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HEAP LEACH OPTION OPTIMAL PROCESS ROUTE FOR MARENICA URANIUM PROJECT – Further Assessment Work to Be Undertaken

Highlights:

- **Scoping work to date shows positive economics**
- **Heap Leach scenario as superior option**
- **Bulk mining methods applicable and straight forward**
- **No environmental issues impact progression of Project**
- **Further drilling to lead to resource upgrade**
- **Detailed further test work planned to assess Heap leach process route**

Marenica Energy Limited (ASX: **MEY**) is pleased to advise that preliminary results from the Scoping Study at its Marenica Uranium Project have identified the opportunity to develop the Project as a economic large-scale, bulk-tonnage heap leach operation.

Initially the Scoping Study had intended to develop the project as a continuous agitated leach circuit fed by higher grade stock. However, the scoping work has indicated that a heap leach operation shows positive economics and is likely to deliver far superior financial returns.

In light of this, Marenica has decided to undertake further work to more fully assess a heap leach operation. This will involve additional metallurgical test work across a broader run-of-mine samples to confirm the use of heap leach technology in a bulk ore scenario, given there is a large tonnage of low grade mineralisation available above the lower cut of 50ppm U_3O_8 . The metallurgical work will involve a series of agglomeration and column leach tests that will take several months and these tests are planned to commence in August.

The additional exploration and metallurgical testwork will be conducted to a level necessary to move to a Prefeasibility Study and all the components of the present Study will also be upgraded to this level.

The proposed mining methods have only focused on truck and excavator mining and further mining studies with emphasis on bulk methods may improve economics.

The initial environmental investigations show there are no major environmental issues and the next stage of work will require the implementation of baseline studies, additional water and groundwater investigations, as well as flora and fauna studies.

In conjunction with this metallurgical work, Marenica will upgrade and extend its exploration program to maximise the resource available for a larger bulk tonnage project.

Marenica has defined three exploration target areas with the potential to add substantial additional resources of contained U_3O_8 . Marenica is confident that the Marenica project exploration targets could deliver a further 100 to 150 million tonnes¹ at a grade of 140ppm to 180ppm U_3O_8 in adjacent exploration areas.

Marenica Chief Executive John Young said the process would involve increasing the resource base, refining cost estimates, confirming infrastructure contracts for key items and optimizing the metallurgical process. The economic potential of the project can be enhanced, lower capital and operating costs and by an increased annual production and minelife.

“The Study to date has shown that additional time spent on increasing the project resource base and providing further confidence in the optimal process route should add substantially to the economics and financial outcome of the Project.”

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1. This exploration target is conceptual in nature and it is uncertain if further exploration will result in further resources being defined by drilling. It should be noted that these areas have not had sufficient drilling and some of these targets are conceptual in nature.