



**MARENICA
ENERGY** LIMITED

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Marenica Announces New US Coal Investment

First diversification step into rapidly growing market

International uranium company Marenica Energy Limited (MEY) is pleased to advise that it has taken the first step towards diversifying and expanding its asset base after subscribing for a cornerstone position in new IPO **Texas & Oklahoma Coal Company Limited** (“TOCC”), giving it exposure to the rapidly emerging US coal market.

The investment will provide Marenica with an early-stage opportunity to participate in the development of coal export opportunities from the United States of America (USA).

Marenica has subscribed for 3.4 million shares in TOCC, which has issued initial seed capital of 28.75 million shares at \$US0.06 per share. This will equate to a 6.4 per cent interest in the Company’s pre-IPO issued capital.

Marenica shareholders may also be offered a priority allocation of shares in the TOCC IPO, once it proceeds.

The investment gives MEY a low-cost entry into the US energy market and an opportunity to increase its interest as TOCC develops its core projects and reduces the risk associated with these projects.

Based in Dallas, Texas, TOCC is strategically positioned to take advantage of the coal resources available in Texas and Oklahoma. The USA is developing its coal export industry, with projects in Texas and Oklahoma ideally placed to participate in this highly profitable emerging business.

TOCC is in the process of acquiring options over or equity interests in selected coal projects in the USA. Plans are well advanced to secure a coal resource base of between 100 million and 500 million tonnes. Listing on the ASX is expected in early 2012.

US coal exports are increasing with around 35 million tonnes exported in 2010. 27 per cent of the world’s coal reserves are located in the US, while Australia has about 8 per cent.

TOCC has an experienced Board, headed up by Chairman Geoff Hill, who is an experienced Company Director and merchant banker. He served as Managing Director and Chief Executive – Australia of the Morgan Grenfell group in the mid-1980s, before forming his own investment advisory business, International Pacific Securities.

He is currently the Chairman of Mt Gibson Iron, Heritage Gold Limited and Metals Finance Limited and a Director of Broken Hill Prospecting Limited and Asian Property Investments Limited. He is also the executive Chairman of International Pacific Securities Inc.

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The board has recently been enhanced with the addition of Gary Cochrane, Bachelor of Engineering (Civil), Grad Dip Mining (Ballarat), MBA (Deakin), GAICD. Gary has 25 years of experience in the mining, engineering and construction industry in Australia, China, Indonesia and New Guinea with senior management and technical roles at operating mines in Australia and New Guinea. He has spent the last 10 years as an international mining and management consultant to the coal and hard rock mining industries. More recently he has built his own international consulting business which provides a high level advisory service for mergers and acquisitions, due diligence, valuations and mine audits. He is a regular commentator on coal industry strategic supply and demand positions and coal investment opportunities and is a regular speaker at international coal conferences in Australia, China, and Indonesia. His clients include banking, investment and mining companies from Australia, India, Japan, Korea, China, UK and Indonesia. He also was a founding investor and former director of Millennium Coal which is now a 3 mtpa operating coal mine in Queensland.

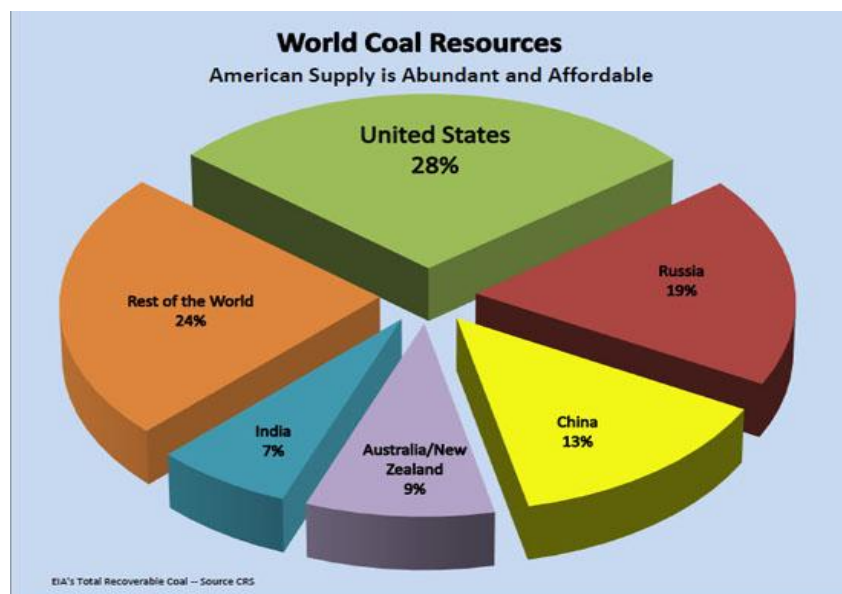
Mr Robert Pearce, Marenica Energy's Ltd Chairman, is also a Director and investor in TOCC

Marenica Energy's CEO, Mr John Young, said securing a strategic stake in a new US-focused coal company represented an attractive investment and an opportunity for the Company to diversify its asset portfolio.

For further information contact John Young, CEO at Marenica Energy Limited; PH: +61 8 9321 7355

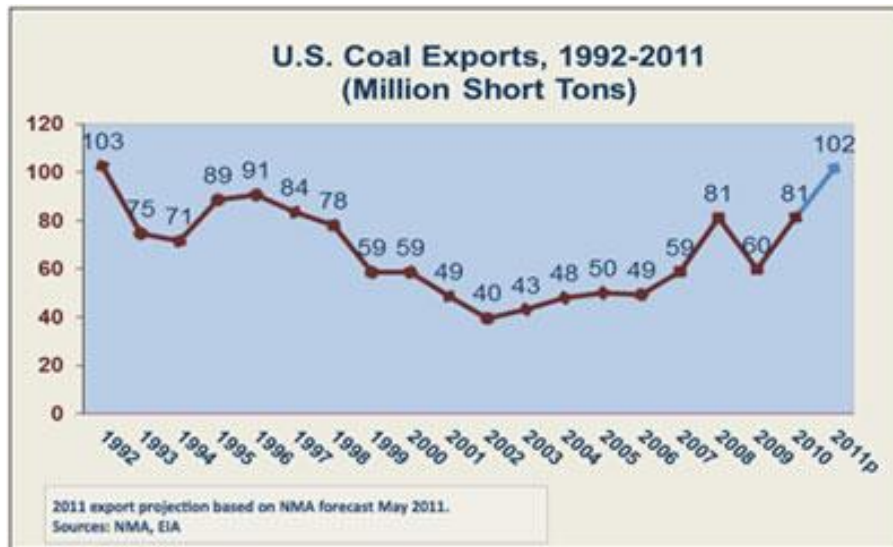
Facts on the USA Coal Industry

- The United States has the **largest coal reserves with 28% of world resources** compared to Australia, which has only 8%.

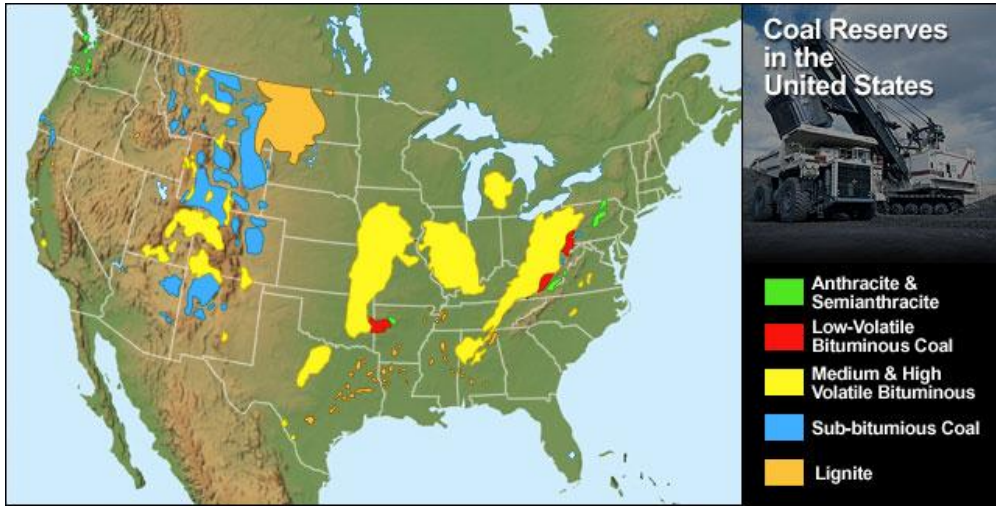


- In 2010 the US produced 984M Tonnes (14.8% of world production) but only exported 81 million (6% of total world exports). While Australia produced 423M Tonnes (6% of world production) and exported over 298 million tonnes (equal to only 26% of total world exports).

- **US coal exports increased 35% to 53.6 million short tons through June 2011, according to a recent edition of NMA's (National Mining Association) International Coal Review.** Strong demand from Asia and Europe for steam and metallurgical coal is expected to push coal exports above 100 million tons by the year's end, the highest level in nearly 20 years. The annualised rate based on half year data would be about 107 million tons by the year's end. In 2010, the US exported around 81 million tons of coal.



- **The USA coal export industry has both the option and cost advantage of exporting to South America, Europe and Asia.** The US uses the majority of its coal domestically and sells a limited amount of total production to international markets.
- **The USA has the existing infrastructure for export.** Texas and Oklahoma have a long history of mining and energy exploration and development resulting in a sophisticated legal system of property ownership, underground mining rights and titles. Texas and Oklahoma both have established railroad systems. In addition, Oklahoma has access to the US internal waterways system and is able to export coal from New Orleans via this system.
- **To date, coal resources in Texas and Oklahoma** have been regarded as secondary sources of energy compared with oil and gas. Texas is the largest coal producer in the Interior Coal Region, accounting for almost one-third of the region's coal production.



References:

- www.nma.org/pdf/c_production_method.pdf
- www.ok.gov/mines/Coal_Program/Oklahoma_Coal/index.html
- www.nma.org/pdf/c_facts_glance.pdf
- www.nma.org/pdf/c_trends_mining.pdf

TOCC Project Areas

