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**ASX/MEDIA RELEASE**

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**Marengo Completes A\$15M Share Placement**  
***UNDERPINS RECENTLY COMMENCED YANDERA BANKABLE***  
***FEASIBILITY STUDY***

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Marengo Mining Limited (ASX: MGO) is pleased to confirm that it has completed its recently announced A\$15 million share placement, at an issue price of A\$0.36 per share (the "Placement"). The Placement was strongly supported both by existing and new Australian and international institutional and professional investors.

As announced on 16 August 2007, the first tranche of the Placement consisted of a brokered private placement of 15,277,777 fully paid shares with Paradigm Capital Inc of Toronto, Canada as agent. This first tranche was issued on August 15, 2007 and raised gross proceeds of A\$5.5 million.

The second and third tranches of the Placement consisted of a non-brokered placement of 26,388,890 fully paid shares, also at an issue price of A\$0.36 per share, raising an additional A\$9.5 million, to existing and new Australian and international institutional and professional investors. These subsequent tranches were issued following shareholder approval, on 5 September 2007.

This Placement saw two of the Marengo's existing shareholders increase their respective holdings, with Sentient Global Resources Fund moving to a 21.4% position and Contango Asset Management Limited moving to 5.7%.

The Placement has also resulted in the introduction, for the first time, of a number of North American institutions to Marengo's share register.

The Placement represents the second major capital raising to be successfully completed by Marengo within 12 months, following the A\$12.3 million capital raising completed in October 2006 (at A\$0.25 per share). The Placement increases Marengo's available cash reserves to almost \$20 million, providing a strong platform for Marengo to pursue its growth strategy to become an international mining company.

Marengo intends to use the proceeds of the Placement to fund the recently announced bankable feasibility study ("BFS") on its 100%-owned Yandera Copper-Molybdenum Project, located in Madang Province, Papua New Guinea, and for general working capital.

The Placement, which was increased from A\$12.5 million to A\$15.0 million to accommodate increased demand, forms the cornerstone of Marengo's funding strategy for the BFS.

Marengo has entered into a letter agreement with Paradigm Capital Inc. pursuant to which Marengo has appointed Paradigm Capital Inc. as lead agent in respect of an offering of Marengo's shares in Canada by way of prospectus, subject to the terms and conditions contained in the letter agreement.

Marengo is currently evaluating a number of proposals from engineering groups for the management of the BFS, with a decision expected by mid-October.

Marengo is also in the process of expanding its executive team, with several new appointments expected to be finalised shortly, and is continuing an aggressive diamond drilling program within the boundaries of the proposed Yandera open pit, to assist in the upgrading of the resource classifications, as part of the BFS.

In addition, the recently announced encouraging rock chip sample assays from the Gogobangu and Bononi Prospects, together with recently collected mineralised samples from the Queen Bee Prospect, have continued to underpin Marengo's focus on defining repetitions of the Yandera Central Resource within the Yandera project area

Commenting on the announcement, Marengo's Managing Director, Mr Les Emery, said: "We are very pleased with the final outcome of this share placement, which was increased to A\$15 million to accommodate the very high levels of demand from investors. We see this as a significant vote of confidence in the quality and potential of the Yandera Project to underpin a world-class mining development".

"The placement has resulted in a significant expansion of our share register with the introduction of a number of key global institutions and it has also been strongly supported by a number of our existing major shareholders," Mr Emery commented. "These investors are very supportive of our development strategy at Yandera, including our aggressive ongoing drilling program and planned timetable to complete the BFS on the Yandera Project by June 2009."

***This news release does not constitute an offer to sell or other solicitation of an offer to buy any ordinary shares within the United States. The ordinary shares have not been offered and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws. Accordingly, the ordinary shares may not be offered or sold in the United States or to U.S. Persons (as such terms are defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws or an exemption from such registration is granted.***

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