



ASX ANNOUNCEMENT / MEDIA RELEASE
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REVISED INVESTMENT STRATEGY AND BOARD RESTRUCTURE

The Board has resolved to adopt a 'three pillar' strategy of dividing the company's cash reserves into three parts:

- Approximately one third set aside for investment in the Western Canada sedimentary basin, in accordance with the previously enunciated strategy;
- Approximately one-third set aside for passive investments in Australian oil and gas companies, managed by an investment committee based in Australia; and
- Approximately one-third set aside for capital management initiatives in the form a proposed return of capital to shareholders, subject to legal advice as to whether and to what extent the litigation to which Molopo is a party allows Molopo to reduce its capital. The company has commenced working with legal counsel to obtain confirmation of its ability to execute a return of capital, and upon receipt of such confirmation it is the company's present intention to call a meeting of shareholders to seek approval of such a return.

Mr. Steven Cloutier has tendered his resignation as Chief Executive Officer effective immediately, in order to pursue other business opportunities.

Mr. Cloutier has successfully led the Company through a significant reorganisation process including the sale of the majority of Molopo's oil and gas assets, and managing a major successful cost reduction program.

In accepting his resignation, the Board expressed its appreciation to Mr. Cloutier for his leadership throughout this important process and wishes him well in his future endeavours. Mr Cloutier has agreed to provide consulting services to Molopo on an as required basis for the next three months.

The Board has appointed Mr Don Engle to take up the position of acting CEO to oversee the implementation of the three pillars strategy and to lead the pursuit of the Canadian investment pillar.

As acting CEO, Mr Engle is to be remunerated under an agreed consultancy arrangement whereby he receives C\$25,000 per month for a minimum of 90 days; with 30 day extensions thereafter; and termination of the consultancy arrangement by the company upon the provision of 90 days' notice. Mr Engle will not participate in the company employee share plan. Mr Engle will cease to receive any director fees during the consultancy period.

For further information please contact:

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