

ASX RELEASE

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KENILWORTH RAILROAD #15-3 WELL COMMENCES DRILLING IN HELPER PROJECT, UTAH

The Board of Marion Energy Limited is pleased to announce that drilling of the Kenilworth Railroad #15-3 well has commenced in the Company operated Helper project in central Utah. This is the fourth well in the project's accelerated 15 well drilling program and will be the ninth well completed in the project area to date.

Kenilworth Railroad #15-3 is being drilled as a directional well from the existing Kenilworth Railroad #1 drilling pad, and is designed to intersect the Ferron sand and coal objectives mid-way between Kenilworth Railroad #1 and Cordingly Canyon #15-1 wells, effectively completing drilling on a 160 acre spacing in this area of the field.

Five of the other six Ferron wells drilled to date are tied into production infrastructure and are continuing the process of cleaning-up and de-watering. This process has been temporarily suspended at Kenilworth Railroad #1 while the 15-3 well is being drilled and completed.

Participating Working Interests* in the Helper project are:

Marion Energy Limited (ASX: MAE)	48.75%
Odyssey Energy Limited (ASX: ODY)	30.00%
Pegasi Energy	10.625%
Private Interests	10.625%

* Subject to Back-in Rights on Farm-in Acreage

Marion Energy Limited is aggressively pursuing a low risk strategy to increase reserves and production of non-conventional natural gas in the onshore USA. The company plans to develop low cost reserves by exploiting mature reserves and finding new reserves in existing producing areas. Favourable industry fundamentals, including record high natural gas prices, advances in drilling, completion and fracture stimulation techniques, coupled with ready access to infrastructure have allowed the company to pursue several attractive investment opportunities. The company currently has in its portfolio an inventory of two to three years of drilling opportunities, which if successful could create a substantial reserve base.

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