



ASX ANNOUNCEMENT / MEDIA RELEASE

9 December 2013

ASX CODE: "MPO"

## MOLOPO ENERGY AGREES TO SELL BARNHART ASSETS, TEXAS

Molopo Energy Limited ("Molopo" or the "Company") is pleased to announce that it has entered into an agreement to sell its assets located in Barnhart, Irion County, Texas, for gross proceeds of US\$4.8 million.

Total production from Barnhart averaged approximately 125 barrels of oil equivalent per day ("boe/d") for the three-month period ended September 30, 2013. Completion of the transaction is subject to customary due diligence. Canaccord Genuity acted as exclusive financial adviser to Molopo on the sale, which is expected to close by the end of December. The disposition of Barnhart will result in Molopo not drilling a well on those lands (which had been budgeted for approximately US\$5.0 million), as previously contemplated by the Company in a media release dated April 9, 2013. The sale of Barnhart, together with the recently announced disposition of the Company's assets in Saskatchewan, will result in total 2013 divestitures of 200 boe/d for gross proceeds of US\$11.6 million.

Molopo continues to evaluate potential transactions with respect to the balance of its Texas assets, located at Fiesta in Crockett County, which averaged 387 boe/d for the three-month period ended September 30, 2013.

With respect to Molopo's previously announced agreement to sell its South African subsidiary, the Company anticipates this transaction will close in late December or early January.

In conjunction with these value maximisation initiatives, Molopo has significantly restructured its general and administrative ("G&A") costs, involving a reduction in personnel, the closing of its Melbourne office, a reduction in directors' fees and the settlement of a long-term lease on the Company's Calgary office space. G&A costs, which amounted to approximately \$14.5 million in 2012, are expected to be \$3.0-3.5 million in 2014.

The Company estimates that cash-in-the-bank at December 31, 2013 will be approximately US\$62.5 million, reflective of the above-noted dispositions and the cost reductions associated with the re-structuring of its G&A.

Steve Cloutier, Molopo's Managing Director and CEO, noted the following: "We believe these initiatives were an important step in re-focusing the Company and positioning Molopo to move forward in the best interests of its shareholders. We have a very strong balance sheet, a much leaner administrative structure and are now in a better position to assess the optimal use of our cash, with options including a return to shareholders and/or redeploying it into an acquisition."

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.

**For further information please contact:**

**Steve Cloutier, Managing Director & Chief Executive Officer**

**Paul Belliveau, Chief Financial Officer**

**Telephone (Canada): 1-403-264-9778**

**Telephone (Australia): 61 3 9618 8722**

**E-mail: [investorrelations@molopoenergy.com](mailto:investorrelations@molopoenergy.com)**

**Head Office (Canada)**

**2000, 500 – 4<sup>th</sup> Avenue S.W.**

**Calgary, Alberta T2P 2V6**

**Registered Office (Australia)**

**C/- Accosec Consultants**

**Level 4, 468 St. Kilda Road**

**Melbourne, Victoria 3004**