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ASX / MEDIA RELEASE

MARENGO APPOINTS GRD MINPROC – URS ALLIANCE FOR YANDERA FEASIBILITY STUDY

LANDMARK STUDY SCHEDULED FOR COMPLETION BY MID-2009

Marengo Mining Limited (ASX & POMSx Code: **MGO**) is pleased to announce that it has awarded the contract to complete the Definitive Feasibility Study (“DFS”) on its 100%-owned **Yandera Copper - Molybdenum Project** in Papua New Guinea, after reviewing proposals from a number of leading international engineering groups.

The Yandera DFS contract has been awarded to an alliance of leading Australian-based resource engineering, construction company, GRD Minproc Limited, and URS Australia Pty Ltd, the Australian arm of international engineering and environmental group, URS Corporation (“URS”).

GRD Minproc is a leading engineering construction company specialising in the design and delivery of mineral resources projects around the world. With a global reputation for technical expertise, GRD Minproc has carried out work in 35 countries, including Papua New Guinea.

URS is one of the largest engineering design services firms worldwide, providing engineering, environmental and social expertise to businesses and communities within the Asia-Pacific region and around the globe. URS operates with a global network of around 30,000 personnel in 330 locations; in the Asia-Pacific, it has 18 offices with more than 1,500 professionals.

The award of the DFS follows the completion of a Conceptual Mining Study (“CMS”) earlier this year which confirmed the potential for a robust, long-life development of the Yandera Project, as a significant strategic source of copper and molybdenum for world markets.

The CMS reviewed a number of production options based on a large open pit design, containing 406 million tonnes, which would underpin an initial 10-year mine life, commencing at a 25Mtpa production rate for the first two years and increasing to 40Mtpa thereafter. Metal prices of US\$1.50 per pound of copper metal and US\$15.00 per pound of molybdenum oxide were used in the CMS.

This is expected to deliver production of approximately 112,000 tonnes of contained copper metal in the first year and increasing to more than 124,000 tonnes per annum (from Year 3 onwards). Contained molybdenum metal production would commence at 4,200 tonnes in the first year and increasing to some 6,700 tonnes per annum (from Year 3 onwards).

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The DFS, which is scheduled for completion by mid-2009, will include detailed open pit design and mining schedules, ore reserve estimation, process plant design, infrastructure and ore transport options, permitting, community & environmental issues, final capital cost estimates and project economics.

The initial capital cost estimate produced as part of the CMS was US\$942 million, with a further US\$198 million estimated to be required to complete the ramp-up to 40Mtpa. A number of options have already been identified, to potentially reduce the capital cost and these will be further explored in detail as part of the DFS.

Commenting on the award of the contract, Marengo's Managing Director, Mr Les Emery, said: "This marks another important milestone in advancing the Yandera Project towards development. We are very pleased to have awarded this significant contract to an international alliance, comprising a leading Australian engineering construction company and a global engineering services group".

"Both of these groups have extensive experience in the design, delivery and construction of major resource projects around the world, including projects in PNG, and we look forward to working closely with them over the next 20 months to bring this major feasibility study to a successful conclusion," Mr Emery added.

"Given the current strength of both the copper and molybdenum markets – and the robust demand outlook for these commodities into the next decade – we have committed to bring the Yandera Project into development as soon as possible," he said. "Completion of the Yandera DFS by mid-2009 will position us to commence construction by September 2009, with first production targeted for the first half of 2011."

Marengo recently completed a A\$15 million share placement in Canada and Australia to underpin its financing strategy for the DFS and will shortly announce a number of key executive appointments.

Certain statements in this release contain forward-looking information. These statements include, but are not limited to, statements with respect to future exploration, development, production and costs. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors include, among others, the results of future exploration, risks inherent in resource estimates, increases in various capital costs, availability of financing and the acquisition of additional licences, permits and surface rights.

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