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ASX / MEDIA RELEASE

MARENGO MINING ATTRACTS MAJOR INTERNATIONAL INVESTOR

- **Global US-based commodities group Sempra Metals & Concentrates Corp takes up strategic \$1.2M placement in Marengo at 30 cents per share.**
- **Sempra granted first right of refusal to negotiate an off-take agreement for Marengo's Yandera Copper-Molybdenum Project in PNG.**

Diversified metals company, Marengo Mining Limited (ASX Code: MGO) today announced that it had secured a new major international investor with leading global commodities trading company, Sempra Metals & Concentrates Corp, agreeing to take up a strategic \$1.2 million placement in Marengo.

Marengo is to issue 4,000,000 shares at 30 cents to Sempra Metals, together with 4,000,000 attaching, unlisted options, with a strike price of 40 cents, expiring on 30 November 2008. This placement will be made under Marengo's existing 15% placement capacity, under the ASX Listing Rules.

In addition, Marengo has agreed to grant Sempra Metals a first right of refusal to negotiate an off-take agreement for metals concentrate from Marengo's Yandera Copper-Molybdenum project in Papua New Guinea.

This raising of A\$1.2 million will add to Marengo's current cash balance of A\$6.7 million, with no fees payable to any third party, further strengthening its share register and providing additional funding to pursue its aggressive diamond drilling program at Yandera during 2006.

Sempra Metals & Concentrates Corp is a part of the Sempra Metals Group, which is a significant global investor, specialising in non-ferrous metals, precious metals and plastics. It is owned by the US-based energy services company Sempra Energy, a Fortune 500 company.

Marengo's Managing Director, Mr Les Emery, said: "We are very pleased to welcome Sempra to our register. Securing a long-term investment by such a significant global commodities trading house represents an acknowledgement of the progress Marengo has made since entering PNG and, more particularly, in the potential of the Yandera Project to become a significant mining project and future supplier of base metal concentrate on the world stage."

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Marengo last week announced that it had reached agreement to acquire all of the issued shares in its joint venture partner at Yandera, for a combination of cash and shares, thus moving to a 100% interest in the project.

A major diamond drilling campaign will shortly commence at Yandera, focusing principally on the existing Gremi and Omora zones of copper-molybdenum mineralisation. This drilling program is designed to lead to the calculation of a JORC resource for the Yandera Project later this year.

First discovered by Australian Government geologists in the 1950s, Yandera was explored by Kennecott Exploration and BHP in the 1960s and 1970s, with over US\$20 million spent at that time on exploration (including 33,000 metres of diamond drilling), generating a number of non-JORC resource estimates.

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