



MOLOPO ENERGY LIMITED

ABN 79 003 152 154

ASX ANNOUNCEMENT / MEDIA RELEASE

11 January 2011

GENERAL MEETING

Molopo Energy Limited (Molopo) will hold a General Meeting requisitioned by seven members on Tuesday, 15 February, 2011.

Attached are the Notice of General Meeting and Explanatory Notes.

These documents are being distributed to Molopo shareholders today.

Issued by: **Molopo Energy Limited**
For further information contact: **Stephen Mitchell MD +61 3 9618 8722**
Anthony Bishop CFO +61 3 9618 8722

Molopo Energy Limited is an ASX-listed petroleum producer focused on the exploration, appraisal, development and production of unconventional energy projects that include the Spearfish and Bakken tight oil projects in Canada, the Wolfcamp oil resource play in Texas, coal-bed methane projects in Australia's Bowen Basin, shale gas projects in Quebec and two gas projects in South Africa.

Registered Office
Level 14, 31 Queen Street, Melbourne, Vic. 3000, Australia
GPO Box 223, Melbourne, Vic. 3001, Australia

Telephone: (61 3) 9618 8722 Facsimile: (61 3) 9620 2804
Website: www.molopo.com.au Email: slord@molopo.com.au

NSW Office:
Suite 7, Level 4, 95 Pitt St, Sydney, NSW, 2000, Australia
GPO Box 7075, Sydney, NSW, 2001, Australia

Telephone: (61 2) 8249 8186, Facsimile: (61 2) 8249 8321



MOLOPO ENERGY LIMITED

ABN 79 003 152 154

NOTICE OF GENERAL MEETING AND EXPLANATORY NOTES

PROPOSAL BY BECK CORPORATION PTY LTD AND SIX OTHER SHAREHOLDERS
TO ELECT TWO NEW DIRECTORS AND
REMOVE TWO EXISTING DIRECTORS

IMPORTANT ISSUES ARE OUTLINED IN THIS DOCUMENT

YOU ARE URGED TO CONSIDER THESE ISSUES
CAREFULLY AND EXERCISE YOUR RIGHT TO VOTE

Shareholder Information line:
Australia (Toll-Free): 1800 285 677
International: +61 2 8280 7472

Notice is given that a General Meeting of members of Molopo Energy Limited will be held at The Grand Ballroom, The Hotel Windsor, 111 Spring Street, Melbourne, Victoria at **10.00 a.m. (Melbourne time) on Tuesday, 15 February, 2011.**

This General Meeting has been called by the Company following a request by shareholders holding at least 5% of Molopo Energy Limited's ordinary shares pursuant to section 249D of the *Corporations Act 2001* (Cth).

EXPLANATORY NOTES TO NOTICE OF MEETING

The Company has called this General Meeting following a request from seven shareholders for the Company to convene a general meeting to consider resolutions to:

- elect two new directors proposed by the requisitioning shareholders – Mr. Gregory Lewin and Mr. Maxwell Beck; and
- remove two existing directors – Mr. Donald Beard (Chairman) and Dr. David Hobday (Non-Executive Director).

The shareholders who requested the general meeting together hold approximately 6.75% of the shares of the Company (as at 21 December, 2010). The requisitioning shareholders include Beck Corporation Pty Ltd, of which Mr. Maxwell Beck is a director.

The Notice of General Meeting is set out on pages 11 to 13.

Board recommendation

After carefully considering the proposed resolutions, including the reasons for proposing them submitted by the requisitioning shareholders (see pages 3 and 4), the Board of the Company (excluding Mr. Beard and Dr. Hobday for resolutions 3 and 4 which relate to them, respectively), recommend that shareholders vote **AGAINST** all proposed resolutions.

MATTERS FOR SHAREHOLDERS TO CONSIDER

The Board considers that the following information, including “Molopo Response to Statement from Requisitioning Shareholders” (see pages 5 to 7), is relevant for shareholders when deciding how to vote at the General Meeting.

Current Board composition

Ideally, and consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, a board should comprise directors possessing an appropriate range of skills, experience and expertise, including an understanding of the issues facing the company's business. The Board regularly reviews its composition and considers whether additional attributes or skills are required. While Board composition is ultimately a matter for shareholders, the Board considers that its current composition adequately takes account of the attributes and skills required.

The Company's focus is on unconventional oil and gas exploration and production. Consequently, your Board believes that it should have some directors with specialist knowledge in this field. Currently, the Board comprises two executive directors and three non-executive directors. The three non-executive directors are:

- Mr. Donald Beard – biographical details of Mr. Beard are set out on page 8. Mr. Beard has commercial and management expertise in unconventional oil and gas exploration and production;
- Dr. David Hobday – biographical details of Dr. Hobday are set out on pages 8 and 9. Dr. Hobday is a world recognised expert in unconventional oil and gas geology, exploration and production; and

- Mr. Geoff Phillips – Mr. Phillips brings technical, financial and commercial expertise and significant listed company experience to the Board. He has over 30 years' experience spanning several industries, including oil and gas (both the upstream and downstream sectors), mining, financial services, infrastructure and defence. Mr. Phillips' professional career has included roles as Managing Director of TMOOC Resources Limited (a successful Australian oil and gas company acquired by AGL Energy Limited), in business development at Santos Limited and as Finance Director of Transurban Group. He is currently a director of ASC Limited, CP2 Group and Airport Link Company.

Impact of a change to Board composition

The requisitioning shareholders have proposed resolutions which, if passed, will have the effect of removing Mr. Beard and Dr. Hobday from the Board and electing Mr. Lewin and Mr. Beck as directors.

Based on information provided by the requisitioning shareholders to the Company, Mr. Lewin has had a career with Royal Dutch Shell concentrating primarily on "downstream" operations - principally the refining, sale and distribution of petroleum products. In contrast, Molopo's core business is "upstream" - the exploration for and production of unconventional reserves of oil and gas. Mr. Lewin appears to have little or no experience in the upstream sector.

The Board is also concerned that Mr. Lewin's role as non-executive director of Sasol Limited, a South African energy company, may cause a conflict of interest with his proposed directorship of Molopo, given that Molopo and Sasol have competing claims for coal and coal bed methane resources at Evander in South Africa.

The Board further notes that Mr. Lewin has no experience as a director of an ASX listed company.

Mr. Beck does have prior ASX listed company and board experience (principally, at Becton Property Group). However, based on the information provided to the Company by Mr. Beck, he has not previously been a director of a company involved in oil and gas exploration and production nor has he any experience in the upstream sector.

If Mr. Beard and Dr. Hobday are removed as directors of the Company, even if Mr. Lewin and Mr. Beck are elected as directors, the Board will not have any non-executive directors who have significant technical experience in unconventional oil and gas exploration and production.

If Mr. Beard and Dr. Hobday are removed as directors of the Company, and Mr. Lewin and Mr. Beck are elected as directors, a majority of the non-executive directors will be connected with Beck Corporation Pty Ltd and the other shareholders who requisitioned the meeting. Currently, the Board has a majority of independent non-executive directors as recommended under the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

STATEMENT FROM REQUISITIONING SHAREHOLDERS

The seven requisitioning shareholders have requested that the following statement be distributed with the Notice of General Meeting.

Dear fellow shareholder,

A group of Molopo shareholders, led by Max Beck AM, has requested an Extraordinary General Meeting (EGM) of Molopo shareholders to consider resolutions to appoint Greg Lewin and Max Beck as Directors of the Company to replace Chairman Donald Beard and non-executive Director David Hobday.

Urgent action required at Board level

As shareholders, we are aware of the cost and distraction that an EGM can cause and we have not taken this step lightly.

We have sought the views of many Molopo shareholders and determined that urgent action is required to restore confidence in the Board and address the issues many shareholders believe have contributed to Molopo's prolonged period of share price underperformance.

A friendly approach to the Molopo Board through Chairman, Donald Beard, was made on 15 December 2010. However, we did not receive a response from the Chairman or the Board within the agreed timeframe.

We believe change at the Board level is necessary to inject a sense of urgency and performance.

Shareholder feedback and concerns

We have spoken with many Molopo shareholders who have become frustrated with a perceived lack of direction, focus and urgency demonstrated by the Board.

Recent shareholder feedback and concerns include the following:

- Share price does not reflect the value of the assets and has been stagnant for two years despite improving oil prices.*
- Strategic "scatter-gun" approach has resulted in a disparate collection of assets (some sub-scale) across four continents*
- Track record of falling well short of expectations created by ASX announcements*
- Failure to drill 4-5 holes in the Quebec asset as announced.*
- Lack of success on production and generation of cash flow leading to funding concerns.*
- Delayed Canadian IPO announced 2008.*
- Good technical expertise, but insufficient commercial experience and a lack of ascertainable urgency in delivery of commercial outcomes.*
- Poor corporate profile in capital markets and focus on investor relations, with little visibility of the Chairman.*

Our Proposal

It is proposed that Sasol non-executive Director and former senior Shell executive, Greg Lewin, replace Donald Beard as Chairman and Melbourne businessman, Max Beck, replace David Hobday as non-executive Director.

Should they be elected, the new Board members will work with the remaining Directors and management to reverse the stagnation of the company and its share price. This will include urgent implementation of strategies to transform Molopo from a resource accumulator to a company that is production and value driven. This will require the

revised Board to critically assess and prioritise the development of Molopo's asset portfolio taking into consideration realistic resource constraints.

Molopo holds unconventional oil and gas positions in Canada that have large resource potential but negligible production and cash flow at this stage. The new Directors' intention is to accelerate development to increase production and cash flow from these assets. This will involve enormous management focus and require minimum distraction on non-core assets. While the recently announced Canadian IPO has conceptual appeal, insufficient detail of the commercial terms has been provided to determine if this is the optimal way to realize value for these assets.

As shareholders we recognise the inherent value of Molopo's Queensland assets and also understand the challenges of realising their full potential given their scale and the difficulties associated with achieving premium, international LNG prices if they continue to be developed in isolation. The new Directors will encourage the Board to actively consider all options to realise the full value of these assets in light of current and continuing industry development in the region.

The revised Board will also assess the balance of Molopo's assets to determine which path for assets considered sub-scale will ultimately create the best return for shareholders.

Above all, the proposed new Directors will bring a sense of urgency to the Board and a relentless focus on stringent project management and delivering on promises to shareholders.

We believe the current Board is reluctant to acknowledge the need for change and will continue to deliver more of the same to shareholders.

Greg Lewin has more than 30 years of international oil and gas experience and has held senior executive roles within the Shell Group, including Executive Vice President of Shell Downstream, and President of Shell Global Solutions. He is also a non-executive Director of Sasol Limited, a global energy and chemicals company.

Greg will bring to the Board a strong understanding of the realities of the global market and experience in commercialising assets. He will work closely with the management team to provide practical support, advice and supervision. Greg sets high professional standards and will ensure the management team works to challenging targets that are aligned with creating value for shareholders within realistic timeframes.

Max Beck has over 40 years of business experience. Max founded the Becton Property Group which he transformed from a small, Melbourne-based property development and construction business into a national, diversified development and construction group. Max proved his ability to generate wealth for himself and many others along the way.

Max will bring a strong commercial perspective and common sense approach to the Board. He is a team builder and fosters a sense of urgency and accountability for on-time and on-budget project delivery. He is a significant shareholder in Molopo and will bring shareholders' perspective direct to the Board. It is intended his tenure on the Board continue while the change in corporate focus is underway. Max is keen to ensure that Board composition be reviewed at an appropriate time to ensure it has the upstream capabilities and represents the needs of the company. He would consider endorsing local and international candidates in place of his own position in future.

If you want improvement and reward, vote in support of the resolutions to elect Greg Lewin and Max Beck to the Board in place of Donald Beard and David Hobday.

MOLOPO RESPONSE TO STATEMENT FROM REQUISITIONING SHAREHOLDERS

In addition to the items noted in "Matters for Shareholders to Consider" (see pages 1 and 2) the Board considers that the following information is relevant for shareholders when deciding how to vote at the General Meeting.

Company's strategy and performance

Molopo's strategy is to acquire interests in areas prospective for large accumulations of unconventional oil and gas, and to add value to these resources by using its technical expertise to establish reserves capable of generating large long-term cash flows. This value can be realised by developing the assets to the production stage or by selling all or part of the assets.

The Board believes that the existing strategy is appropriate, and its implementation is proceeding well. Shareholders should note the following:

- **Company strategy:** The Company has assets on three continents. Each asset when acquired met the Company's key criteria of size (the potential for large-scale accumulations of oil or gas to generate significant value for shareholders) and strategic fit. The Board continually reviews the Company's portfolio of assets to ensure continued strategic fit and that the assets are being developed in a timely manner to maximise shareholder value. Where projects are considered non-core or no longer meet strategic objectives, they will generally be sold. Recent examples include the sale of the Company's Gloucester, Liulin and Clarence Moreton projects (see next point).
- **Value realisation from non-core asset sales:** Molopo has a proven track record of identifying and purchasing oil and gas assets cheaply, successfully appraising them and selling them at large profits. Recently, the Company sold several non-core assets for approximately \$125 million, compared with a total cost of only \$18 million, thereby generating significant value for shareholders. The assets sold were Gloucester (New South Wales), Liulin (China) and Clarence Moreton (New South Wales).
- **Share price performance:** Molopo's share price has appreciated almost 400% over the last 4 calendar years, whereas the ASX300 Energy Index increased only 39% over the same time frame. More recently, the share price has increased by 28% over the last 2 calendar years (ASX300 Energy Index increase was also 28%), although it has decreased over the last 12 months, as have the share prices of many similar companies. The Company has announced specific steps to regain the upward momentum in share price through an initial public offering of its Canadian oil assets ("IPO").
- **Growth of Mungi/Harcourt (Queensland) coal-seam gas asset:** Molopo's exploration and development activities at Mungi/Harcourt in the Bowen Basin, Queensland have resulted in significant progress. The Company has completed a five multilateral trial well programme which has begun to demonstrate the productive potential of the asset. The Company has also become the operator of the asset, increased its ownership to approximately 67% and added 443 petajoules ("PJ") of 3P gas reserves (Molopo's share).
- **Reserves growth:** Consistent with the Company's objective of ensuring assets are developed in a timely manner to maximise shareholder value, Molopo has achieved significant reserves growth:
 1. **In Queensland**, with partner Mitsui, Molopo has achieved certification of large reserves of gas, principally at the Mungi/Harcourt fields, of approximately 600 PJ of 3P reserves and 218 PJ of 2P reserves (Molopo share);
 2. **In Canada**, at the Bakken and Spearfish oil projects, Molopo's share of oil reserves has increased from less than 0.5 million barrels to 12.5 million barrels in approximately 15

months; and

3. **In South Africa**, the Company has announced that it has received an updated reserves certification for its Virginia property, with certification of its first proved gas reserves for the region and 2P gas reserves of 35.5 billion cubic feet ("bcf") and 112 bcf of 3P reserves.
- **Canadian oil acquisitions with growing production:** Molopo has substantially increased oil production at the Bakken and Spearfish projects. Molopo's share of current average weekly production is 750 barrels per day having reached a peak during 2010 of in excess of 1,000 barrels per day (at acquisition Molopo's share of production was less than 70 barrels per day). The increase in production has been achieved in only a little over a year, the Bakken and Spearfish assets having been acquired in late 2009. To date, the Company has invested approximately \$100 million in the Bakken and Spearfish projects and established 2P reserves of 12.5 million barrels of oil (Molopo share). Based on Canadian market multiples for similar unconventional oil assets, which typically value 2P reserves at over C\$15 per barrel, the Bakken and Spearfish projects represent significant value generation for Molopo shareholders.
 - **IPO of Canadian Oil Assets:** The proposed IPO (as announced on 29 November 2010) of Molopo Energy Canada Limited ("Molopo Canada") is designed to achieve greater value recognition for the Company's Bakken and Spearfish oil assets. Following the IPO, the Company is expected to retain a majority position in Molopo Canada and thereby share in any future value creation. While the potential for a Canadian IPO or secondary listing was initially announced by the Company in late 2008, the global financial crisis, the significant reduction in North American gas prices, and the acquisition of the Canadian oil assets led to the initiative being deferred until early 2011 to maximise value for the Company's shareholders.
 - **Low cost entry into potentially large shale gas projects in Quebec, Canada:** Molopo was an early entrant into the Utica/Lorraine shale gas play in Quebec, securing a large land holding at a low cost. Since acquisition, Molopo has defined four large prospects after conducting significant geophysical work. Rather than pursue a drilling programme as originally planned, the Company (noting the significant fall in North American gas prices, the regulatory delays in issuing approvals and the political sensitivity to shale gas extraction techniques) re-directed financial, managerial and technical resources to its oil interests in Canada which were assessed as having superior potential for near-term value creation. In due course, this very large, strategically located asset is expected to deliver significant value to shareholders with increases in North American natural gas prices.
 - **Further growth opportunities:** The Company continues to seek new opportunities which meet its acquisition criteria and has recently acquired an interest in the exciting Wolfcamp oil area, in Texas, USA. The acreage has been acquired at a modest cost compared with the large potential value of the prospective unconventional oil resource.
 - **Management and technical team:** Molopo has established an experienced management and technical team, with the majority of the Company's technical team having previously worked with BHP Billiton and/or Shell. The team has both conventional and unconventional petroleum experience.

Appointment of Chairman

The requisitioning shareholders have indicated that Mr. Lewin is to be appointed Chairman in lieu of Mr. Beard, if the resolutions are approved by shareholders.

The Company's Constitution provides that the Chairman is to be elected by the Board, and not by shareholders. As a result, the election of Mr. Lewin as a non-executive director would not ensure

that he will be elected as Chairman by the Board.

Investor relations

The requisitioning shareholders have stated that the Company has a "poor corporate profile in capital markets and focus on investor relations, with little visibility of the Chairman".

The Board considers that the Company's profile in capital markets has been growing in recent years. This is evidenced by an increase in the number of stockbrokers who regularly report on the Company and its securities, as well as recent increases in the number of institutional shareholders.

Investor relations activities are principally undertaken by the Managing Director, Chief Operating Officer and Chief Financial Officer. As non-executive Chairman of the Company, Mr. Beard's primary role is to work with the rest of the Board and senior management in developing the Company's strategy and monitoring its execution.

Impact on Canadian IPO

At this time, it is not known what impact the steps taken by the requisitioning shareholders to request the General Meeting and propose changes to the Company's Board will have on the Molopo Canada IPO. The requisitioning of the General Meeting has created uncertainty in relation to the Company. However, at this stage, the Board has determined to continue with the present timetable for the proposed IPO because of its importance in maximising value for shareholders and for the future funding of the Company.

Suggestion of a "lack of urgency"

The Board does not agree with the requisitioning shareholders' suggestion of a lack of urgency on the part of the Board. Shareholders should consider the matters set out on pages 5 to 7 concerning recent developments of the Company, including the significant drilling programmes in Queensland and at the Bakken and Spearfish projects in Canada which have led to material increases in reserves and production. Further, the deferral of drilling in Quebec reflects a rational response to changes in the oil and gas industry and not an inability to pursue opportunities in a timely fashion.

Approach to the Chairman

The requisitioning shareholders refer to a "friendly approach" to the Chairman. Representatives of the requisitioning shareholders met with the Chairman on 15 December, 2010. At that meeting, the Chairman was told that unless the Board agreed to appoint Mr. Lewin and Mr. Beck as Directors, and he and Dr. Hobday agreed to resign by close of business on 17 December, 2010, the requisitioning shareholders would request that the Company hold a meeting to consider resolutions to effect these changes.

The strategies and plans of Mr. Lewin and Mr. Beck

It is unclear to the Board what specific steps are proposed by Mr. Lewin and Mr. Beck other than the general steps outlined in the statement from requisitioning shareholders. There has been no attempt by the requisitioning shareholders, Mr. Beck or Mr. Lewin, to provide further details to the Company of their specific strategies or plans for the Company.

INFORMATION ABOUT MR. BEARD AND DR. HOBDAY AND MR. LEWIN AND MR. BECK

Information on Mr. Beard (Chairman)

**Mr. Don Beard, BSc (Hons) Geol. & Min
Chairman**

Non-executive director (Independent)

Mr. Beard was first appointed a Director of Molopo on 2 April 2001.

He has over 40 years experience in the oil and gas industry, including in oil and gas exploration and development. He also has listed company experience, having been managing director of two leading Australian oil companies.

He spent the first five years of his career in Australia working as a geologist. In 1976, he moved to Balikpapan, Indonesia, with Union Oil Company of California. In 1978 he joined IAPCO where he was promoted to Vice President Exploration Asia/Pacific for the Diamond Shamrock International Petroleum Corporation with responsibility for the Asia/Pacific region. During his time with IAPCO, nine new oil fields were discovered resulting in an additional 30 production platforms being installed and production increasing to in excess of 100,000 barrels of oil per day.

In 1986 Mr. Beard returned to Australia and was appointed the Chief Executive and Director for Peko Oil Ltd (ASX listed). Santos took over Peko in 1988 and Mr. Beard retired from Peko in 1990. During Mr Beard's leadership of Peko its market capitalisation increased from a low of \$150 million to a high of \$500 million, more than tripling its market value in a little over two years.

From September 1990 to March 1999, Mr. Beard was Managing Director of Cultus Petroleum NL (ASX listed). During Mr Beard's leadership of Cultus five material acquisitions were completed and at its peak in 1997, reached a market capitalisation in excess of \$800 million.

Whilst Chairman of Molopo, Mr Beard has presided over a period of significant growth and share price appreciation of the Company. Further details are set out on pages 5 to 7.

Mr. Beard is Chairman of the Remuneration Committee and a member of the Audit and Risk Committee.

Information on Dr. Hobday

Dr. David Hobday, BSc (Hons), MSc (Geology), PhD (Geology)
Non-executive Director (Independent)

Dr. David Hobday was appointed a Non-executive Director of Molopo on 29 June, 2009.

Dr. Hobday has diverse experience in the oil and gas industry as a geologist, company director, investment manager, corporate advisor and research scientist. As a recipient of the Wallace Pratt Memorial Award from the American Association of Petroleum Geologists in recognition of significant contributions to petroleum geology, Dr. Hobday brings considerable technical and industry knowledge to the Molopo Board.

He received his PhD degree from Louisiana State University and was a Research Fellow at Oxford University. Dr. Hobday's oil and gas industry activities span a period of 35 years and have covered five continents.

As a fund manager with APA Oceanic during the 1980s, Dr. Hobday was responsible for investments in energy and mining equities. With Bank of America and then the Australian Bank he was involved in corporate finance within the resources sector. He has served on the boards of several energy and mining companies (both public and private) in Australia and North America including Claremont Petroleum, In Situ Inc, and Lowell Petroleum. Dr. Hobday has enjoyed a long association with Molopo and was also a former director of the Company from 1995 to 1998. In 1998 he joined a private oil and gas group in the US before rejoining the Company in 2009.

During his time with Molopo, Dr Hobday has been involved in many key achievements of the Company. Further details are set out on pages 5 to 7.

Dr. Hobday is a member of both the Remuneration Committee and the Audit and Risk Committee.

Information on Mr. Lewin (extracted from information provided by the requisitioning shareholders)

Mr. Gregory Lewin, BEng (Chemical), MBA

Mr. Lewin is a non-executive director of Sasol Limited, an integrated energy and chemicals company with coal mining operations in South Africa, gas production facilities in Mozambique and oil production facilities in Gabon, and chemical manufacturing and marketing operations around the world. He is also Chairman of Leafwine Pty Ltd (his family wine company).

Mr. Lewin has 34 years' experience with Royal Dutch Shell having commenced his career with Shell Australia in 1975. He held a number of executive positions with that organisation, throughout the world and his most recent position was President, Shell Global Solutions and Executive Vice President – Shell Downstream. Shell Global Solutions consists of Shell's Downstream, Gas & Power, Renewables and Surface Technology, Services & Projects Division. Shell Downstream is the largest and leading Global Downstream Business with Oil Products and Petrochemical activities in over 100 countries, and employs approximately 85,000 people.

Mr. Lewin was President of the Institution of Chemical Engineers from 2006 to 2007. The Institution of Chemical Engineers is the Royal Society for professional Chemical Engineers with a membership of 30,000.

Information on Mr. Beck (extracted from information provided by the requisitioning shareholders)

Mr. Maxwell Beck

Mr. Beck is the founder and major shareholder of the Becton Property Group.

In 1976, Mr. Beck established Becton as a respected and highly successful property development, construction and investment company. Mr. Beck retired from Becton in 2007.

He was on the inaugural Board of Directors of the Victorian Government's Melbourne Major Events Company Limited which has become the most important catalyst in securing sporting, recreational and cultural events for Melbourne. Mr. Beck was the founder and Chairman of the Melbourne Chapter of Children's International Summer Villages. Mr. Beck is a former board member of the Melbourne Neuromuscular Research Centre, and has been a board member of World Track Cycling. He is a member of the Peter MacCallum Cancer Foundation. He was appointed Deputy

Chair of the Royal Children's Hospital in 2004.

In June 2006, Mr. Beck was awarded The Member of the Order of Australia (AM) medal for his services to the construction and property development industries and to the community through fund raising and executive roles in a range of organisations and charities.

In March 2009, Mr. Beck was appointed by the Victorian Premier to Chair the Victorian Bushfire Advisory Reconstruction Board for the Black Saturday Bushfires.

NOTICE OF GENERAL MEETING

A general meeting of the shareholders of Molopo Energy Limited ("Molopo" or "Company") will be held at The Grand Ballroom, The Hotel Windsor, 111 Spring Street, Melbourne, Victoria at 10.00 a.m. (Melbourne time) on Tuesday, 15 February, 2011.

Election and Removal of Directors

On 21 December, 2010, the Directors of the Company received from seven shareholders together holding, at that time, approximately 6.75% of the votes that may be cast at a general meeting, a request that the Directors call and arrange to hold a general meeting of the Company.

Section 249D of the Corporations Act 2001 (Cth) ("Corporations Act") provides that the directors of a company must call and arrange to hold a meeting on the request of shareholders holding at least 5% of the votes that may be cast at a general meeting. This meeting is being held, and resolutions 1 to 4 below are being proposed, in accordance with the terms of that request.

Two of the proposed resolutions are to remove two of the existing Directors (namely Mr. Donald Beard (Chairman) and Dr. David Hobday (Non-executive Director)). The requisitioning shareholders have given notice under section 203D of the Corporations Act of an intention to move these resolutions.

BUSINESS

To consider, and if thought fit to pass, the following resolutions as ordinary resolutions:

Resolution 1 – Election of Director (pursuant to clause 3.4 of the Constitution of the Company) – Mr. Gregory Arthur Lewin

"That Mr. Gregory Arthur Lewin, having consented to act, be elected a Director of the Company."

Resolution 2 – Election of Director (pursuant to clause 3.4 of the Constitution of the Company) – Mr. Maxwell John Beck

"That Mr. Maxwell John Beck, having consented to act, be elected a Director of the Company."

Resolution 3 – Removal of Director (pursuant to clause 3.10 of the Constitution of the Company) – Mr. Donald Beard

"That, for the purposes of section 203D of the Corporations Act and for all other purposes, Mr. Donald Beard be removed as a Director of the Company with immediate effect."

Resolution 4 – Removal of Director (pursuant to clause 3.10 of the Constitution of the Company) – Dr. David Hobday

"That, for the purposes of section 203D of the Corporations Act and for all other purposes, Dr. David Hobday be removed as a Director of the Company with immediate effect."

Biographies of each of the above named individuals can be found in the Explanatory Notes that accompany this notice.

VOTING ENTITLEMENTS

In accordance with Regulation 7.11.37 of the Corporations Regulations, the Company has determined

that, for the purposes of the meeting, shares in the Company are taken as being held by the persons who hold them as at 7.00 p.m. (Melbourne time) on 13 February, 2011.



BY ORDER OF THE BOARD

Anthony Bishop
Company Secretary
11 January 2011

If you are not able to attend the General Meeting but wish to vote, please complete and return the attached form of proxy. To be valid, completed proxy forms must be received at the address given below not later than 48 hours before the commencement of the Meeting, i.e. **by no later than 10.00 a.m. (Melbourne time) on 13 February, 2011**. Any proxy form received after that time will not be valid for the scheduled General Meeting.

Proxy forms may be lodged by posting the completed form in the reply paid envelope provided (Australia only), or delivering or faxing the completed form to the address or fax number below:

By facsimile:

Within Australia: (02) 9287 0309
Outside Australia: +61 2 9287 0309

By mail or hand delivery:

Molopo Energy Limited, C/- Link Market Services Limited, Locked Bag A14 Sydney South NSW 1235.
Delivering it to Level 12, 680 George Street, Sydney NSW 2000.

NOTES:

The information contained in the Explanatory Notes accompanying this Notice of General Meeting should be read together with, and forms part of, this Notice of General Meeting.

SHAREHOLDER INFORMATION LINE:

If shareholders have any questions concerning this Notice of Meeting please call the Shareholder Information Line:

Australia (Toll-Free): 1800 285 677
International: +61 2 8280 7472

CHAIRMAN OF THE MEETING:

The Board has determined that Mr. Geoff Phillips (Non-executive Director) will act as Chairman of the Meeting. Where the Chairman of the Meeting is appointed as proxy, he intends to vote undirected proxies **AGAINST** all resolutions set out in the Notice of General Meeting.

PROXIES:

1. A shareholder entitled to attend and vote at the General Meeting has the right to appoint a proxy.
2. A shareholder who is entitled to cast two or more votes may appoint two proxies and may

specify the proportion or number of votes each proxy is appointed to exercise. If the shareholder appoints two proxies and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, each proxy may exercise one half of the shareholder's votes. If the shareholder appoints two proxies, neither proxy may vote on a show of hands.

3. A proxy need not be a shareholder of the Company.
4. Proxies given by corporations must be signed in accordance with the constituent documents of the corporation or the laws in force in its place of incorporation, or by a duly appointed attorney. For Australian corporations, it is sufficient if the proxy is signed by two directors, a director and the secretary, or (in the case of a proprietary company) a person who is the sole director and secretary.
5. Where a proxy form is signed on behalf of a shareholder by an attorney or agent, the proxy will not be valid unless the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof) is lodged with the Company by delivery or mail, to the addresses specified above for the lodgement of proxy forms, no later than 48 hours before the scheduled time for commencement of the General Meeting.
6. A proxy form accompanies this Notice of General Meeting.