



MARENGO
MINING LIMITED

ABN 57 099 496 474

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MEDIA RELEASE

MARENGO MINING ENTERS INTO INVESTMENT AND CO-OPERATION AGREEMENT WITH PETROMIN

Marengo Mining Limited ("Marengo" – **ASX:MGO/TSX:MRN/POMSoX:MGO**) is pleased to announce that it has entered into the Yandera Project Investment and Co-operation Agreement ("The Agreement") with **Petromin PNG Holdings Limited** ("Petromin") and its wholly owned subsidiary, Eda Kopa (Yandera) Limited (see *attached*).

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NOTES:

Certain statements in this report contain forward-looking information. 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 achievement 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. Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as if the date the statements were made, and readers are advised to consider such forward looking statements in the light of the risks set forth in the Company's continuous disclosure filings, as found at the (Canadian) SEDAR website.

This news release does not constitute an offer to sell or the 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 sold or offered in the United States, or to any U.S. persons (as such terms are defined in Regulations under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration are granted.





Petromin PNG Holdings Limited

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Marengo Mining Limited (“Marengo” – ASX:MGO/TSX:MRN/POMSoX:MGO) is pleased to announce that it has entered into the Yandera Project Investment and Co-operation Agreement (“The Agreement”) with **Petromin PNG Holdings Limited** (“Petromin”) and its wholly owned subsidiary, Eda Kopa (Yandera) Limited.

As previously announced, Petromin has been nominated by the Government of Papua New Guinea (“PNG Government”) to take up the State’s interest in Marengo’s Yandera Copper-Molybdenum-Gold Project (“the Yandera Project”) in Madang Province, Papua New Guinea.

Marengo is the sole owner of the Yandera Project and is in the process of completing a Definitive Feasibility Study (DFS) on the project, in conjunction with the consortium of China Nonferrous Industry’s Foreign Engineering and Construction Co. Ltd and Arcon (WA) Pty Ltd.

Petromin is a resource and investment company established by the PNG Government to hold the Government’s interest in, and invest in the development of mining, oil and gas projects in PNG. To date it holds interests in;

- The PNG LNG Gas project
- The Solwara offshore mining project principally owned by Nautilus Minerals
- The Tolukuma Gold project
- A number of other gold projects

The Agreement establishes the process by which a Mining Equity Agreement (MEA) will be developed by the parties to enable Petromin to acquire a 30% interest in the Yandera Project, once the DFS has been completed, the Mining Development Contract (MDC) is entered into and a Financial Investment Decision (FID) is made.

The Agreement also provides a framework for Marengo and Petromin to work together to facilitate the development of the Yandera Project. This framework will involve the establishment of three committees being;

- A steering committee
- A technical committee
- A finance committee

With each committee comprising senior management, operations, technical and finance executives of Marengo and Petromin.

Petromin has appointed BNP Paribas to advise on the financing options available to Petromin to fund its pro-rata participation in the Yandera Project development.

Marengo has appointed Standard Bank to advise on the securing of Chinese bank finance, to enable the development of the Yandera Project.

Commenting on the Agreement, Joshua Kalinoe, Managing Director of Petromin, stated “We are extremely pleased to be involved in progressing the Yandera Project, as another significant development of the long-term resource base of Papua New Guinea. We have been very conscious of and impressed by Marengo’s efforts in progressing the Yandera Project through its DFS”.

Les Emery, Managing Director of Marengo, commented “Marengo is pleased to have extended its relationship with Petromin to the point of entering into this Agreement and looks forward to progressing the development of the Yandera Project with Petromin, as the holder of the State’s interest”.

Monday 19th September, 2011

Joshua R. Kalinoe, CSM, CBE
Managing Director & CEO
Petromin PNG Holdings Limited

Les Emery
Managing Director & CEO
Marengo Mining Limited