



# MOLOPO ENERGY LIMITED

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**ASX ANNOUNCEMENT / MEDIA RELEASE**

**29 November 2010**

## **MOLOPO TO CONDUCT INITIAL PUBLIC OFFERING OF CANADIAN OIL ASSETS IN NORTH AMERICA**

Molopo announces that it intends to conduct an initial public offering ("IPO") of its wholly-owned subsidiary, Molopo Energy Canada Ltd. ("Molopo Canada") in North America. At the time of the IPO, Molopo Canada will hold all of Molopo's interests in the Spearfish and Bakken tight oil projects. The Quebec shale gas and the US Wolfcamp oil projects will not be included in the IPO.

Molopo has engaged Credit Suisse and Macquarie Capital as joint lead managers for the IPO. The Company is well advanced in its preparations, with the IPO expected to occur in the first quarter of 2011.

**Molopo Canada listing aimed at enhancing Molopo shareholder value:** The main objectives of listing Molopo Canada on a North American stock exchange are:

- To provide investors a transparent valuation benchmark for Molopo's Canadian oil assets;
- To facilitate improved value recognition for Molopo's Canadian oil assets than is currently being ascribed in its ASX share price;
- To realise funds for Molopo by selling down a small part of its shareholding in Molopo Canada concurrently with the IPO; and
- To provide Molopo Canada the opportunity to finance the further development of its oil assets via improved access to the North American equity and debt capital markets.

**Molopo to retain significant exposure to Canadian oil assets:** Molopo's existing shareholders will continue to retain significant exposure to the Canadian oil assets by Molopo retaining a majority stake in Molopo Canada. The precise level of Molopo's retained holding will be subject to the pricing of the IPO. In addition, Molopo's Quebec shale gas assets and recent US Wolfcamp oil acquisition will be retained by Molopo and will not form part of Molopo Canada.

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**Molopo Canada to raise equity to fund growth:** The IPO is expected to consist of an equity offer of common shares that will provide Molopo Canada with funds to continue its existing strategy of building value via increasing oil production, cash flows and reserves.

**Molopo expects the IPO to close in the first quarter of CY2011:** Subject to market conditions and all applicable approvals and regulatory requirements being met, Molopo expects to complete the IPO in the first quarter of calendar year 2011. As part of the IPO process Molopo expects to release an updated Canadian oil reserves report by the end of the current calendar year.

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<i>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.</i>
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