



MOLOPO ENERGY LIMITED

Quarterly Report

For the 3 months ended 30 June 2015

Molopo Energy Limited (“Molopo” or the “Company”) is pleased to present its quarterly report for the three months ended 30 June 2015.

Capital:

At the end of the period, Molopo had cash in the bank of AUD\$67.8 million, a decrease of AUD\$0.4 million from the end of the previous quarter. Administration expenditures, which included some significant legal costs incurred last year, but not invoiced until this quarter were partly offset by exchange gains realized upon the conversion of US\$7.2 million and C\$7.2 million into AUD\$ during the period.

As at 30 June 2015, the Company held 86% of its cash in Australian dollars and 14% in Canadian dollars. The Canadian dollars have been retained to offset the provision for the litigation which sits in the Canadian subsidiary.

During the June quarter, the Company incurred a number of non-recurring expenses associated with its North American operations. A number of the costs incurred in this period relate to activities of the previous Board, and the Incentive Scheme that has been terminated and will come to an end in August 2015. As reported in the attached Appendix 5B Cashflow statement, Item 1.7 for \$225,000 relates to a settlement of legal fees with Minter Ellison for work undertaken by that firm in 2014; and item 1.2(d) includes amounts of \$81,000 being the purchase of shares for a previous executive director, Mr Steve Cloutier, under the now terminated Incentive Scheme; audit fees for Deloitte, the Company’s former auditor (now reduced through a change of auditor); and costs relating to the closure of our Canadian operations and transfer of same to Australia.

Securities:

During the quarter, the Board approved the early vesting of the final 1,011,297 Performance Share Rights (“PSR”) under the Company’s previous employee STIP and LTIP plans, which were paid to former employees and to the current CFO, who will be completing his term at Molopo in August 2015. These individuals were designated as ‘good leavers’ and the PSRs held by them were not subject to performance tests and as such would have automatically vested with time. Further, the Company’s former LTIP plan provided for the PSRs to be converted to shares on an after-tax basis as Canadian employees are subject to income tax withholdings, to allow the employees to meet cash obligations.

Based on the previously agreed mechanisms for dealing with the vesting of these PSRs, the Company issued 171,250 shares and acquired 511,392 shares on-market for \$81k to meet the obligations. The Company does not expect to meet any further obligations relating to PSRs in the future.

Legal:

During the quarter, the Board continued discussions on the outstanding legal matters.

During the quarter, Legacy Oil & Gas Inc. was acquired by Crescent Point Energy Corp. which has slowed progress on the above matters.

Transition:

During the quarter, Molopo completed the transition of corporate operations from Calgary, Canada to Melbourne, Australia. The Company's last Canadian employee, Paul Belliveau, will be completing his role with the Company in August 2015.

Annual General Meeting:

On 29 May 2015, the Company's AGM was held in Perth, Australia. All resolutions were passed unanimously by shareholders.

Company strategy:

The Board is continuing to discuss the future strategy of the Company in consultation with advisers. The Board will ensure that any decisions relating to strategy will be made in compliance with ASX and other regulatory requirements.

MOLOPO ENERGY LIMITED

For further information please contact:

Andrew Metcalfe, Company Secretary
Telephone: 61 (0) 3 9867 7199

investorrelations@molopo.com.au
www.molopo.com.au

This media release contains 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 media 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 media 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 media release are expressly qualified in their entirety by this cautionary declaration. These statements speak only as of the date of this media 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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

MOLOPO ENERGY LIMITED

ABN

79 003 152 154

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter AUD'000	Year to date (6 months) AUD'000
1.1 Receipts from product sales and related debtors	29	446
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	- - (81) (686)	- - (632) (1,345)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	129	361
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes recovery	-	-
1.7 Other (legal costs)	(225)	(225)
Net Operating Cash Flows	(834)	(1,395)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets (d) financial instruments	- - - -	1,258 - - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other - (share buyback)	-	-
Net investing cash flows	-	1,258
1.13 Total operating and investing cash flows (carried forward)	(834)	(137)

1.13	Total operating and investing cash flows (brought forward)	(834)	(137)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	(69)
		-	(69)
	Net increase (decrease) in cash held	(834)	(206)
1.20	Cash at beginning of quarter/year to date	68,189	67,465
1.21	Exchange rate adjustments to item 1.20	471	567
1.22	Cash at end of quarter	67,826	67,826

**Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities**

		Current quarter AUD'000
1.23	Aggregate amount of payments to the parties included in item 1.2	147
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-executive directors' fees. Conversion of PSR's acquired on market under Equity Scheme

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available AUD'000	Amount used AUD'000
3.1 Loan facilities	None	None
3.2 Credit standby arrangements	None	None

Estimated cash outflows for next quarter

	AUD'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production (net of sales proceeds)	-
4.4 Administration (net of interest received)	300
Total	300

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter AUD'000	Previous quarter AUD'000
5.1 Cash on hand and at bank	32,826	68,189
5.2 Deposits at call	35,000	-
5.3 Bank overdraft	-	-
5.4 Other (Bank Guarantees)	-	-
Total: cash at end of quarter (item 1.22)	67,826	68,189

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference *securities <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	*Ordinary securities	249,040,648	249,040,648	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	171,250	171,250	
7.5	*Convertible debt securities <i>(description)</i>			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted			
7.7	Options (Unlisted mgmt incentive options)		<i>Exercise price (A\$)</i>	<i>Expiry date</i>

7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Performance Share Rights	Number on issue 16,877 ^(a) 15,957 ^(b)			<i>Vesting date</i> 31-December-2015 31-December-2016
		32,834			

(a) Long Term Performance Rights convert into between 0 and 100 fully paid ordinary Molopo shares, dependent upon extent of satisfaction of performance criteria.

(b) Long Term Performance Rights convert into between 0 and 100 fully paid ordinary Molopo shares, dependent upon extent of satisfaction of performance criteria.

7.12	Issued during quarter				
7.13	Vested during quarter	437,016 166,667 407,614			31-December -2015 17-January -2016 31-December-2016
7.14	Lapsed during quarter				
7.15	Debentures (totals only)	-			
	Unsecured notes (totals only)	-			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the **Corporations Act or other standards acceptable to ASX (see note 5)**.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
(Company Secretary)

Date: 29 July 2015

Print name: Andrew Metcalfe

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

Rule 5.3