



Quarterly Report

For the 3 months ended 31 December 2014

Molopo Energy Limited (“Molopo” or the “Company”) is pleased to present its quarterly report for the three months ended 31 December 2014.

During the quarter, the Company determined that it is not economical to pay annual rental costs related to its exploration permits located in the Province of Quebec. A sale process was initiated however it was unsuccessful. Subsequent to the 2008 acquisition of these permits, the Quebec Provincial government imposed a moratorium on hydraulic fracture stimulation in the area, thereby precluding future development. The lifting of this moratorium is not anticipated in the foreseeable future and therefore Molopo anticipates surrender of the permits in the current quarter.

Production was derived exclusively from six Fiesta wells located in Crockett County, Texas, which averaged 161 barrels of oil equivalent per day (“boe/d”) during the period, comprised 62% of oil and natural gas liquids and 38% natural. However, the operations at Fiesta remained cash flow negative for the Company throughout the period, and subsequent to the end of the quarter, the Company announced that it had entered into an agreement to sell the Fiesta assets for proceeds of US\$1 million. The Fiesta asset is the Company’s last producing asset and the sale is expected to complete in the current quarter, and complete the value maximization process initiated in the second quarter of 2013.

As the Company has essentially exited all of its North American operations, the Company has changed its presentation currency of its financial information from US\$ to Australian dollars. As a result, this quarterly report, the annual report for the year ended 31 December 2014 and all reports thereafter will be presented in Australian dollars.

At the end of the period, Molopo had cash in the bank of AUD\$67.4 million, a reduction of AUD\$0.3 million from the end of the previous quarter. Corporate overhead expenditures during the quarter were offset by translation gains as the US dollar strengthened 7% versus the Australian dollar. As at 31 December 2014, the Company held 61% of its cash in Australian dollars, 12% in US dollars, 26% in Canadian dollars and 1% in other. The mix changed during the quarter as the Company converted US\$18 million into AUD\$ in 2014.

During the quarter Molopo also incurred significant legal costs associated with a review of its Canadian litigation and in opposing the Australian shareholder requisition notices.

On 29 December 2014, the Company announced the reconstitution of its board, which resulted in the resignation of all of the directors and the appointment of three new directors; Ms. Samantha Tough, Mr. Antony Sormann and Mr. David Sanders. Ms. Samantha Tough has been appointed Interim Chairman. The services of Mr. Don Engle as Acting CEO have been retained until 12 February 2015.

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")

31 December 2014

Consolidated statement of cash flows

	Current quarter AUD'000	Year to date (12 months) AUD'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	624	3,565
1.2 Payments for (a) exploration & evaluation	-	-
(b) development	(106)	(639)
(c) production	(631)	(2,761)
(d) administration	(1,024)	(5,149)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	167	548
1.5 Interest and other costs of finance paid	-	8
1.6 Income taxes recovery	(16)	68
1.7 Other	-	-
Net Operating Cash Flows	(986)	(4,360)
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	-	98
(b) equity investments	-	524
(c) other fixed assets	-	-
(d) financial instruments	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other - (share buyback)	-	-
Net investing cash flows	-	622
1.13 Total operating and investing cash flows (carried forward)	(986)	(3,738)

1.13	Total operating and investing cash flows (brought forward)	(986)	(3,738)
	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	(986)	(3,738)
1.20	Cash at beginning of quarter/year to date	67,063	69,781
1.21	Exchange rate adjustments to item 1.20	1,388	1,422
1.22	Cash at end of quarter	67,465	67,465

**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 AUD'000
1.23	Aggregate amount of payments to the parties included in item 1.2	209
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non executive directors' fees and remuneration of director in acting CEO position.

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 AUD'000	Amount used AUD'000
3.1 Loan facilities	None	None
3.2 Credit standby arrangements	None	None

Estimated cash outflows for next quarter

	AUD'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production (net of operating sales proceeds)	(50)
4.4 Administration (net of interest received)	800
Total	750

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 AUD'000	Previous quarter AUD'000
5.1 Cash on hand and at bank	67,306	66,909
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (Bank Guarantees)	159	154
Total: cash at end of quarter (item 1.22)	67,465	67,063

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			
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			

7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Performance Share Rights	Number on issue			<i>Vesting date</i>
		453,231			31-December-2014
		166,667			17-January-2015
		60,000			01-March-2015
		470,288 ^(a)			31-December-2015
		166,667			17-January-2016
		437,708 ^(b)			31-December-2016
		1,767,645			

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

(b) 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				
7.14	Lapsed during quarter	13,084			
7.15	Debentures (totals only)	-			
	Unsecured notes (totals only)	-			

In accordance with the company's Equity Incentive Scheme, 619,898 PSRs vested (453,231 on 31 December and 166,667 on 17 January). Of these PSR's 209,333 are to be cancelled, 127,068 ordinary shares are to be issued, and 314,029 are to be purchased on market in accordance with employment contract terms.

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: 29 January 2015

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