



MOLOPO ENERGY LIMITED

Quarterly Report

For the 3 months ended 30 September 2015

Molopo Energy Limited (“Molopo” or the “Company”) presents its quarterly report for the three months ended 30 September 2015.

Capital and Operations:

At the end of the period Molopo had cash in the bank of AUD\$67.7 million, a decrease of AUD\$0.1 million from the end of the previous quarter. Interest earned during the quarter of \$425k was offset by administration expenditures which included non-recurring expenses associated with closure of the company’s Calgary office and transition of corporate operations to Melbourne amounting to \$220k, plus annual corporate expenses incurred during the quarter amounting to \$238k.

As at 30 September 2015 the Company held 86% of its cash in Australian dollars, 1% in US Dollars and 13% in Canadian dollars. The Canadian dollars have been retained to offset the provision for the litigation which sits in the Canadian subsidiary.

The Company currently has in excess of AU\$45 million on term deposit.

Securities:

Following the completion of employment in August of Molopo’s last remaining employee, the Company’s Incentive and Equity Scheme was cancelled. The Company does not expect any further obligations relating to PSRs being the subject of the cancelled Scheme.

Board:

During the quarter Mr Sam Belzberg (representing Gibralt Capital Corporation) and Mr Yaniv Stern were appointed to the Board of Molopo. David Sanders resigned from the Board. Mr Sanders represented the interests of Bentley Capital Limited who sold their shareholding in an off-market transaction to Ion Limited.

Legal:

During the quarter the Board continued discussions on the outstanding legal matters. This included initiating contact with Crescent Point Energy Corp. who acquired Legacy Oil & Gas Inc. in the June quarter.



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Shareholders may recall that Legacy Oil and Gas is a party to the litigation. A proposed settlement of the litigation is with Crescent Point but to date no response has been received.

There were no advances on the status of the litigation however the Directors did obtain advice from Nigel Cotman (SC) on its ability to deal with the assets of the Company, namely the cash, pending a resolution of the litigation

To ensure continuity in management of the litigation that is now centralised and dealt with directly at Board level, David Sanders, a partner with Bennett + Co, has been retained to oversee the litigation and ensure it is progressed in a cost effective manner.

Company Strategy:

The newly comprised Board met in September to consider the future strategy of the Company. These discussions are ongoing and the Board will ensure that any decisions relating to strategy will be made in compliance with ASX and other regulatory requirements.

Given the changes to the Board and major shareholders, the Company was not in a position to advise shareholders of the future direction proposed for Molopo during the quarter.

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 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter AUD'000	Year to date (9 months) AUD'000
1.1 Receipts from product sales and related debtors	-	446
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	- - - (575)	- - (632) (1,920)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	425	786
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes recovery	-	-
1.7 Other (legal costs)	(47)	(272)
Net Operating Cash Flows	(197)	(1,592)
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	- - - -	1,258 - - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other - (share buyback)	-	-
Net investing cash flows	-	1,258
1.13 Total operating and investing cash flows (carried forward)	(197)	(334)

1.13	Total operating and investing cash flows (brought forward)	(197)	(334)
	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)	-	(69)
		-	(69)
	Net increase (decrease) in cash held	(197)	(403)
1.20	Cash at beginning of quarter/year to date	67,826	67,465
1.21	Exchange rate adjustments to item 1.20	99	666
1.22	Cash at end of quarter	67,728	67,728

**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	58
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.

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 sales proceeds)	-
4.4 Administration (net of interest received)	100
Total	100

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	22,369	32,826
5.2 Deposits at call	45,359	35,000
5.3 Bank overdraft	-	-
5.4 Other (Bank Guarantees)	-	-
Total: cash at end of quarter (item 1.22)	67,728	67,826

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	None		
6.2	Interests in mining tenements acquired or increased	None		

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 <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	*Ordinary securities	249,040,648	249,040,648	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities <i>(description)</i>			
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 16,877 ^(a) 15,957 ^(b)			<i>Vesting date</i> 31-December-2015 31-December-2016
		32,834			

(a) Long Term Performance Rights convert into between 0 and 100 fully paid ordinary Molopo shares, dependent upon extent of satisfaction of performance criteria.

(b) Long Term Performance Rights 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				
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: 21 October 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