



MOLOPO ENERGY LIMITED

ABN 79 003 152 154

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ASX ANNOUNCEMENT / MEDIA RELEASE

15 March 2010

Molopo Announces A\$60 Million Equity Raising to Fund Growth Initiatives

Molopo Energy Ltd ("Molopo") today announced an A\$60 million equity raising to be completed by way of an accelerated renounceable entitlement offer and institutional share placement.

Use of proceeds

Proceeds from the raising will be used to accelerate exploration and development programmes, especially in Molopo's Canadian oil projects.

Further details regarding use of proceeds and Molopo's pro forma financial position are provided in the accompanying investor presentation.

Offer details

Molopo is undertaking a fully underwritten equity offer to raise A\$60 million, comprising:

- A\$28.5 million 1 for 7 accelerated renounceable entitlement offer ("Entitlement Offer") at an issue price of A\$1.03 per new share; and
- A\$31.5 million institutional share placement ("Institutional Placement"), where the price will be determined via an institutional bookbuild.

The issue price under the Entitlement Offer represents a 17.9% discount to TERP¹.

Full details of the retail component of the Entitlement Offer ("Retail Entitlement Offer") will be set out in a Retail Entitlement Offer booklet which is expected to be lodged with the ASX on 22 March 2010 and dispatched to shareholders by 24 March 2010. Any eligible retail shareholder who wishes to acquire new shares under the Retail Entitlement Offer will need to complete, or otherwise apply in accordance with, the personalised entitlement and acceptance form that will accompany the Retail Entitlement Offer booklet. Retail shareholders who have any queries about the Entitlement Offer should contact the Molopo shareholder information line on 1300 761 823 within Australia or +61 2 8280 7921 from outside Australia at any time from 8.30am to 5.30pm (Melbourne time) during the Retail Entitlement Offer period, or go to the Molopo website at www.molopo.com.au.

¹ Theoretical ex-entitlement price of A\$1.25 per share based on closing price of Molopo shares on 12 March 2010 and including the impact of the Institutional Placement at the underwritten floor price of A\$1.10 per share.

Registered Office
Level 14, 31 Queen Street, Melbourne, Vic. 3000, Australia
GPO Box 223, Melbourne, Vic. 3001, Australia

NSW Office:
Suite 7, Level 4, 95 Pitt Street, Sydney, NSW, 2000, Australia
GPO Box 7075, Sydney, NSW, 2001, Australia

Telephone: (61 3) 9618 8722 Facsimile: (61 3) 9620 2804
Website: www.molopo.com.au Email: slord@molopo.com.au

Telephone: (61 2) 8249 8186 Facsimile: (61 2) 8249 8321

New shares issued under the Entitlement Offer will rank equally with existing shares. New shares equivalent in number to the entitlements of renouncing and ineligible shareholders will be sold via institutional and retail bookbuilds, with any proceeds in excess of the issue price returned to renouncing and ineligible shareholders (less any applicable withholding tax).

The equity raising has been fully underwritten by Credit Suisse (Australia) Ltd.

Key dates

Institutional Entitlement Offer opens	15 March 2010
Institutional Entitlement Offer closes	Midday 16 March 2010
Institutional Entitlement Offer Shortfall Bookbuild and Placement	Midday 17 March 2010
Record date for the Entitlement Offer	7.00pm 19 March 2010
Retail Entitlement Offer opens	22 March 2010
Allotment date for the Institutional Entitlement Offer and Institutional Placement and commencement of trading on ASX	25 March 2010
Retail Entitlement Offer closes	5.00pm 9 April 2010
Retail Bookbuild	15 April 2010
Allotment date for the Retail Entitlement Offer	21 April 2010
Commencement of trading on ASX	22 April 2010

Note: Dates and times are indicative only and subject to change. Molopo and the Underwriter reserve the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates and times, which includes closing the Entitlement Offer early and without prior notice. All times and dates refer to the time in Melbourne, Australia ("Melbourne time").

Business update

Molopo notes the following ASX announcements released over the last two weeks:

- 4 March 2010 – intention to exercise pre-emptive rights in relation to the proposed sale to Westside Corporation Limited of Anglo Coal (Dawson) Limited's interests in the ATP564P and ATP602P joint ventures for A\$7 million;
- 9 March 2010 – Queensland CBM reserves upgrade, with 2P reserves for Mungji Harcourt up 256% and record production levels from the Mungji field;
- 9 March 2010 – H1 2010 financial results, with NPAT of A\$5.7 million (including gains on the sale of Molopo's interests in the Liulin Project, China and Clarence Moreton Basin, Queensland); and
- 12 March 2010 – drilling and production update for Canada oil operations.

Issued by:

Molopo Energy Ltd

For further information, contact:

Stephen Mitchell MD +61 3 9618 8722

Anthony Bishop CFO +61 3 9618 8722

Molopo Energy Limited is an ASX-listed petroleum producer focused on the exploration, appraisal, development and production of coalbed methane (CBM) and other on-shore petroleum projects. Molopo holds a 50% interest in several CBM fields located in the Bowen Basin, Australia, a 100% interest in a shale gas project in Quebec, Canada, an interest in the Bakken and Spearfish oil projects in Canada and a 100% interest in two South African projects.

Important information

This document, including the information contained in this disclaimer, is not a prospectus and does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any U.S. Person (as defined in Regulation S under the U.S. Securities Act of 1933 (the **Securities Act**)) (**U.S. Person**) or in any other jurisdiction in which such an offer would be illegal. The securities referred to in this document have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons absent exemption from the registration requirements of the Securities Act and all applicable state securities laws.

Neither this document nor any other documents relating to the offer of new shares may be sent or distributed to U.S. Persons or to any persons acting for the account or benefit of U.S. Persons.

This document contains certain “forward looking statements”. Forward looking statements include those containing words such as: “anticipate”, “estimate”, “should”, “will”, “expect”, “plan”, “predict”, “could”, “may”, “intends”, “guidance”, “project”, “forecast”, “likely” and other similar expressions, including, without limitation, statements with respect to growth in Canada, Queensland drilling plans, plans with respect to the Mungi Generation Project, and use of proceeds of the equity raising. Any forward looking statements, opinions and estimates provided in this document are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of Molopo. In particular, this document contains forward looking statements that are subject to risk factors associated with the oil and gas industry. These statements may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates. Such forward-looking statements only speak as to the date of this document and Molopo assumes no obligation to update such information.

Forward looking statements may include projections, guidance on future revenues, cost savings, earnings, dividends and estimates. Forward looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results may differ materially from those expressed or implied in such statements because events and actual circumstances frequently do not occur as forecast and these differences may be material. These statements may assume the success of Molopo’s business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond Molopo’s control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward looking statements and except as required by law or regulation, Molopo assumes no obligation to update these forward looking statements.