MARENICA ENERGY LIMITED

Quarterly Activities Report

For the Period Ended 30 September 2012

HIGHLIGHTS

- Metallurgical upgrade testwork continued during the September 2012 quarter.
- Provisional patent lodged over metallurgical process.
- Exclusive Prospecting License extension lodged with approval expected in the December 2012 quarter.
- Cost cutting exercise in progress including office relocation.

Marenica Uranium Project – 75% owned

The main activity in this quarter for the Company was to continue a detailed metallurgical testwork programme on bulk samples to upgrade the carnotite ahead of leaching, from it's 75%-owned **Marenica Uranium ("Project")**, located in Namibia, Southern Africa. The metallurgical testing of this upgrade process will be the main activity for Marenica during the December 2012 and March 2013 quarters.

The metallurgical testwork programme is being completed on bulk samples excavated from five test pits. The learning curve has been very steep and the understanding of the geological, mineralogical and metallurgical properties of the resource continues to increase. Due to the novel approach of the proposed metallurgical process, the Board has taken the decision to lodge a Provisional Patent over the process to protect the Company's intellectual property.

The Exclusive Prospecting License (EPL) on the Marenica lease expires on 30 November 2012. Application for extension was lodged on 22 August 2012 and the Company does not see any reason why the extension will not be granted.

CORPORATE

While the metallurgical testwork programme is being completed, the results of which will determine the future direction of activities, the Company undertook a review of all outgoings in order to preserve as much cash as possible, including relocating to a shared office at 6 Kings Park Road.

ENDS

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