



MOLOPO ENERGY LIMITED

Quarterly Report

For the 3 months ended 30 June 2013

On April 9, 2013, Molopo Energy Limited (“Molopo” or the “Company”) announced that it was embarking on value maximization initiatives in respect of its Texas and Saskatchewan properties.

Molopo has retained Canaccord Genuity as its exclusive advisor with respect to a potential joint venture, farm-out or sale of its Permian Basin assets, located in west Texas, where the Company has been pursuing the development of the Wolfcamp formation. Meanwhile, Molopo has retained Peters & Co. to conduct a similar process with respect to its Williston Basin assets, located in south east Saskatchewan. Prospective formations include the Bakken and the Midale. Molopo is still in the preliminary phase of both processes and will provide a further update in mid-September when it releases its six-month results (or earlier, should circumstances warrant).

Production during the quarter averaged 606 barrels of oil equivalent per day (“boe/d”), comprised of 250 barrels per day (“bbl/d”) of oil, 111 bbl/d of NGL and 1.45 million cubic feet per day (“mmcf/d”) of natural gas. Of these volumes, 66 boe/d was derived from the Company’s assets in Saskatchewan, with the balance from Molopo’s Texas operations. These production levels were below expectations due primarily to third party facility constraints (which could persist until the fourth quarter and impact up to 30 boe/d over that period) and steeper production declines in Texas. Molopo anticipates that production during the second half of 2013 will average approximately 600 boe/d; accordingly, the Company is revising its average annual production to 650 boe/d.

At quarter end, Molopo had US\$55 million of cash in the bank, a reduction of US\$8 million from the end of the previous quarter. Approximately US\$3 million of the reduction was the result of a negative translation adjustment due to the strengthening US dollar which gained 12% versus the Australian dollar and 3% versus the Canadian dollar. As at 30 June 2013, the Company held 36% of its cash in Australian dollars and 27% in Canadian dollars. The balance of the decrease in cash was attributable primarily to costs associated with the renewal of expiring leases on the Company’s Wolfcamp acreage and administration expenses.

The Company will be reporting its more comprehensive results for the first six months of the year on or about September 12, 2013.

About Molopo Energy Limited

Molopo Energy Limited is an oil and gas exploration and production company listed on ASX under code ‘MPO’, with management based in Calgary, Alberta, Canada. Supported by a strong balance sheet, the Company has been predominantly focused on the development of its Wolfcamp shale oil resource play in the Permian Basin, Texas, USA. In addition, Molopo also has oil assets in Saskatchewan, Canada; an onshore gas project in South Africa, and a shale gas asset in Quebec, Canada.

Molopo Energy Snapshot

ASX Code:	MPO
Share Price ¹ :	AUD\$0.25
Market Cap ¹ :	AUD\$62MM
Net Cash ² :	US\$55MM

1. Market figures as at 29 July 2013
2. Balance sheet amounts as at 30 June 2013

MOLOPO ENERGY LIMITED

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This press release contains certain forward-looking statements. These statements relate to future events or future performance of the Company. When used in this press 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 press 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 press 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 press release are expressly qualified in their entirety by this cautionary declaration. These statements speak only as of the date of this press 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 2013

Consolidated statement of cash flows

	Current quarter \$USD'000	Year to date (6 months) \$USD'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	2,594	5,980
1.2 Payments for (a) exploration & evaluation	(3,251)	(19,063)
(b) development	108	(579)
(c) production	(2,073)	(2,714)
(d) administration	(2,583)	(5,872)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	172	370
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes recovery	35	5,951
1.7 Other - Joint venture recoveries	4	3,459
Net Operating Cash Flows	(4,994)	(12,468)
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	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (share buyback)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(4,994)	(12,468)

1.13	Total operating and investing cash flows (brought forward)	(4,994)	(12,468)
	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	(4,994)	(12,468)
1.20	Cash at beginning of quarter/year to date	62,996	70,977
1.21	Exchange rate adjustments to item 1.20	(3,140)	(3,647)
1.22	Cash at end of quarter	54,862	54,862

**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	84
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-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

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

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	4,985
4.2 Development	30
4.3 Production (net of sales proceeds)	(1,166)
4.4 Administration (net of interest received)	2,000
Total	5,849

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	54,558	62,669
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (Bank Guarantees)	304	327
Total: cash at end of quarter (item 1.22)	54,862	62,996

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	Texas, USA	Licence	26,008 acres	23,823 acres
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			
	<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	246,399,543	246,399,543	
7.4	Changes during quarter			
	(a) Increases through issues	27,649	27,649	
	(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>
	MPOAB	300,000	\$0.70	1 October 2016

Appendix 5B
Mining exploration entity quarterly report

7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	55,000		\$1.46	18 April 2013
7.11	Performance Share Rights	Number on issue			<i>Vesting date</i>
		208,502			30-June-2013
		18,728			04-July-2013
		53,512			18-July-2013
		59,800			15-August-2013
		524,868			31-December-2013
		23,155			01-January-2014
		166,667			17-January-2014
		194,937			01-March-2014
		16,698			05-March-2014
		20,714			1-May-2014
		24,612			28-May-2014
		208,493			30-June-2014
		18,728			04-July-2014
		53,511			18-July-2014
		59,800			15-August-2014
		541,880 ^(a)			31-December-2014
		23,154			01-January-2015
		166,667			17-January-2015
		194,936			01-March-2015
		16,698			05-March-2015
		20,714			1-May-2015
		24,612			28-May-2015
		270,808 ^(b)			31-December-2015
		166,667			17-January-2016
		3,078,861			

(a) Of which 17,028 may convert into between 0 and 100 fully paid ordinary Molopo shares, dependent upon extent of satisfaction of performance criteria.

(b) Of which 32,457 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	20,714 24,612			1 May 2013 28 May 2013
7.14	Lapsed during quarter	103,389			

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: 31 July 2013

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