

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Marmota Energy Limited

ABN

38 119 270 816

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | (a) Issue of Unlisted Employee Options (b) Issue of Unlisted Performance Rights (c) Agreement to issue Unlisted Employee Options subject to shareholder approval |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (a) 2,300,000 (b) 2,400,000 (c) 6,000,000 |

+ See chapter 19 for defined terms.

3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

- (a) Unlisted Employee Options:
2,300,000 exercisable at any time up to 12 January 2021 at \$0.05 per option. Non-transferable except as allowed under the Employee Share Option Plan (“ESOP”). Not Quoted.
- (b) Unlisted Performance Rights:
Approved AGM on 25 November 2014. 1,200,000 if prior to 8 September 2016, the 30 day VWAP of listed shares is equal to or greater than \$0.04; and 1,200,000 if prior to 8 September 2016, the 30 day VWAP of listed shares is equal to or greater than \$0.06. Non-transferable except on same basis as under the ESOP. Not Quoted.
- (c) Agreement to issue Unlisted Employee Options to Directors:
* Mr David Williams: 3,000,000, and
* Mr Peter Thompson: 3,000,000
Total: 6,000,000 options exercisable at any time up to 12 January 2021 at: \$0.05 per option. Non-transferable except as allowed under the Employee Share Option Plan (“ESOP”). Not Quoted. To be issued when approved by shareholders in accordance with Listing Rule 10.12 (Exception 10).

4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

- (a) No, options are non-transferable (except as allowed under the ESOP) and will not be quoted. Underlying shares issued on exercise of options will rank equally with existing shares upon issue.
- (b) No, rights are non-transferable (except as would be allowed under the ESOP) and will not be quoted. Shares that will be issued in the event that the performance criteria is met will rank equally with existing shares upon issue.
- (c) No, options are non-transferable (except as allowed under the ESOP) and will not be quoted. Underlying shares issued on exercise of options will rank equally with existing shares upon issue.

| | | |
|----|---|---|
| 5 | Issue price or consideration | (a) Nil (b) Nil (c) Nil |
| 6 | Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets) | (a) Issue of Employee Options under the ESOP (b) Issue of Performance Rights as approved at the AGM on 25 November 2014 (c) Agreement to issue of Employee Options under the ESOP |
| 6a | Is the entity an ⁺ eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the ⁺ securities the subject of this Appendix 3B, and comply with section 6i | No |
| 6b | The date the security holder resolution under rule 7.1A was passed | N/A |
| 6c | Number of ⁺ securities issued without security holder approval under rule 7.1 | N/A |
| 6d | Number of ⁺ securities issued with security holder approval under rule 7.1A | N/A |
| 6e | Number of ⁺ securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting) | (a) N/A (b) Issue approved by AGM on 25 November 2014 (c) N/A |
| 6f | Number of ⁺ securities issued under an exception in rule 7.2 | (a) 2,300,000 (Exception 9) (b) 2,400,000 (Exception 14) (c) agreement to issue 6,000,000 options when approved by shareholders (Exception 14) |

+ See chapter 19 for defined terms.

6g If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.

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| | N/A |
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6h If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements

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| | N/A |
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6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements

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| | N/A |
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7 +Issue dates

Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.

Cross reference: item 33 of Appendix 3B.

| | |
|--|---|
| | (a) 13 January 2016 |
| | (b) 13 January 2016 |
| | (c) agreement on 13 January 2016 to issue options subject to shareholder approval |

| | | |
|---|-------------|-----------------|
| 8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable) | Number | +Class |
| | 379,305,157 | Ordinary Shares |

| | | |
|---|-----------|--|
| 9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable) | Number | +Class |
| | 225,000 | 7.3 cent Options expiring 29 July 2016 |
| | 100,000 | 3.6 cent Options expiring 24 July 2017 |
| | 870,000 | 1.8 cent Options expiring 16 December 2019 |
| | 2,300,000 | 5 cent Options expiring 12 January 2021 |
| | 2,400,000 | Performance Rights |

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Part 2 - Pro rata issue

11 Is security holder approval required?

12 Is the issue renounceable or non-renounceable?

13 Ratio in which the +securities will be offered

14 +Class of +securities to which the offer relates

15 +Record date to determine entitlements

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

17 Policy for deciding entitlements in relation to fractions

18 Names of countries in which the entity has security holders who will not be sent new offer documents
Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.

19 Closing date for receipt of acceptances or renunciations

20 Names of any underwriters

21 Amount of any underwriting fee or commission

22 Names of any brokers to the issue

23 Fee or commission payable to the broker to the issue

+ See chapter 19 for defined terms.

- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders
- 25 If the issue is contingent on security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and offer documents will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do security holders sell their entitlements *in full* through a broker?
- 31 How do security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of +securities for which
+quotation is sought

39 +Class of +securities for which
quotation is sought

+ See chapter 19 for defined terms.

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

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42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)

| Number | +Class |
|--------|--------|
| | |

Quotation agreement

1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

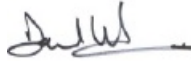
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date:13/1/2016.....
 (Director/Company secretary)

Print name:David Williams.....

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+ See chapter 19 for defined terms.