



Marathon Resources Ltd
64a Fullarton Road, Norwood, SA 5067
PO Box 181, Fullarton SA 5063

T +61 (0)8 8132 9111
F +61 (0)8 8362 4260
www.mtnres.com.au

ABN 31 107 531 822

TO: ASX COMPANY ANNOUNCEMENTS OFFICE

14 July 2015

ASX Code MTN

Investor Presentation

Marathon Resources Limited (“Marathon” or “Company”)

Please find **attached** a presentation to be given to sophisticated investors in Canada this week, by the Company’s Managing Director David Shearwood.

The presentation encapsulates, in a succinct format, the information set out in the Company’s Notice of Meeting and Information Memorandum, respectively released to the market on 27 April 2015 and 1 June 2015, as part of its relisting process.

Further and detailed information can be found in those releases, and in the various experts’ reports, all of which are on the Company’s website.

Website www.mtnres.com.au

ASX Reports www.mtnres.com.au/News/ASX-Announcements

Technical Reports www.mtnres.com.au/News/Technical-Reports

The presentation also updates projected timelines for anticipated milestones in the Company’s development.

For further information

Media Contact

Mr D J D (Justyn) Peters

Executive Chairman

Marathon Resources Limited

(08) 8132 9111

ASX RELEASE
MARATHON RESOURCES
LIMITED
14 JULY 2015
10:00 AM
ASX RELEASE

Investor Presentation

July 2015



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Employees, Jordan and Tom Mehtens identifying appraisal drill rig sites, June 2015 at PEL 650, Leigh Creek Energy Project, South Australia.

Disclaimer

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This presentation has been completed by Marathon Resources Limited. It may contain forward looking statements that are subject to risk factors associated with the energy industry. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of changes in underlying assumptions which could cause actual results or trends to differ, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates amongst other items, and the cumulative impact of items.

This presentation may also contain non-IFRS measures that are unaudited but are derived from and reconciled to the audited accounts. All references to dollars, cents or \$ in this presentation are to Australian currency, unless otherwise stated.

Objective & Strategy

Objective

“Enhance long term shareholder returns through the application of the ISG process on deep coal resources.”

Strategy

*“Develop the Leigh Creek Energy Project (**LCEP**) and establish a portfolio of longer term ISG projects.”*

Summary

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Relisted 3 July 2015 after acquiring Leigh Creek Energy Project (LCEP).
LCEP is an in-situ gasification (ISG) project located in South Australia (SA), with;

- ✓ Coal target 220-530mt (not JORC 2012 compliant).
- ✓ Already tested for ISG suitability.
- ✓ SA has a pro ISG policy and is supportive of development.
- ✓ Located on existing mine site, outside native title, with saline water, outside the Great Artesian Basin.
- ✓ Infrastructure exists nearby; town, power, airport and major gas pipeline linked to Eastern Australian markets.

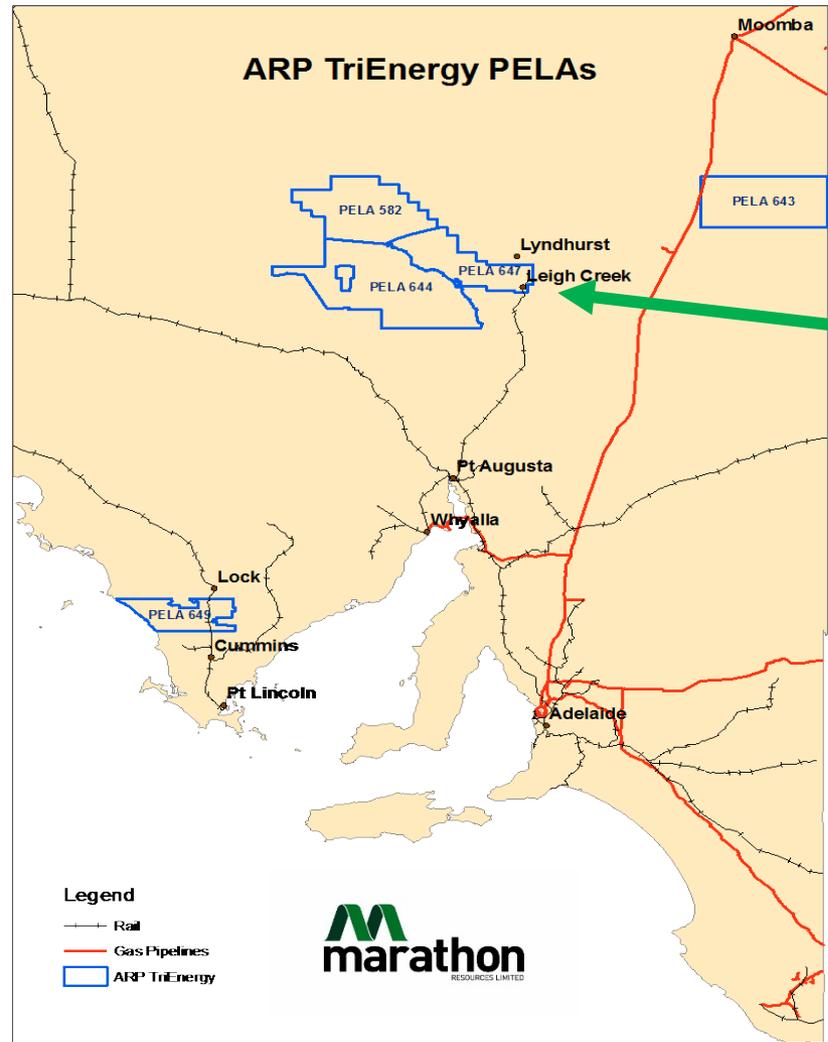
Natural gas is in short supply in the East Coast markets.



Source: Australian Stock Exchange Limited

Location of LCEP

Central South Australia
550km N of Adelaide



Investment Highlights

1. Clear ISG related legislation & pro ISG government.
2. Independent expert **220-530mt coal** (1 June 2015) exploration target, corresponding gas estimate of **2.0-4.8 Tcf** - prior drilling (non JORC 2012 compliant), and re-processed seismic.
3. Prior independent assessment for ISG suitability.
4. Appraisal drilling starts Aug 2015 to define JORC 2012 resources, allow gas in place certification.
5. Existing infrastructure; town, power, airport, road, rail.
6. Located on current mine site, saline water at depth, outside Great Artesian Basin and near major gas pipelines.
7. Local markets for gas, electricity, fertilisers/explosives.
8. East Coast gas price has near tripled due to current long term expectation of tight supply demand.
9. Intention to fund much of financing needs by pre-selling gas in ground.

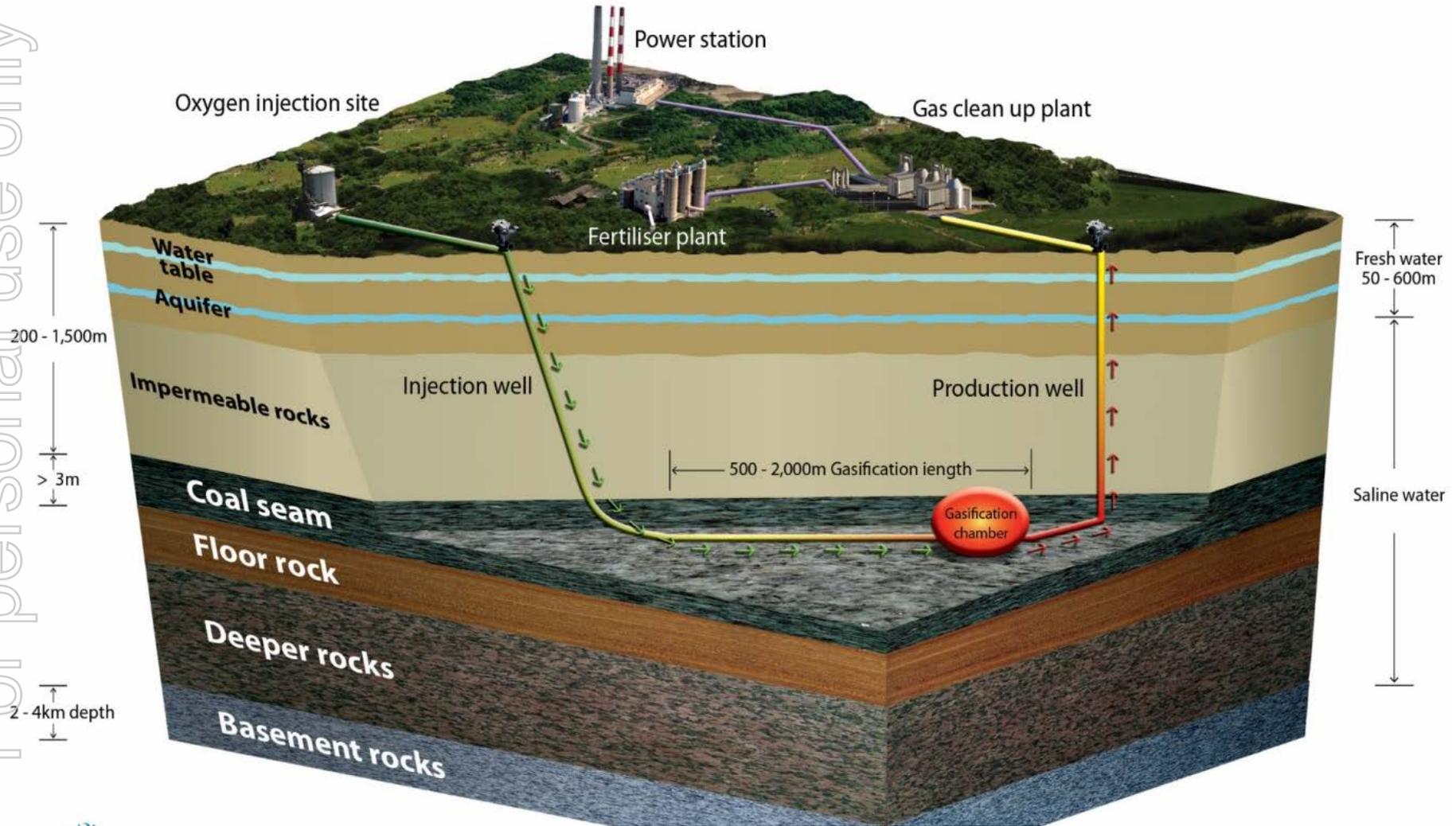
LCEP Stages

The LCEP is in an early stage of development and is intending to progress as follows;

1. Appraisal drilling [approved & completed by Oct 2015]
2. Stage 1 gas flaring
 - Approvals [aim March qtr 2016]
 - Construction
 - Commissioning
 - Operation [aim Sept qtr 2016]
3. Stage 2 gas commercial (and ramp up)
 - Approvals
 - Construction (including pipeline and electricity generation)
 - Commissioning and operation [aim 2018/19]
4. Possible addition of fertiliser manufacture

ISG – In situ Gasification

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ISG is Real

- Commercial Operation
 - Angren, Uzbekistan - 60 years of operation
 - Eskom, Majuba South Africa – co-firing power station with syngas
- Australian experience
 - LNC – demonstration facility, 11 years
 - Carbon Energy – demonstration facility - 25 PJ project awaiting final approval
- Swan Hills, Canada
 - Demonstration facility
 - Deep ISG in salt water, 1,200-1,400 meters
 - Utilising standard oil-field equipment



Swan Hills ISG Project

Conclusions from the partially government funded Swan Hills ISG trials (Canada)

“There is no scale-up required to move into commercial project development”

“Planned future developments of ISG will involve simple replication”

“Ready for replication based deployment in commercial project developments”

Prior LCEP ISG work

Study 1985 Golder Associates - Results favourable for ISG (non JORC compliant).

- ✓ “..confirmed the thickness and continuity of the Main Series coal seam, ..., with good agreement achieved between seismic and drill hole data.”
- ✓ “...results suggest that both groundwater inflow and groundwater drawdown will be acceptable.”
- ✓ “..roof rock was considered to be of sufficient strength to provide controlled caving without suppressing” the ISG process.
- ✓ Major faults can be avoided. Minor faults “should therefore have little effect on the continuity of the gasification process.”
- ✓ “...good correlation exists between the boreholes and seismic traverse..”
- ✓ “...substantial additional evidence of the suitability of the Main Series coal seam for gasification.”
- ✓ “The obvious possibility involves recovery from the Main and Lower Series over the full seam length.”
- ✓ “Based on a very preliminary assessment of deep seismic survey data, the Main Series seam down dip of the area proposed for gasification appears to maintain its thickness and continuity.”

Gas Shortage in Australia

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- Eastern Aust gas demand trebles with 3 new LNG plants in Qld.
- New LNG plants secured most existing gas resource - 80+% non conventional.
- Current Aust gas users are short gas e.g. AGL, Origin.
- Gas production cost to rise from historical \$2-3/GJ to long term marginal cost of \$6-8/GJ.
- Gas shortage remains even after LCEP is in full production.
- At present there is no gas available to feed expansion of Qld LNG.

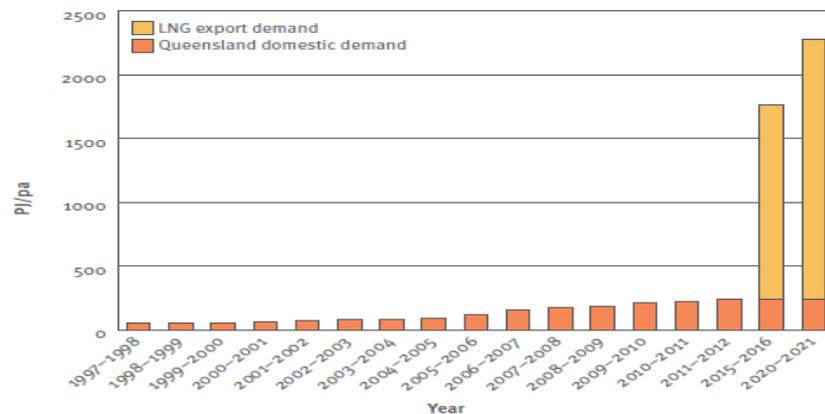
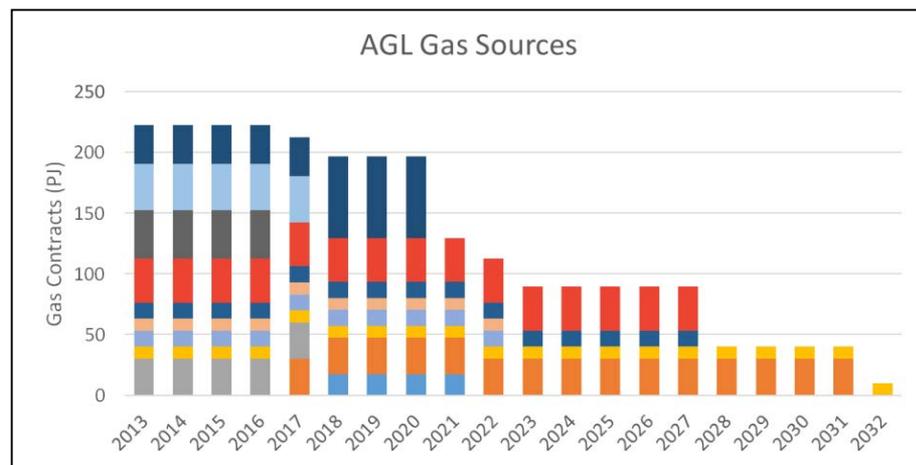


Figure 1 Queensland domestic gas demand and projected gas demand for LNG exports

Forecast Qld gas demand



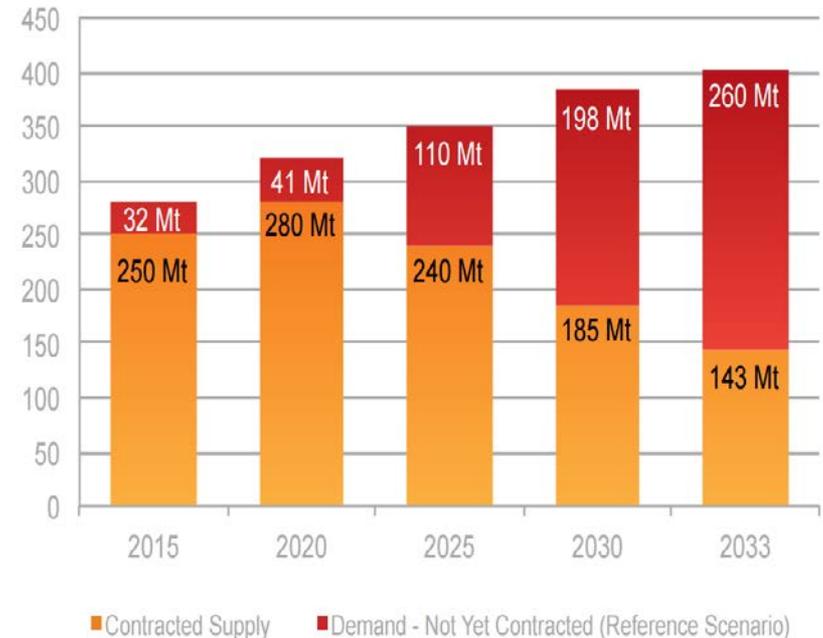
AGL gas supply contracts drop from 2017

Gas Shortage Globally (long term)

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- Global LNG supply presently influenced by large # of new projects starting.
 - 7 in Australia !
- Spot LNG price falling and low.
- Over time gas demand keeps rising;
 - ✓ population growth
 - ✓ rising GDP and
 - ✓ Move to cleaner energy.
- New LNG plants required.
- LNG shortage estimated at 260mtpa by 2033.
- **Global Gas shortage looming long term.**

Global LNG Demand versus Contracted LNG Supply



Source: Core Energy

Gas Price in Eastern Australia

Recent wholesale gas sales prices estimated at \$7/GJ (pre pipeline charge).

Contracted gas supply is being developed ahead of LNG project start-up.

As gas supply capability rises it causes short term over supply.

We use \$8/GJ for internal forecasts vs medium estimate of \$10/GJ.

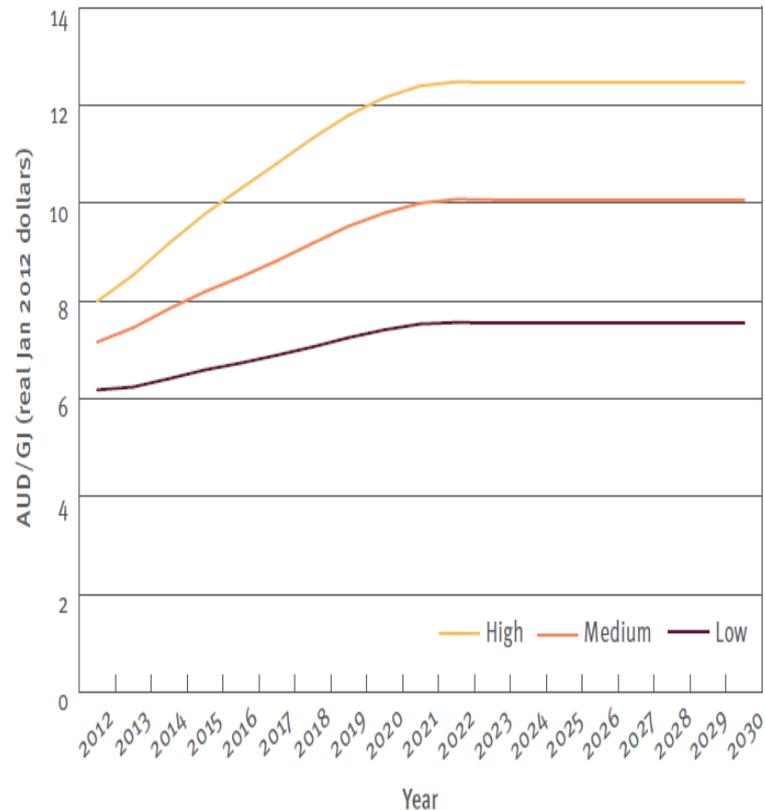


Figure 3 Range of Queensland long-term ex-field gas contract price outcomes (\$/GJ)

Leigh Creek Coal Field

Produced coal at up to 2.5mtpa for captive power stations 250km south at Port Augusta. Mine and Power Station may close – as recently announced by owner Alinta Energy.



Source: Google

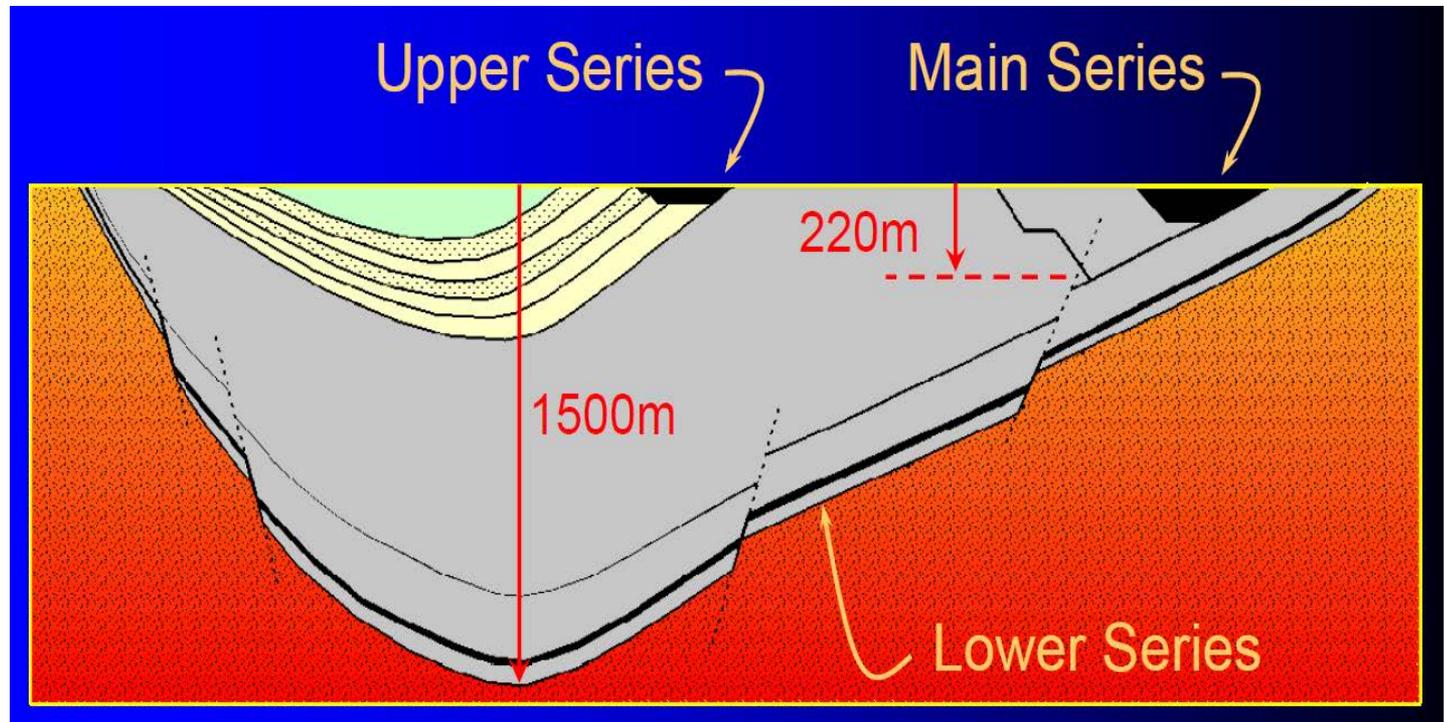
✓ The Petroleum Act permits ISG allowing PEL 650 access to deep coal at the LCEP.

Coal Seams

Produced up to 2.5mtpa for captive power stations 250km south at Port Augusta.

Area of coal covers approximately 5x3.5km in area with the Main Series coal seam being up to 18m in thickness in the open cut coal mine.

- Focus on Main seam and Lower Series seam.
- No holes in postulated base of coal basin.



Source: Babcock & Brown Power

Appraisal drilling

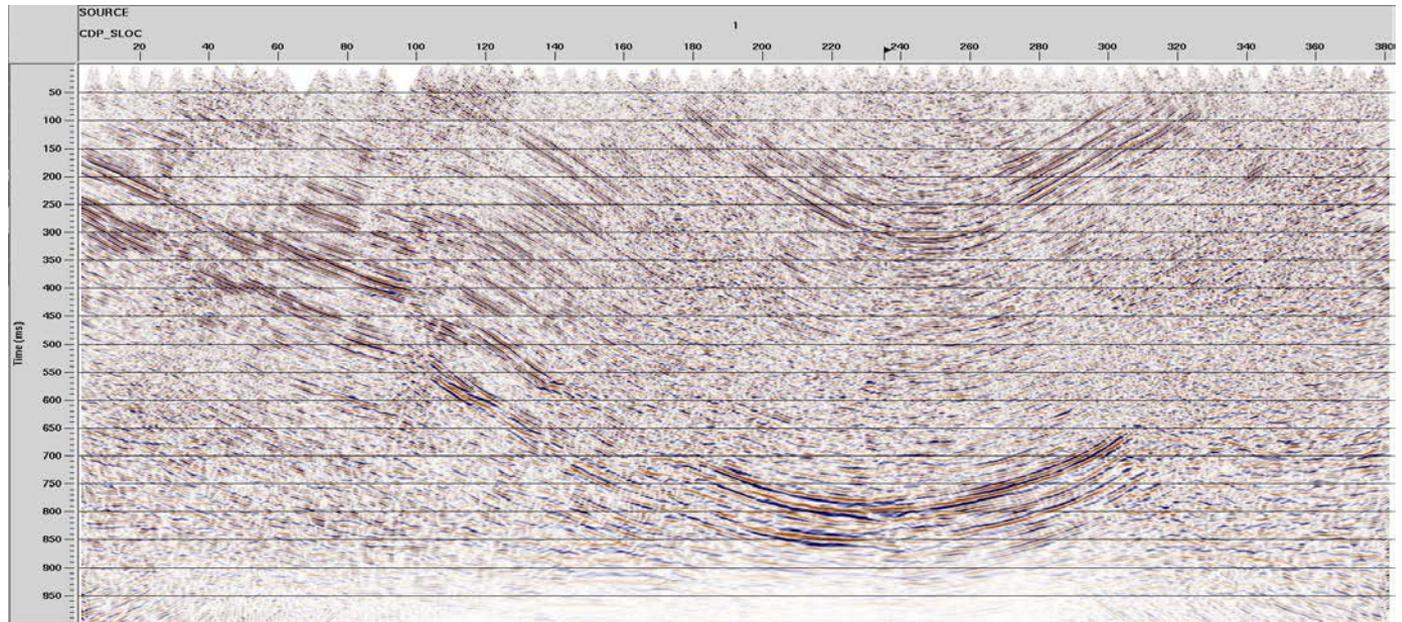
Historic (non JORC 2012) holes exist – soon to drill appraisal and step out wells.

- ✓ Independent expert report, **220-530mt** exploration target and corresponding **2.0 – 4.8 Tcf** gas target (56,000 – 135,000 MMm3).
- ✓ Prior seismic has been re-processed

Drilling from early Aug 2015

- 8 well program (max 950m), obtain coal, hydrological and geotechnical data
- Develop 3D modelling

- Possibly expand into 2nd round to include
 - Additional holes
 - New seismic.



LCEP Reprocessed seismic line LC78B (1978)

Supportive Government

Strong support for ISG in SA

- ✓ Specifically contemplated & supported by Petroleum & Geothermal Energy Act
- ✓ December 2012 Unconventional Gas Policy

“... issue can be mitigated through careful project design, site selection and monitoring.” “ISG has enormous potential for harnessing the energy of coal resources that would otherwise be too expensive or difficult to reach.”

Department (DSD) policy & collaborative culture moves projects from exploration to production

- ✓ Well organised administration
- ✓ One-Stop-Shop service
- ✓ Inter-departmental agreements with referral agreements and **designated response times.**

PGE Act allows incremental approvals & progress

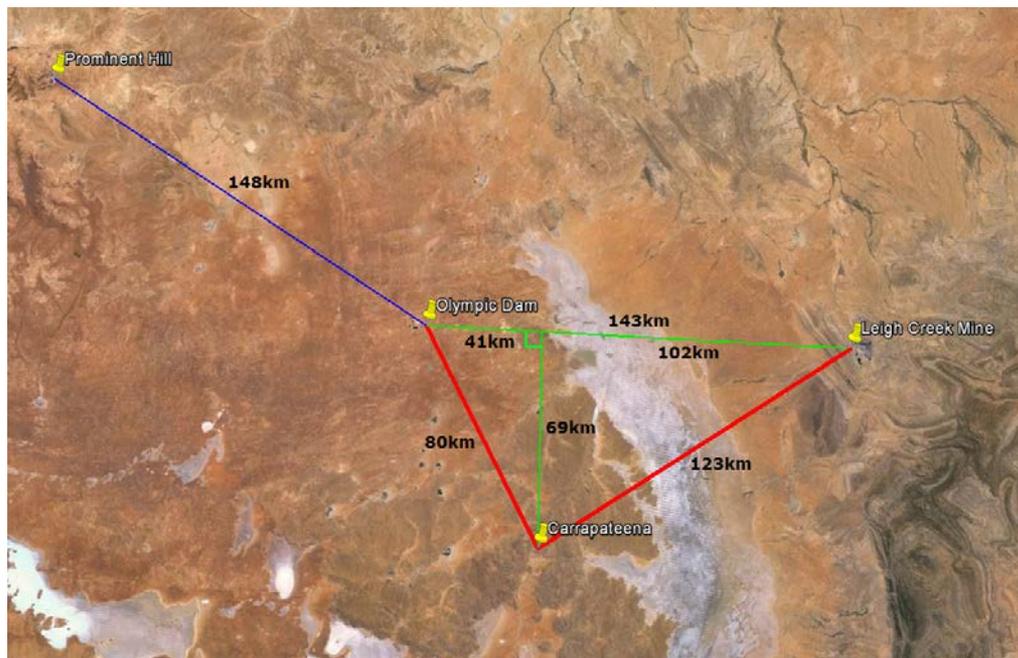
Recent Progress

Recent Milestones & Workflow

Formal approval process with SA Govt	Complete	PEL 650 granted Appraisal drilling approved
Site access protocols & visits	Ongoing	HoA with Alinta Energy signed Safety and mine site co-operation underway
Independent geological & Valuation reports	Complete	Docs included in MTN EGM 27 May 2015
Listing – Shell (back door)	Complete	MTN on 3 July 2015
East coast gas marketing	Ongoing	Market study undertaken, customer contact commenced, data room soon to go live.
Build human capacity, including technical team	Underway	Current office now crowded, expect to move into Adelaide city Sept quarter 2015

Next Steps

- Appraisal drilling at LCEP
 - ✓ Approvals
 - Drilling from early Aug 2015
 - Establish JORC 2012 resources
 - Repeat prior ISG geotechnical
 - Establish gas in place
- Establish technical team
 - ✓ Safety,
 - ✓ geology,
 - environmental and
 - ISG engineers.
- Gas marketing
 - ✓ Alert gas buyers
 - Contract book ramp up indications
 - Early gas monetisation
- Approvals
 - Stage 1, gas flaring
- Intended Funding
 - Sale of Treasury shares (15m)
 - Gas options and sales in ground



*Source Google Earth, and internal estimates all distances are approximations.

Gas Marketing Underway

Next steps intended include;

- Further meetings with prospective gas customers (domestic and LNG).
- Signing CA's (confidentiality agreements)
- Opening of data room
- Drill data from appraisal drilling (aim JORC 2012 resources).
- Gas certification.
- Short listing following non binding indicative offers.
- Site visits.

Gas sales in ground to support Qld LNG project decisions totalled over \$21 billion in 2008 with 3P resource prices of almost \$1/GJ

The Independent expert outlined an exploration target of 220 – 530 mt for the LCEP. This translates to 2.0 – 4.8 Tcf in ground – noting these estimates are derived from non JORC 2012 compliant historic work.

Board of Directors

Justyn Peters,
Executive Chairman

Lawyer, former experienced Senior Manager with Linc Energy and Queensland government and federal agencies.

David Shearwood,
Managing Director

Mining engineer with post graduate qualifications in finance & HR. 30 years experience in funds management and investment banking.

Peter Williams,
Non Executive Director
Deputy Chair

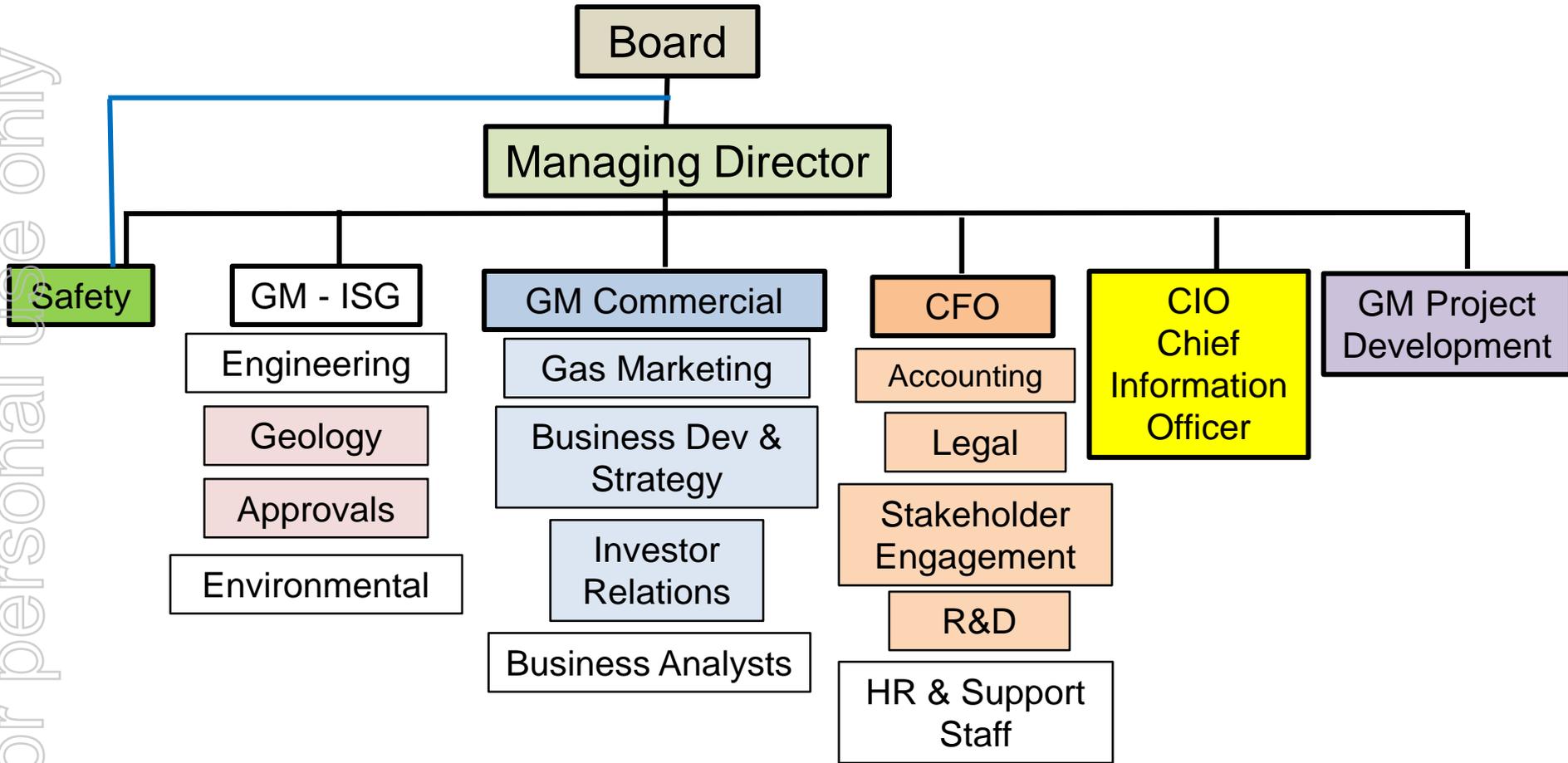
Accountant, former partner with Deloitte. Former Chair of Marathon Resources Ltd.

Christopher Schacht,
Non executive Director

Former Australian Federal Government Senator.

Board strengthening is underway with aim to have a total board of 5-7 directors capable of exercising appropriate oversight and add skills and experience to the Company.

Org Structure



Team presently being built and organisational capability being enhanced.

Capital Structure

Share price \$0:27 at close 10 July 2015

Fully Diluted Capital Structure

	#	Market Cap \$m	Notes
Ordinary shares	230,519,472	62.2	
Options	750,000		Strike \$1:727, expiry 1 Nov 2015
Total	231,269,472	62.4	Fully diluted

Employee options scheme permits 10% outstanding on rolling 5 year basis.

- Operational team being gathered, there is intention to incentivise with options.

Investment Opportunity

MTN currently <\$100m market cap and outside ASX 300

Re-rating

- ✓ Investor relations program – from Sept 2015
- ✓ Appraisal drilling, then coal JORC, gas resources – from Aug to Oct 2015
- ✓ Gas in ground monetisation (part) – aiming for March qtr 2016
- ✓ Remaining gas in ground may deserve some value - 2016
- ✓ If exceed \$100m market cap – most small cap funds can invest.
- ✓ Stage 1 gas flaring approval – aim March qtr 2016.
- ✓ Stage 1 gas flaring – aim Sept qtr 2016.
- ✓ Stage 2 commercial gas approvals – aim Jun half 2017.

Aiming to generate “Alpha” when compared to weighted average of energy players because of MTN’s small size given;

- Energy prospectively,
- supportive government,
- gas demand and high gas price in Aust,
- funding intended from gas monetisation (reduce dilution) and
- low liquidity.

Appendix 1 – Low Liquidity

MTN has a “tight” share registry

MTN Share Register

Shareholder	#	%	Escrow	Details
Allied Resource Partners Pty Ltd	104,767,190	45.45	Yes	2 years till 4 Jul 2017
Other former ARP TriEnergy shareholders	33,544,493	14.55	Yes	1 year till 4 Jul 2016
CITIC	17,242,855	7.48	No	
Other	74,964,934	32.52	No	
Total	230,519,472	100.00		

Appendix 2 - Milestones

To achieve intended 4-6 year objectives MTN is focussed on the following;

1. Develop company organisational structures, systems & processes.
2. Safety culture systems developed & maintained.
3. Complete appraisal drilling campaign
4. Establish and maintain a “social license” to operate.
5. Complete early gas sales (in ground) then binding gas contracts.
6. Successfully complete gas pilot project at Leigh Creek
7. Execute commercial gas sales agreements
8. Develop a commercial operation at Leigh Creek.
9. Identify and acquire further ISG related assets (long term).

Appendix 3 – Other Tenements

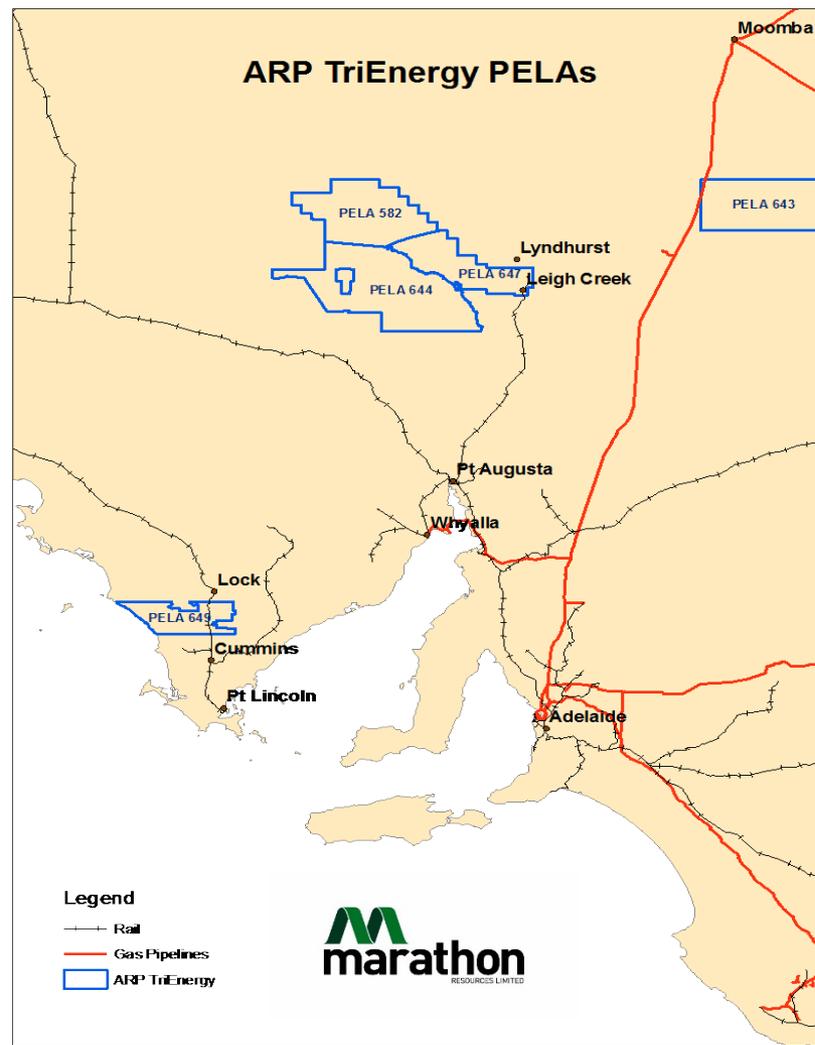
Held within ARP TriEnergy Pty Ltd (100% owned).

PELA's

- **582** - To NW of Leigh Creek – possible shale gas, possible oil prone in northern section.
- **644** - West of Lake Torrens and over Olympic Dam
- **643** - SE Cooper Basin, possible deep coal on NW flank of basin.
- **647** - Extends NW of Leigh Creek
- **649** - West coast of Eyre Peninsula, located over the Poldo Basin

ELA's

- North of Leigh Creek

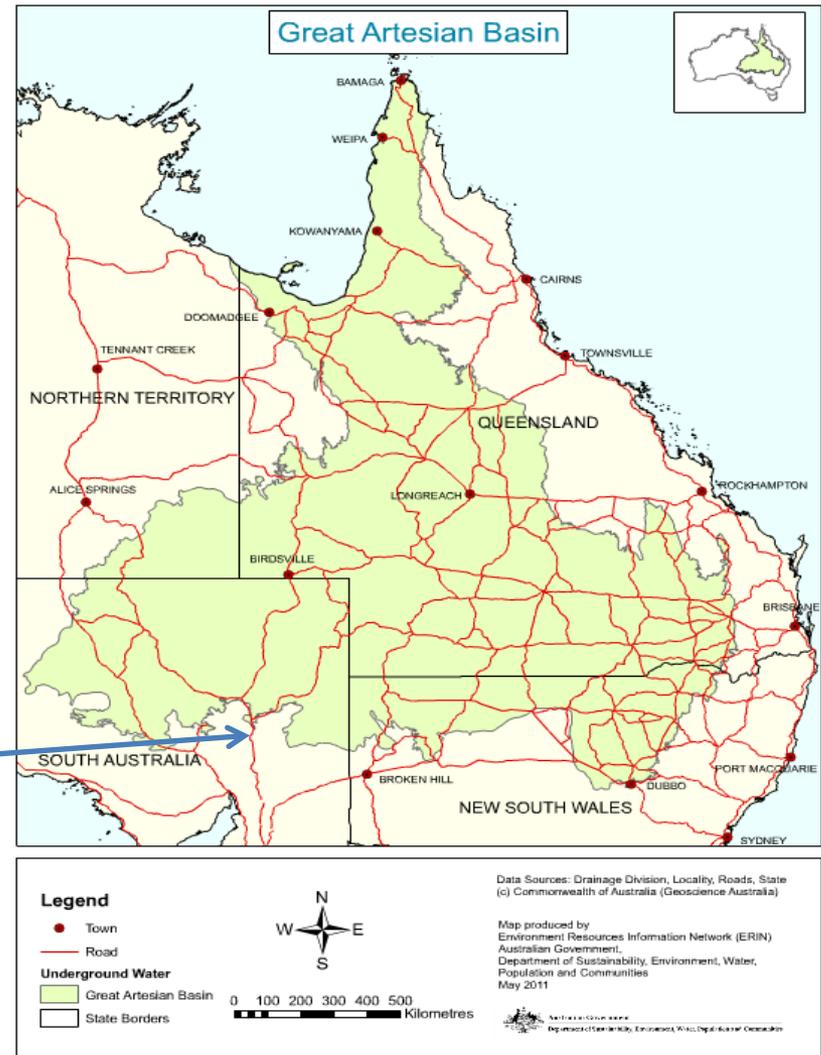


Appendix 4 – LCEP outside GAB

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Great Artesian Basin is a sub-surface fresh water source that moves from the high-rainfall NE Queensland to the dry SE Central Australia (desert)

- Nationally significant on water and environmental grounds
- Creates both state & federal environmental legislative & regulatory interest
- **LCEP located outside the GAB** (to the south)
- Sub-surface **water at Leigh Creek coal mine is saline**



Source: Australian Government – Environmental Resources Information Network (ERIN)