



# MOLOPO AUSTRALIA LIMITED

ABN 79 003 152 154

## MEDIA RELEASE

23<sup>rd</sup> July 2007

### **Molopo to Accelerate Gas Developments with Heavily Oversubscribed Placement**

Molopo Australia Limited is pleased to announce the completion of a \$33.25 million share placement ("Placement") to sophisticated and professional investors, involving the issue of 133 million ordinary shares in the capital of the Company at an issue price of \$0.25 per share.

The proceeds of the Placement will be used by Molopo to accelerate its development and production plans while also enhancing its existing exploration and appraisal programmes. Over the forthcoming 12-18 months, the funds will be used to specifically support the following:

- a) Further development of the Mungi Gas Field once the existing sole risk well programme is successfully completed;
- b) Finance the acquisition of Helm's share of the Queensland coalbed methane assets, subject to Completion. With the Helm acquisition Molopo's share of the Queensland CBM assets will stand at 50%;
- c) Funding major work programmes aimed at securing reserves certification in both the Gloucester and China Liu Lin projects as a precursor to development commitment;
- d) Expanding its exploration programme in South Africa (where Molopo recently increased its interest to 100%) and investigating the potential to move to earlier production capture from this new area;
- e) Additional working capital for the Company.

Stockbrokers involved in the Placement were E.L. & C. Baillieu Stockbroking Ltd ("Baillieu") and Wilson HTM Corporate Finance Limited, with Baillieu in the role of Manager.

Under the terms of the Placement agreement, all participating investors have a firm obligation to purchase a total of 133 million new ordinary shares at the issue price of \$0.25 per share, subject to approval by Molopo's shareholders at a General Meeting. The Placement shares will be issued to subscribers shortly after shareholder approval has been granted.

Timing for the General Meeting is on or before 31<sup>st</sup> August 2007, with further details on this expected to be announced shortly.

**Issued by:**

**Molopo Australia Ltd**

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*Molopo Australia Limited is an ASX listed gas producer focused on the development of coalbed methane and other on-shore gas projects. Molopo holds a 25% interest in several gas fields located in the Bowen Basin, Queensland, a 30% interest in CBM operations located in the Gloucester Basin (NSW), a 50% interest in a US gas project, a 100% interest in two permits in the Clarence Moreton Basin, NSW, an interest in the Liulin CBM project in China, and a 100% interest in a South African project covering 250,000 hectares.*

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