

Marathon also has a joint venture with listed uranium explorer UraniumSA Ltd (ASX: USA), in which the company holds a 7% stake; and with Primary Resources Ltd (ASX: PRZ) in the Warburton Project in Western Australia.

Marathon Resources listed on the Australian Securities Exchange on 15 March 2005, under the stock code of MTN.

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