



10 February 2016

ASX/Media Announcement

Marenica Announces Share Purchase Plan

Marenica Energy Limited (ASX: MEY) (“Marenica” or “the Company”) will undertake a Share Purchase Plan (“SPP”) to allow existing eligible Shareholders to subscribe for new fully paid ordinary shares in the Company.

The new shares will be offered at 10.7 cents each, a discount of 20% to the volume weighted average share price of Marenica shares traded on the ASX in the 5 days on which sales of Marenica shares were recorded prior to the announcement of the SPP.

Only those who were registered as holders of Marenica shares at 5.00pm (WST) on the record date of 9 February 2016 and whose registered address is in Australia or New Zealand, will be eligible to participate in the SPP.

Eligible shareholders may apply for between \$500 and \$15,000 worth of new shares in the Company at an attractive price and free of brokerage and other related transaction costs. The current intention is that Directors will take up their full entitlements in the SPP.

The new shares will rank equally in all respects with existing Marenica fully paid ordinary shares. The Company will apply for quotation of the new shares on the ASX.

This capital raising has been made possible by the recent agreement between Marenica and Hanlong Energy Limited (“Hanlong”) on revised terms for the outstanding Convertible Note.

Hanlong and Marenica agreed to extend the term of the Convertible Note by 2 years in exchange for a reduction in the conversion price to \$0.58 per share. In addition Marenica now has the option to repay the Convertible Note in shares (based on \$0.58 per share) or in cash. This important change in the Convertible Note provides both current and future investors in Marenica with confidence and certainty to invest in the Company.

Under ASX listing rule 7.1, these changes in terms will require shareholder approval, which will be sought at a General Meeting planned for late March 2016. The General Meeting will fall between the Record Date for eligible shareholders and before the closing date of the SPP. This will provide eligible shareholders with certainty around the structure of the Convertible Note.

The SPP capital raising is intended to fund critical development activities during 2016 including:

- Completing significant bench scale testwork on third party ore;
- Strengthening patent protection of Marenica’s core technology (**U-pgrade™**);
- Confirming funding for the Pilot Plant;
- Negotiating long term commercialisation agreements with resource owners; and

- Building applications and demand for the **U-pgrade™** technology outside of the traditional uranium resource owners.

The restructure of the convertible note terms and significant external confidence in the potential of Marenica's **U-pgrade™** technology has allowed the Company to attract a group of sophisticated investors to underwrite the SPP to a sum of \$400,000 ("the Underwriting"). The Underwriting is subject to shareholder approval of the changes to the terms of the Convertible Note and approval pursuant to ASX Listing Rule 7.1. This shareholder approval will be sought at the General Meeting planned for late March 2016.

The Underwriting provides Marenica with significant confidence in the Company's future prospects as well as certainty in relation to the funds to be raised in the SPP process.

These underwriters are highly experienced resources industry investors including extensive experience in managing and investing in uranium mining assets. Marenica appreciates their commitment.

Full details of the SPP and the final timetable will be set out in the SPP offer document which is anticipated to be despatched to eligible Shareholders in late February 2016.

About Marenica

Marenica Energy (MEY) is an ASX listed uranium exploration company which is developing its patented **U-pgrade™** technology which can upgrade low grade calcrete uranium deposits into a commercial grade concentrate. Marenica's **U-pgrade™** process technology, can halve operating and capital costs of low grade calcrete uranium deposits, converting previously stranded resources into potentially viable projects.

Marenica has developed this potentially disruptive technology on ore samples from the Marenica project in Namibia. In summary, on that ore, **U-pgrade™** has demonstrated that it;

- Rejects ~98% of the mass prior to leaching
- Concentrates the uranium by a factor of 50
- Produces a high grade concentrate in a low mass of ~2% (leach feed)
- Rejects acid consumers
- Reduces operating costs by 50-70% and capital costs by 30-50% compared to conventional processing

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