



# MOLOPO ENERGY LIMITED

## Quarterly Report

For the 3 months ended 30 June 2016

---

Molopo Energy Limited (“Molopo” or the “Company”) presents its quarterly report for the three months ended 30 June 2016

### Capital and Operations:

At the end of the quarter, Molopo holds cash reserves of AU\$67.7 million, an increase of \$318k from the end of the previous quarter due to foreign exchange gain of \$467k and interest on Term Deposits of \$448k exceeding administration and legal expenses of \$597k for the quarter. The Company holds 87% of its cash in Australian dollars, 1% in US Dollars and 12% in Canadian dollars. The Canadian dollars have been retained as a provision for the litigation which sits in the Company’s Canadian subsidiary. The Company currently holds AU\$56.6 million on term deposit.

### Legal:

The Board continues its efforts to have the litigation dealt with as expeditiously as possible and ensure it is progressed in a cost effective manner. Efforts to resolve the matter with the Plaintiff have not been successful. The Board have received notification from its lawyers that the earliest time to request a trial is July 2018.

### Company Strategy:

Given that a trial date could not be requested before July 2018, Molopo continues to assess opportunities in the oil & gas sector. During the quarter, Molopo’s Independent Adviser reviewed a number of oil and gas opportunities in stable geographies in either the development or production phase resulting in the Company entering into confidential discussions with a selected investment candidate. Whilst those discussions are ongoing, the Directors are mindful that any material investment in the oil and gas sector or any other sector will require careful consideration of the Board prior to seeking shareholder approval.



# MOLOPO ENERGY LIMITED

## Quarterly Report

For the 3 months ended 30 June 2016

---

### **MOLOPO ENERGY LIMITED**

*For further information, please contact:*

**Andrew Metcalfe, Company Secretary**  
**Telephone: 61 (0) 3 9867 7199**

[enquiries@molopoenergy.com](mailto:enquiries@molopoenergy.com)

[www.molopoenergy.com](http://www.molopoenergy.com)

---

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 June 2016

### Consolidated statement of cash flows

| Cash flows related to operating activities                      | Current quarter<br>AUD'000 | Year to date<br>(6 months)<br>AUD'000 |
|---|----------------------------|---------------------------------------|
| 1.1 Receipts from product sales and related debtors             | -                          | -                                     |
| 1.2 Payments for (a) exploration & evaluation                   | -                          | -                                     |
| (b) development   | -                          | -                                     |
| (c) production  | -                          | -                                     |
| (d) administration  | (502)                      | (817)                                 |
| 1.3 Dividends received  | -                          | -                                     |
| 1.4 Interest and other items of a similar nature received       | 448                        | 750                                   |
| 1.5 Interest and other costs of finance paid                    | -                          | -                                     |
| 1.6 Income taxes recovery                                       | 34                         | 84                                    |
| 1.7 Other (legal costs)   | (129)                      | (144)                                 |
| <b>Net Operating Cash Flows</b>                                 | <b>(149)</b>               | <b>(127)</b>                          |
| <b>Cash flows related to investing activities</b>               |                            |                                       |
| 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                                       | -                          | -                                     |
| 1.10 Loans to other entities                                    | -                          | -                                     |
| 1.11 Loans repaid by other entities                             | -                          | -                                     |
| 1.12 Other  | -                          | -                                     |
| <b>Net investing cash flows</b>                                 | <b>-</b>                   | <b>-</b>                              |
| 1.13 Total operating and investing cash flows (carried forward) | <b>(149)</b>               | <b>(127)</b>                          |

|      |  |        |        |
|------|--|--------|--------|
| 1.13 | Total operating and investing cash flows (brought forward) | (149)  | (127)  |
|      | <b>Cash flows related to financing activities</b>          |        |        |
| 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)                        | -      | -      |
|      |  | -      | -      |
|      | <b>Net increase (decrease) in cash held</b>                | (149)  | (127)  |
| 1.20 | Cash at beginning of quarter/year to date                  | 67,406 | 67,262 |
| 1.21 | Exchange rate adjustments to item 1.20                     | 467    | 589    |
| 1.22 | <b>Cash at end of quarter</b>                              | 67,724 | 67,724 |

**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<br>AUD'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 82                         |
| 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, superannuation and payg tax.

**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<br>AUD'000 | Amount used<br>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 ( <b>net</b> of interest received) | 100     |
| <b>Total</b>  | 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<br>AUD'000 | Previous quarter<br>AUD'000 |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank                     | 11,143                     | 11,420                      |
| 5.2 Deposits at call                             | 56,581                     | 55,986                      |
| 5.3 Bank overdraft                               | -                          | -                           |
| 5.4 Other (Bank Guarantees)                      | -                          | -                           |
| <b>Total: cash at end of quarter</b> (item 1.22) | 67,724                     | 67,406                      |

### 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 | <b>Preference *securities</b><br><i>(description)</i>  |               |   |  |
| 7.2 | Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs, redemptions |               |   |  |
| 7.3 | <b>+Ordinary securities</b>  | 249,040,648   | 249,040,648                                   |  |
| 7.4 | Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs              |               |   |  |
| 7.5 | <b>+Convertible debt securities</b> <i>(description)</i>   |               |   |  |
| 7.6 | Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted              |               |   |  |
| 7.7 | Options<br>(Unlisted mgmt incentive options)   |               | <i>Exercise price (A\$)</i>                   | <i>Expiry date</i>                               |

Appendix 5B  
Mining exploration entity quarterly report

|      |                                 |                       |  |  |                     |
|------|---------------------------------|-----------------------|--|--|---------------------|
| 7.8  | Issued during quarter           |                       |  |  |                     |
| 7.9  | Exercised during quarter        |                       |  |  |                     |
| 7.10 | Expired during quarter          |                       |  |  |                     |
|      | <b>Performance Share Rights</b> |                       |  |  |                     |
| 7.11 | Number on Issue                 |                       |  |  | <i>Vesting date</i> |
|      | <b>Performance Share Rights</b> | 15,957 <sup>(a)</sup> |  |  | 31-December-2016    |

(a) 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: 29 July 2016

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