

22 May 2007

ASX / MEDIA RELEASE

MAJOR INCREASE IN RESOURCE FOR YANDERA COPPER – MOLYBDENUM PROJECT (PNG)

- Updated resource totalling 660Mt at 0.48% Copper Equivalent (2.9Mt or 6.3 billion pounds of estimated recoverable copper metal equivalent), representing a 78% increase on the previously announced resource tonnes.
- Includes an Indicated Resource of 163Mt at 0.49% Copper Equivalent, within the Gremi Zone, with the balance of 497 Mt at 0.48% Copper Equivalent as an Inferred Resource.
- Potential for “starter pit” identified at Gremi based on higher-grade, near-surface mineralisation.
- Yandera Pre-Feasibility Study progressing well, with current activities focused on optimisation of the conceptual Yandera “starter” open pit.

Marengo Mining Limited (ASX Code: **MGO**) is pleased to announce an updated mineral resource statement for its 100%-owned **Yandera Copper-Molybdenum Project**, located in Madang Province, Papua New Guinea. The updated resource comprises:

- **Inferred Resource of 497 million tonnes @ 0.48% Copper Equivalent** (at a 0.3% Copper Equivalent cut-off); and
- **Indicated Resource of 163 million tonnes @ 0.49% Copper Equivalent** (at a 0.3% Copper Equivalent cut-off).

This equates to a total mineral resource calculated pursuant to JORC of **660 million tonnes at 0.48% copper equivalent**, representing an increase of approximately 78% on the previous Inferred Resource of 371 million tonnes at 0.49% copper equivalent (at a 0.3% Copper Equivalent cut-off) announced in October last year.

The updated resource statement was prepared by international mining consultancy group, Golder Associates Pty Ltd, which prepared the October 2006 initial resource estimate for Marengo. A full copy of Golder’s report is attached to this announcement.

The updated mineral resource statement, which covers the Gremi, Omora and Imbruminda zones at Yandera, is based on data from Marengo’s 2006 diamond drilling program, together with earlier drilling data from BHP and Kennecott (comprising over 40,000 metres of diamond drilling in total).

Level 2, 9 Havelock Street West Perth Western Australia 6005
PO Box 289 West Perth Western Australia 6872
Email: marengo@marengomining.com

Telephone: +61 8 9429 0000
Facsimile: +61 8 9429 0099
Website: www.marengomining.com



The 2006 drilling successfully converted a substantial portion of the previously identified mineral inventory at Yandera to the Inferred Resource category, significantly increasing the global resource tonnage and contained metal inventory, calculated pursuant to JORC. A substantial additional tonnage of mineral inventory remains and, while this material cannot be reported pursuant to JORC at this stage, it is anticipated that some portion of it will be added to the Yandera resource base with further drilling.

Higher-grade, near-surface mineralisation has the potential to underpin a “starter pit” within the Gremi Zone which could significantly enhance the economics of a future mining operation at Yandera because of the potential low strip ratio. The Gremi Zone will form a key focus of the current Pre-Feasibility Study on the Yandera Project (see *below*).

The updated mineral resource statement clearly demonstrates the world-class scale of the Yandera Project, equating to approximately **4.5 billion pounds of estimated recoverable copper** and **180 million pounds of estimated recoverable molybdenum metal**. (This is the 6.3 billion pounds of contained copper equivalent referred to on page 1 of this release).

Although the Yandera mineralisation contains quantities of gold, silver and rhenium, these metals have not been included in the current resource estimate.

Pre-feasibility Study Update and Development Strategy

The 2006 drilling program successfully upgraded the broader envelope of mineralisation within the Gremi, Omora and Imbruminda zones and established a mineral inventory which may be converted to resource reportable in accordance with JORC in future.

The drilling carried out to date has not closed off any of the ore zones, and there is potential to further increase the resource, calculated pursuant to JORC, with further drilling. In addition, there are numerous additional target zones within the broader 7km strike length of the Yandera central porphyry structure.

Marengo's focus is to complete the Pre-Feasibility Study on the Yandera Project by mid-2007 and to continue systematic drilling, to test for extensions to the zones of copper-molybdenum mineralisation located within the conceptual open pit.

A Whittle pit optimisation to be carried out based on the updated resource model will enable a mining inventory and the estimated waste to ore ratio to be established for the open pit. The Pre-Feasibility Study will also focus on the potential economics of a “starter pit” extracting the high-grade core within the Gremi Zone. Such a starter pit would significantly improve the economics of the project and provide an early source of cash flow to support development of a larger scale open pit mining operation.

Marengo continues to be well funded, with cash reserves of some A\$8.5M following an institutional share placement completed in late 2006 which saw Sentient Global Resources Fund take a 19.9% stake in the Company, joining a number of Australian and Papuan New Guinea institutions on its register.

Commenting on the updated Yandera mineral resource statement, Marengo's Managing Director, Mr Les Emery, said: “This represents a very important step forward for the Company and the project, increasing the overall resource tonnage, reported pursuant to JORC, broken down at Yandera by almost 80% and establishing a very substantial inventory of copper and molybdenum metal.”

“As we have previously highlighted, one of the significant features of the Yandera porphyry system is the very significant level of molybdenum within the resource,” he added. “clearly demonstrating the strategic value – and significance – of the Yandera deposit in world terms.”

“With the completion of this updated resource statement, we have a clear path forward through the completion of the current Pre-Feasibility Study, which will now focus on optimisation of the conceptual open pit, including drilling to clearly define the boundaries of this pit and the likely mineable tonnages contained within it,” Mr Emery continued.

“Of particular importance is the Indicated Resource component – which will now underpin the Pre-Feasibility Study – and the higher-grade core identified at Gremi,” he added. “This has the potential to form the basis of an attractive ‘starter pit’ at Yandera with a relatively low strip ratio.”

“Following this significant resource upgrade, we are looking forward to advancing the Yandera Project to the next stage with the completion of the Pre-Feasibility Study leading to commencement of a Bankable Feasibility Study as soon as possible,” Mr Emery said.



Les Emery
Managing Director
Marengo Mining Limited
Telephone: (+61 8) 9429 0000
Mobile: 0407 190 860
Email: marengo@marengominig.com

www.marengominig.com
or
www.irasia.com/listco/au/marengo

Appendix 1: Yandera Resource Update dated 17 May 2007, Golder Associates Pty Ltd.

NOTES:

*JORC refers to the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition).

Copper equivalent grades for reported drill hole intercepts were calculated using a molybdenum /copper price ratio of 10:1.

For reference current spot copper metal price is US\$3.20 per pound and molybdenum metal price is US\$45 per pound.

Assumed recovery is 90% based on metallurgical test work for both metals.

The calculation formula for metal content is [(resource tonnes) X (copper grade) X (90%)] + [(resource tonnes) X molybdenum grade) X 90%]

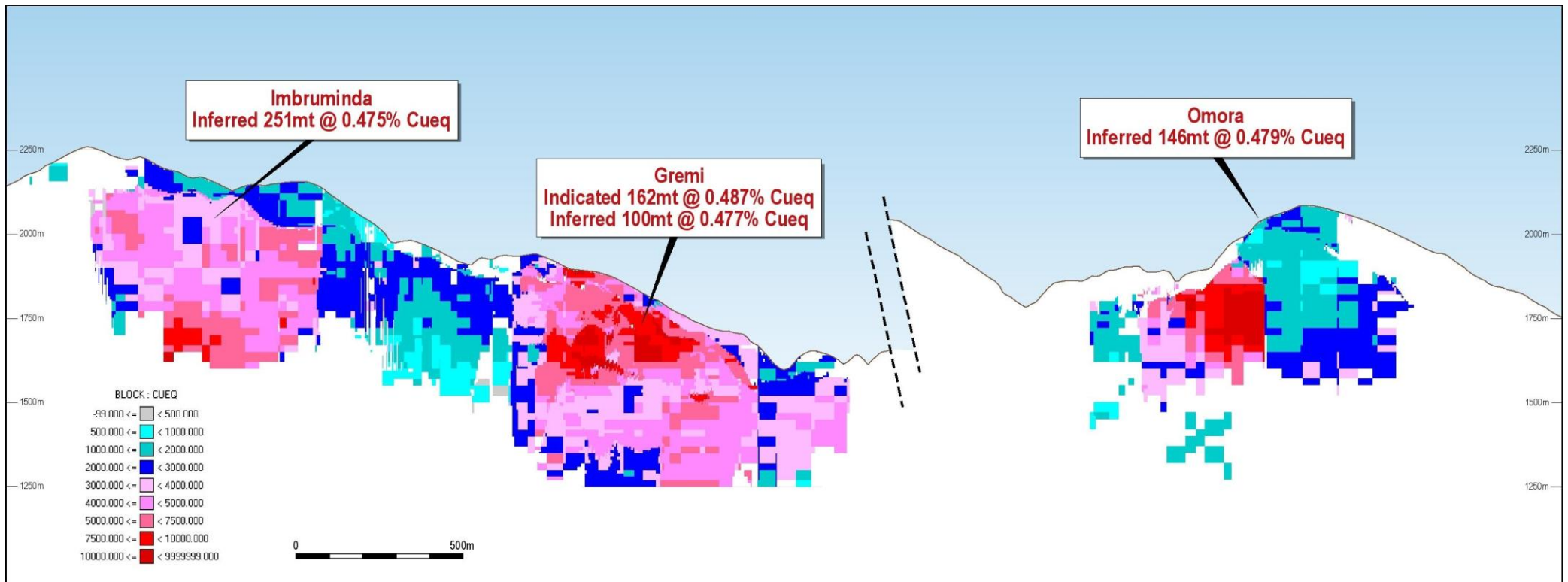
In the company's opinion all the elements included in the metal equivalents calculation have a reasonable potential to be recovered.

Sections of this report relating to drilling intercepts and mineralisation (excluding the Yandera Resource Update) 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 and context in which it appears.

The section of this report relating to the Yandera Resource Update was prepared by Mr Stephen Godfrey of Golder Associates Pty Ltd. Mr Godfrey is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken 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 Godfrey and Golder Associates Pty Ltd consent in writing to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Yandera Copper-Molybdenum Project Long Section – Imbruminda-Gremi-Omora Zones



Golder Associates Pty Ltd

A.B.N. 64 006 107 857

1 Havelock Street, West Perth, WA 6005 Australia
(PO Box 1914, West Perth, WA 6872 Australia)
Telephone (08) 9213 7600
Fax (08) 9213 7611



17 May 2007

06641116-M02


Mr Les Emery,
Director,
Marengo Mining Limited,
2/9 Havelock St West Perth.

Dear Les

YANDERA RESOURCE UPDATE

Please find attached the results of our May 2007 update of the Yandera Resource.

Yours sincerely
GOLDER ASSOCIATES Pty Ltd



Stephen Godfrey
Senior Resource Geologist

YANDERA RESOURCE STATEMENT

Introduction

The May 2007 Yandera Resource Statement deals with the copper-molybdenum Mineral Resources for the Yandera deposit located 95km southwest of the coastal town of Madang, Papua New Guinea.

The resource model is based on the geological database as at 2 April, 2007. The geological interpretation was supplied by Marengo Mining Ltd. Digital geology modelling, block model construction and grade estimation were undertaken by Stephen Godfrey of Golder Associates using Golder Propriety and VulcanTM software.

The geological interpretation was based on data from 123 Diamond Drill holes (40,177m) containing 12,843 logged and assayed, predominantly 3m, intervals. The geological model extends 6000m along strike South East to North West and covers the average 1000m width of the mineralisation.

Sample data was composited to five (5) metres and flagged by domains defined in the geological interpretation. Ordinary Kriging was used to estimate grades within the geological domains. Resources were estimated separately for copper and molybdenum mineralisation in the deposit.

The resource estimate has been classified based on data density, data quality, confidence in the geological interpretation and estimation.

Results

The preliminary Yandera resource has been classified as inferred. Figure 1 illustrates the relative positions of the reported areas and Tables 1 and 2 below breakdown the resource by weathering horizon and area.

Figure 1 Yandera Reporting Areas

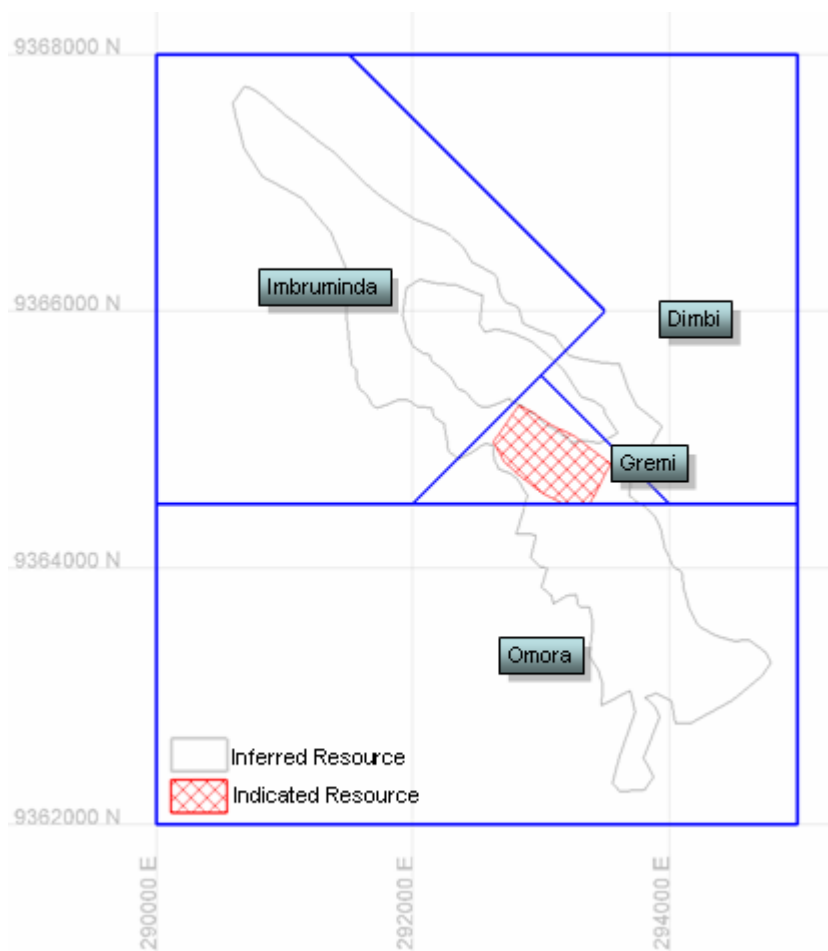


Table 1 Inferred Resource above 0.3% Cu equivalent (3000ppm)

Inferred

Omora

Zone	MTonnes	Cueq (ppm)	Cu (ppm)	Mo (ppm)
Oxide	5.8	4,275	3,738	54
Mixed	8.0	7,152	5,216	194
Hypergene	132.3	4,674	3,282	139
Total	146.2	4,794	3,406	139

Gremi

Zone	MTonnes	Cueq (ppm)	Cu (ppm)	Mo (ppm)
Oxide	-	-	-	-
Mixed	0.5	3,670	3,213	46
Hypergene	99.6	4,777	3,473	130
Total	100.1	4,772	3,472	130

Imbruminda

Zone	MTonnes	Cueq (ppm)	Cu (ppm)	Mo (ppm)
Oxide	6.9	4,441	1,735	271
Mixed	8.4	4,167	3,266	90
Hypergene	236.2	4,780	3,471	131
Total	251.5	4,751	3,416	133

Inferred Total

Zone	MTonnes	Cueq (ppm)	Cu (ppm)	Mo (ppm)
Oxide	12.8	4,365	2,651	171
Mixed	16.8	5,572	4,191	138
Hypergene	468.2	4,750	3,418	133
Total	497.7	4,768	3,424	134

Table 2 Indicated Resource above 0.3% Cu equivalent (3000ppm)

Indicated

Omora

Zone	MTonnes	Cueq (ppm)	Cu (ppm)	Mo (ppm)
Oxide	-	-	-	-
Mixed	-	-	-	-
Hypergene	-	-	-	-
Total	-	-	-	-

Gremi

Zone	MTonnes	Cueq (ppm)	Cu (ppm)	Mo (ppm)
Oxide	9.4	4,696	4,049	65
Mixed	10.2	6,112	4,705	141
Hypergene	144.0	4,799	3,227	157
Total	163.6	4,875	3,366	151

Imbruminda

Zone	MTonnes	Cueq (ppm)	Cu (ppm)	Mo (ppm)
Oxide	-	-	-	-
Mixed	-	-	-	-
Hypergene	-	-	-	-
Total	-	-	-	-

Indicated Total

Zone	MTonnes	Cueq (ppm)	Cu (ppm)	Mo (ppm)
Oxide	9.4	4,696	4,049	65
Mixed	10.2	6,112	4,705	141
Hypergene	144.0	4,799	3,227	157
Total	163.6	4,875	3,366	151

Table 3 Total Resource above 0.3% Cu equivalent (3000ppm)

Total

Zone	MTonnes	Cueq (ppm)	Cu (ppm)	Mo (ppm)
Oxide	22.2	4,505	3,244	126
Mixed	27.0	5,776	4,385	139
Hypergene	612.1	4,761	3,373	139
Total	661.3	4,794	3,410	138

Tables 1, 2 and 3 show rounded estimates. This rounding may cause some apparent computational discrepancies. Significant figures do not imply precision. Cu Equivalent is calculated as $Cu+(10*Mo)$ Gremi" includes the "Dimbi" resource.

Compliance with the JORC code assessment criteria

This mineral resource statement has been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition).

Stephen Godfrey is a member of the Australasian Institute of Mining. Stephen have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as Competent Persons 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).



Stephen Godfrey
B.Sc.(Hons), Dip.Ed., MAusIMM
Senior Resource Geologist
Golder Associates

Key points relating to the Yandera May 2007 Resource Update:

1. The resource estimate applies to coincident copper and molybdenum mineralization within the mapped and modelled Marginal Potassic Alteration Zone of the Yandera project in Papua New Guinea.
2. The deposit is delineated by 123 diamond core (40,177m) drilled in various directions through the deposit. The rugged terrain makes siting drillholes difficult. Holes vary in spacing from 50m by 50m over the Gremi zone to 200m by 100m in the peripheral areas. Holes are angled and vertical.
3. Data from surface mapping and sampling, drillhole logging and sampling and airborne and surface geophysics was used to construct a geological model of the deposit which was then used to constrain the grade estimation.
4. Assay data from 115 drillholes within the Marginal Potassic Alteration Zone was used to estimate the resource.
5. Samples are predominantly 3m in length. Sampling is half core assay. A reasonable correlation exists between historical sampling and the current program. QAQC data is not readily available for the original assaying. QAQC data for the current drilling program demonstrates good accuracy and precision in the data. Samples were composited to 5m for analysis and estimation. 6,862 Cu composites and 6,052 Mo composites were used in the estimation.
6. Estimation of grades was done using Ordinary Kriging. Kriging parameters were derived from variography. Copper and Molybdenum grades were estimated separately. High grade cutting was used to limit the impact of high grade outlier composites. The Cu and Mo grades were estimated in ppm. The Copper equivalent grade was calculated as $(Cu + (10 * Mo))$. The reported tonnes and grades were estimated using search ellipse defined by the ranges of the modelled variograms. Blocks beyond this range have not been included in the resource.
7. Dry bulk density was determined for 250 drill core samples. These values were used to assign density values in the model based on rock type. Density values ranged from 2.56 to 2.66 and averaged 2.6.
8. The Resource Estimate was classified based on data density and quality, and confidence levels in the geological interpretation and grade estimation. The bulk of the resource is classified as inferred. The improved understanding and modelling of the geology, and the application of measured density values to the models has increased confidence levels in the resource such that the Gremi area, drilled on a nominal 50m by 50m spacing, has been classified as indicated.