



ASX ANNOUNCEMENT / MEDIA RELEASE

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**MOLOPO ENERGY ANNOUNCES AGREEMENT TO SELL SOUTH AFRICAN ASSETS;
PROVIDES UPDATE ON TEXAS AND SASKATCHEWAN VALUE MAXIMISATION PROCESSES; AND
FILES INTERIM REPORT FOR THE HALF-YEAR ENDED 30 JUNE 2013**

Sale of South African Assets

Molopo Energy Limited ("Molopo" or the "Company") is pleased to announce that it has reached an agreement with a South African-based party (the "Purchaser") to divest its interests in its South African biogenic gas assets, which include a Production Right granted in 2012 (the "Transaction"). The Transaction, with a potential value of up to 53 million Rand, will be effected via a sale of the shares of Molopo's South African subsidiary ("Molopo South Africa"). Completion of the Transaction is subject to approval by South African authorities, which is expected to be received by the end of the year.

The Transaction contemplates the assumption by the Purchaser of all future development obligations; Molopo recovering the expenditures incurred subsequent to May 2, 2013 (estimated to be approximately 3 million Rand); and Molopo receiving distributions equalling 36% of future net distributable profits of Molopo South Africa during the ten years immediately following completion of the Transaction, subject to a maximum payment of 50 million Rand.

Steve Cloutier, the Company's Managing Director & Chief Executive Officer, stated "The structure of this transaction will allow Molopo and its shareholders to continue to participate in the potential of this project, without assuming any capital risk". With the Company's strategic initiative to focus on North American exploration and development, the South African assets were no longer core to Molopo's business.

Texas and Saskatchewan Value Maximisation Processes

As previously reported on 9 April 2013, Molopo initiated processes to maximize the value of its Texas and Saskatchewan assets by way of a joint venture, farm-out, sale or combination of the foregoing. Canaccord Genuity is advising Molopo with respect to the Texas process, while Peters & Co. has been retained as the Company's advisor for the Saskatchewan assets.

The Company expects to receive expressions of interest for both project areas prior to the end of September. All proposals will be evaluated and further details will be provided should Molopo enter into definitive agreements.

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Operating & Financial Highlights for the Half-Year Ended 30 June 2013

Molopo has lodged its interim financial report for the half-year ended 30 June 2013. The document will also be available on the Company's website at www.molopoenergy.com.

Production for the six months ended 30 June 2013 averaged 708 barrels of oil equivalent per day ("boe/d"), comprised 60% of oil and natural gas liquids and 40% of natural gas. Of the 708 boe/d, 620 boe was derived from its operations in Texas and 88 boe from Saskatchewan. Net production revenue from all oil and gas operations (including those asset classified as "exploration and evaluation") amounted to \$3.4 million, generating a corporate operating netback of \$27.90/boe.

At 30 June 2013, Molopo had positive working capital of \$51 million, comprised of \$55 million of cash in the bank and \$4 million of other working capital adjustments.

This media release may contain 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 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.

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