



Quarterly Report

For the 3 months ended 30 September 2014

Molopo Energy Limited (“Molopo” or the “Company”) is pleased to present its quarterly report for the three months ended 30 September 2014.

Production, which is derived exclusively from six wells in Crockett County, Texas, averaged 180 barrels of oil equivalent per day (“boe/d”) during the period, comprised 64% of oil and natural gas liquids and 36% natural gas. Molopo continues to be in active discussions with third parties for the sale of the Crockett assets; however, no acceptable proposals have been received.

At the end of the period, Molopo had cash in the bank of US\$58.5 million, a reduction of US\$2.5 million from the end of the previous quarter. Approximately US\$2.2 million of the reduction was the result of a negative translation adjustment due to the strengthening of the US dollar which gained 7% versus the Australian dollar and 4% versus the Canadian dollar. As at 30 September 2014, the Company held 42% of its cash in US dollars, 30% in Australian dollars, 27% in Canadian dollars and 1% in other.

With respect to the outstanding legal claim by a former joint venture partner, Molopo does not have any additional information to provide beyond the disclosure set out in its interim and annual accounts. No date for trial has been set and the Company continues to defend the action in the ordinary course and will provide updates as circumstances warrant.

On 2 September 2014, the Company announced the resignation of the CEO and Managing Director and the appointment of Mr. Don Engle to the position of acting CEO. On the same date, the Company also announced that it was evaluating the possibility of a return of capital to shareholders in an amount of approximately one-third of the Company’s cash reserves and that future investments would be directed towards oil and gas in Western Canada and Australia.

MOLOPO ENERGY LIMITED

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This media release contains certain forward-looking statements. These statements relate to future events or future performance of the Company. When used in this media release, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "predict", "seek", "propose", "expect", "potential", "continue", and similar expressions, are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect the Company's current views with respect to certain events, and are subject to a number of risks, uncertainties and assumptions. Many factors could cause Molopo's actual results, performance, or achievements to materially differ from those described in this media release. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in other public disclosures made by the Company or this media release as intended, planned, anticipated, believed, estimated, or expected. Furthermore, statements relating to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described can be produced profitably in the future. The forward-looking statements contained in this media release are expressly qualified in their entirety by this cautionary declaration. These statements speak only as of the date of this media release. The Company does not intend and does not assume any obligation, to update these forward-looking statements to reflect new information, subsequent events or otherwise, except as required by law.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

MOLOPO ENERGY LIMITED

ABN

79 003 152 154

Quarter ended ("current quarter")

30 September 2014

Consolidated statement of cash flows

	Current quarter \$USD'000	Year to date (9 months) \$USD'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	837	2,695
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	- (91) (476) (895)	- (486) (1,946) (3,792)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	120	356
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes recovery	58	78
1.7 Other	-	-
Net Operating Cash Flows	(447)	(3,095)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets (d) financial instruments	91 - - -	91 472 - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other - (share buyback)	-	-
Net investing cash flows	91	563
1.13 Total operating and investing cash flows (carried forward)	(356)	(2,532)

1.13	Total operating and investing cash flows (brought forward)	(356)	(2,532)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
		-	-
	Net increase (decrease) in cash held	(356)	(2,532)
1.20	Cash at beginning of quarter/year to date	61,045	62,021
1.21	Exchange rate adjustments to item 1.20	(2,168)	(968)
1.22	Cash at end of quarter	58,521	58,521

**Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities**

		Current quarter \$USD'000
1.23	Aggregate amount of payments to the parties included in item 1.2	71
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$ USD'000	Amount used \$USD'000
3.1 Loan facilities	None	None
3.2 Credit standby arrangements	None	None

Estimated cash outflows for next quarter

	\$USD'000
4.1 Exploration and evaluation	-
4.2 Development	200
4.3 Production (net of sales proceeds)	(300)
4.4 Administration (net of interest received)	600
Total	500

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$USD'000	Previous quarter \$USD'000
5.1 Cash on hand and at bank	58,387	60,909
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (Bank Guarantees)	134	136
Total: cash at end of quarter (item 1.22)	58,521	61,045

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil		
6.2	Interests in mining tenements acquired or increased	Nil		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference *securities (description)			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	*Ordinary securities	248,705,730	248,705,730	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	184,781	184,781	
7.5	*Convertible debt securities (description)			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted			
7.7	Options (Unlisted mgmt incentive options)		<i>Exercise price (A\$)</i>	<i>Expiry date</i>
7.8	Issued during quarter			

Appendix 5B
Mining exploration entity quarterly report

7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Performance Share Rights	Number on issue			<i>Vesting date</i>
		466,315 ^(a)			31-December-2014
		166,667			17-January-2015
		60,000			01-March-2015
		470,288 ^(b)			31-December-2015
		166,667			17-January-2016
		437,708 ^(c)			31-December-2016
		1,767,645			

(a) Of which 13,084 may convert into between 0 and 100 fully paid ordinary Molopo shares, dependent upon extent of satisfaction of performance criteria.

(b) Of which 17,057 may convert into between 0 and 100 fully paid ordinary Molopo shares, dependent upon extent of satisfaction of performance criteria.

(c) Of which 16,131 may convert into between 0 and 100 fully paid ordinary Molopo shares, dependent upon extent of satisfaction of performance criteria.

7.12	Issued during quarter				
7.13	Vested during quarter	96,354			31-December-2014
		24,612			28-May-2015
		96,353			31-December-2015
		79,124			31-December-2016
7.14	Lapsed during quarter				
7.15	Debentures (totals only)	-			
	Unsecured notes (totals only)	-			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the **Corporations Act or other standards acceptable to ASX (see note 5)**.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:
(Company Secretary)

Date: 30 October 2014

Print name: Andrew Metcalfe

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

Rule 5.3