



MOLOPO AUSTRALIA LIMITED

ABN 79 003 152 154

ASX ANNOUNCEMENT

6 February 2009

MOLOPO SHARE BUY BACK

Molopo Australia Limited ("Molopo") announces it will implement an on-market share buy-back programme for up to 10% of its issued capital over a period of up to 12 months.

Mr Anthony Bishop, Molopo's Chief Financial Officer, stated: "The on market share buy-back reflects Molopo's strategy of actively managing its capital structure for the benefit of shareholders."

The buy-back will be funded from existing cash assets which have increased substantially as a result of the sale of the Gloucester Project.

Mr Bishop added "With net cash of approximately \$120 million, we are sufficiently funded to also pursue our exploration and development activities in the period ahead.

Molopo has appointed E.L. & C.Baillieu Stockbroking Ltd as its managing broker for the buy back.

Issued by: Molopo Australia Limited

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Molopo Australia Limited is an ASX listed gas producer focused on the development of coalbed methane and other on-shore gas projects. Molopo holds a 50% interest in several gas fields located in the Bowen Basin, Queensland, a 50% interest in a US gas project, a 100% interest in a shale gas project in eastern Canada, a 50% interest in two permits in the Clarence Moreton Basin, NSW, an interest in the Liulin CBM project in China, and a 100% interest in two South African projects covering 250,000 hectares.

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Appendix 3C

Announcement of buy-back (*except* minimum holding buy-back)

Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/9/99. Origin: Appendix 7B. Amended 13/3/2000, 30/9/2001.

Name of entity	ABN
MOLOPO AUSTRALIA LIMITED	003 152 154

We (the entity) give ASX the following information.

Information about buy-back

1	Type of buy-back	On Market
2	⁺ Class of shares which is the subject of the buy-back (<i>eg, ordinary/preference</i>)	Ordinary Shares
3	Voting rights (<i>eg, one for one</i>)	One for one
4	Fully paid/partly paid (<i>and if partly paid, details of how much has been paid and how much is outstanding</i>)	Fully Paid Ordinary Shares
5	Number of shares in the ⁺ class on issue	182,850,415
6	Whether shareholder approval is required for buy-back	No approval is required
7	Reason for buy-back	Capital Management

⁺ See chapter 19 for defined terms.
30/9/2001

Appendix 3C
Announcement of buy-back

8 Any other information material to a shareholder's decision whether to accept the offer (*eg, details of any proposed takeover bid*)

On-market buy-back

9 Name of broker who will act on the company's behalf

E.L. & C. Baillieu Stockbroking Ltd

10 Deleted 30/9/2001.

11 If the company intends to buy back a maximum number of shares - that number

18,284,141

Note: This requires a figure to be included, not a percentage.

12 If the company intends to buy back shares within a period of time - that period of time; if the company intends that the buy-back be of unlimited duration - that intention

12 months from 6th February 2009.

13 If the company intends to buy back shares if conditions are met - those conditions

Employee share scheme buy-back

14 Number of shares proposed to be bought back

Not Applicable

15 Price to be offered for shares

⁺ See chapter 19 for defined terms.

Selective buy-back

- 16 Name of person or description of class of person whose shares are proposed to be bought back
- 17 Number of shares proposed to be bought back
- 18 Price to be offered for shares

Equal access scheme

- 19 Percentage of shares proposed to be bought back
- 20 Total number of shares proposed to be bought back if all offers are accepted
- 21 Price to be offered for shares
- 22 ⁺Record date for participation in offer
Cross reference: Appendix 7A, clause 9.

Compliance statement

- 1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.
- 2. There is no information that the listing rules require to be disclosed that has not already been disclosed, or is not contained in, or attached to, this form.

Sign here:  Date: 06 /02 /2009
(CFO/Company Secretary)

Print name: Anthony Bishop

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⁺ See chapter 19 for defined terms.