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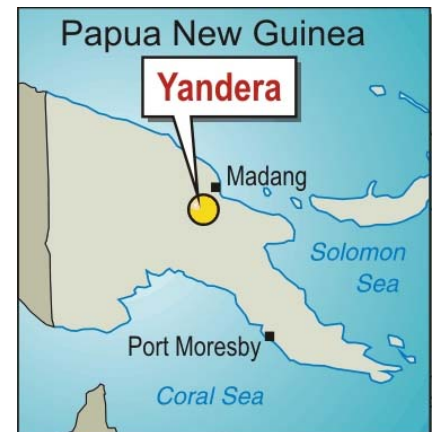
ASX RELEASE

Progress Report - Yandera Copper Molybdenum Project

With the completion of 2007 field activities at Marengo Mining Limited's 100% owned Yandera Project (Papua New Guinea), the Company is pleased to provide a progress report on recent activities.

Diamond Drilling

During the 2007 field season, 24 diamond drill holes were completed (YD122 to YD145) for a total of 9,286 metres. The objectives for the program were to further define and extend the Gremi and Omora sections of the Yandera Central Porphyry System.



These objectives were largely met and will enable a revised resource estimate to be calculated as soon as is practicable in 2008, following receipt of assays for the remaining six drill holes (YD140 to YD145) and updating of the geological model is completed.

Recently received drill results continue to define broad zones of copper and molybdenum mineralisation within the proposed starter pit, including;

300 metres @ 0.57% Copper Equivalent (incl 48 metres @ 1.06% copper),

263 metres @ 0.42% Copper Equivalent (incl 21 metres @ 0.97% copper), and

222 metres @ 0.51% Copper Equivalent (incl 75 metres @ 0.52% copper)

Significant gold and silver assays continue to be received, however at this stage these results have not been included in the calculation for Copper Equivalent (Cu + [Mo x 10])

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YD136 (Gremi) 293403E 9364765N -60° @ 230° mag Depth 374.80m.

Drilled at the eastern extension of Gremi.

From	To	Width	Cu %	Mo ppm	Au ppm	Ag ppm	CuEq %
The total hole from 18m returned the following intersection:							
18.00	374.80*	356.80	0.24	107	0.05	0.84	0.34
Excluding a very low grade zone from 18m to 111m the hole averaged :							
111.00	374.80*	263.80	0.28	137	0.06	0.74	0.42
Within the above are the following higher grade intercepts:							
111.00	126.00	15.00	0.51	185	0.04	2.30	0.67
141.00	165.00	24.00	0.30	168	0.10	1.40	0.47
237.00	258.00	21.00	0.97	105	0.08	2.44	1.07
321.00	374.80*	53.80	0.26	287	0.05	0.74	0.55

CuEq% = Cu% + (Mo% x10). Au and Ag values are not included.

Note: * end of hole

YD137 (Omora) 293546E 9365479N -60° @ 60° mag Depth 359.90m

Drilled from the site of YD120 to test for mineralisation NE of YD123. Copper mineralisation is present sporadically throughout the hole but no significant intersections identified.

YD138 (Gremi) 293207E 9364824N -60° @ 210° mag Depth 382.20m

Located on the site of historical hole DDH27 but drilled to the SW into an untested area. Granodiorite and diorite porphyry are the dominant lithologies and several intrusive breccias are present. Good mineralisation is present to 303m mainly as chalcopyrite and bornite but with some chalcocite in the 45m to 93m zone and chrysocolla in the oxide zone above 27m. The zone of elevated gold values between 45m and 93m with values up to 1.53g/t Au may be part of a remnant supergene zone.

From	To	Width	Cu %	Mo ppm	Au ppm	Ag ppm	CuEq %
The total hole from 3m averages							
3.00	303.00	300.00	0.48	92	0.09	2.13	0.57
This includes the following higher grade intercepts:							
45.00	93.00	48.00	1.06	197	0.32	4.21	1.26
279.00	291.00	12.00	1.93	24	0.10	5.75	1.93

CuEq% = Cu% + (Mo% x10). Au and Ag values are not included.

YD139 (Gremi) 293403E 9364765N -60° @ 30° mag Depth 394.70m

Drilled from the site of historical hole DDH08 but drilled NE towards the quartz core. Diorite porphyry is the main rock type throughout the hole. Chalcopyrite / bornite mineralisation occurs at several intervals from 60m to 225m. Mo is patchy and occurs mainly as veinlets between 100m and 150m. Below 225m Cu/Mo mineralisation is sparse and there is an increase in quartz veining typical of the quartz core. Of note are the elevated gold values between 81m and 156m with a zone of consistently elevated values (max 0.69g/t) from 105m to 156m.

YD 139 (Gremi)

From	To	Width	Cu %	Mo ppm	Au ppm	Ag ppm	CuEq %
3.00	225.00	222.00	0.41	103	0.12	1.75	0.51
Included is the following higher grade intercept:							
81.00	156.00	75.00	0.52	233	0.22	1.84	0.75
Gold values (max 0.69g/t) are slightly elevated between 105m and 156m:							
105.00	156.00	51.00	0.58	285	0.27	1.94	0.86

CuEq% = Cu% + (Mo% x10). Au and Ag values are not included.

Assay results for holes YD140 to YD145 are awaited.

Forward Planning

Planning for the 2008 season is underway and drilling will restart with 3 diamond rigs in mid-January. A further 3 rigs will be mobilised into the area by mid-February.

It is intended to continue with the ore definition and geotechnical work in the proposed starter pit area and also commence exploration drilling towards the Karisokera area, south of Omora, where rock chip and float samples produced assays of up to 12.1% copper, 0.83% molybdenum, 19.1 g/t gold and 271 g/t silver. Some of the exploration holes may also serve as sterilisation holes for potential waste rock deposition areas. Additional rigs mainly for geotechnical investigations will also be required during the year.

Although the Yandera Central Porphyry and satellite exploration targets will remain the central focus of the 2008 drilling season, reconnaissance work will be increased along strike to the north-west, into areas that have had very little previous exploration. Preparatory field work to gain access to these areas, for mapping and geochemical sampling will commence early in 2008.

Marengo has continued to build up its geological team and now has nine geologists involved in the Yandera Project. In addition, the Yandera Base Camp continues to be enlarged and upgraded to accommodate both the geological team and personnel involved in the preparation of the Definitive Feasibility Study.

Definitive Feasibility Study

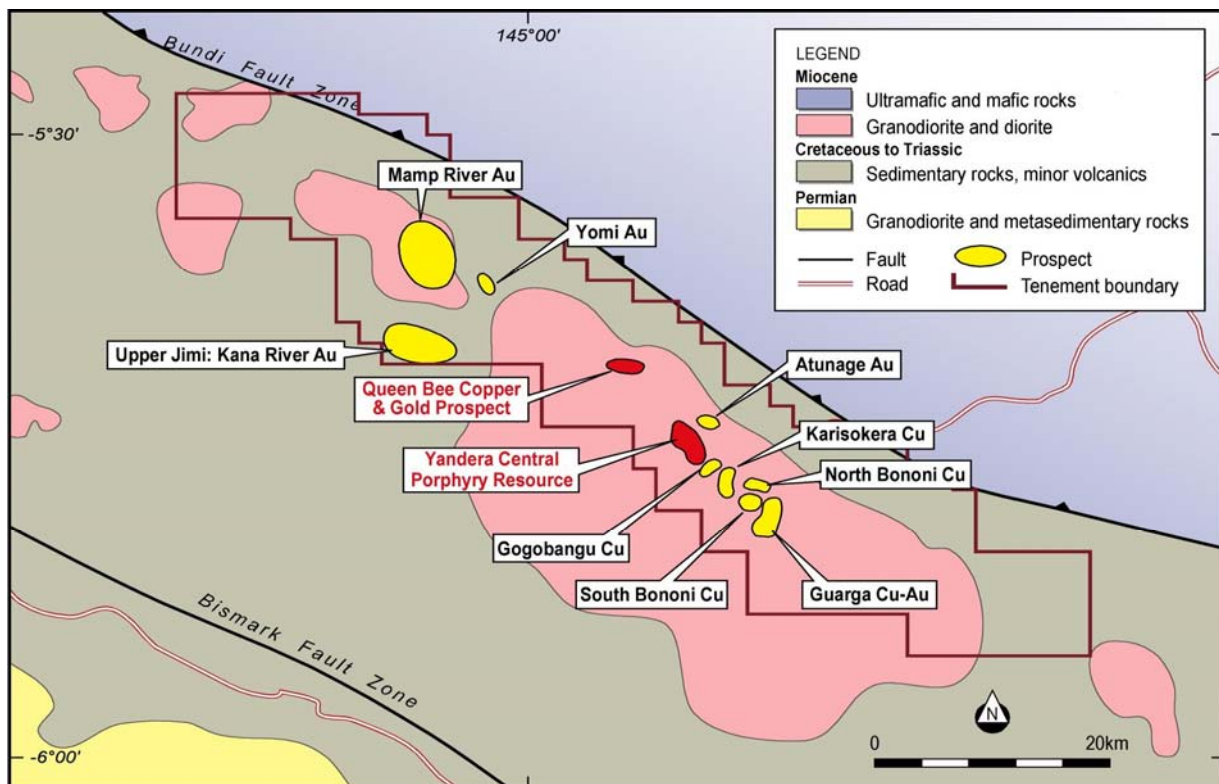
Phase 1 of the Definitive Feasibility Study ("DFS") is underway with a focus on refined options for the following:

- processing plant location
- concentrate transportation methodology
- port load-out facilities

The early new year will see the tailings, waste management and environmental management studies progress. In addition, the mining engineering study is expected to commence within the first half of 2008 following the release of the revised resource calculation.

With the DFS planned for completion by mid 2009, the Yandera Project has the potential to become a significant strategic supplier of copper and molybdenum to world markets over many years.

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Sections of this report relating to drilling intercepts and mineralisation were prepared by Mr Peter Dendle who is a member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Marengo Mining Limited. Mr Dendle has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition). Mr Dendle consents in writing to the issue of this report, to the extent of matters based on his information in the form.

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.