



MOLOPO ENERGY LIMITED

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ASX ANNOUNCEMENT / MEDIA RELEASE

18 April 2011

LAUNCH OF MOLOPO'S STRATEGY

As foreshadowed in its announcement on 14 April 2011, Molopo advises that the presentation regarding its new strategy is attached.

Issued by:

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Molopo Energy Limited is an ASX-listed petroleum producer focused on the exploration, appraisal, development and production of unconventional energy projects that include the Bakken tight oil project in Canada, the Wolfcamp oil resource play in Texas, coal-bed methane projects in Australia's Bowen Basin, shale gas projects in Quebec and two gas projects in South Africa.

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Strategy Outcomes

April 2011

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MOLOPO ENERGY – FOCUSED GROWTH

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- Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.
- This presentation contains certain “forward looking statements”. Forward looking statements include those containing words such as: “anticipate”, “estimate”, “should”, “will”, “expect”, “plan”, “could”, “may”, “intends”, “guidance”, “project”, “forecast”, “likely” and other similar expressions. Any forward looking statements, opinions and estimates provided in this presentation 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 presentation 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 presentation and Molopo assumes no obligation to update such information.
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Molopo: Focused Value Growth

FOCUS

- Monetise de-risked assets as appropriate to fund growth and focus company resources. CY2011/2012: divest Queensland CBM & South Africa gas projects
- Secure new assets which leverage core strengths geographically and technically

GROW

- Develop a growing core of producing oil and gas assets to establish a robust revenue platform for the future. Near term focus: North American oil
- Acquire new assets which complement the existing portfolio

VALUE REALISATION

- Strong performance underpinned by delivery of clearly communicated targets and open communication



Sense of urgency established

New Board of Directors strengthened

- Brian Straub, Garry Cameron

Rapid progress in key areas

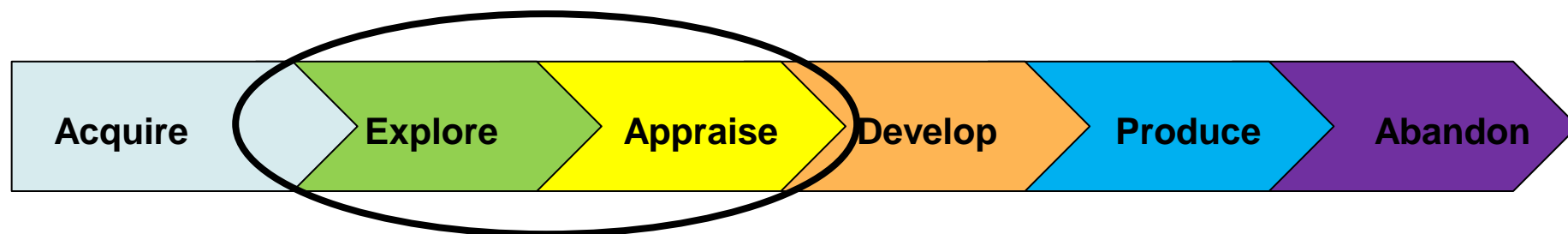
- Aggressive Bakken and Permian Basin exploration programmes defined
- Spearfish sale completed ahead of schedule
- Portfolio review completed
- Business development activity ramped up and re-focused
- More focused organisational structure
- Indian activities ceased and office closed



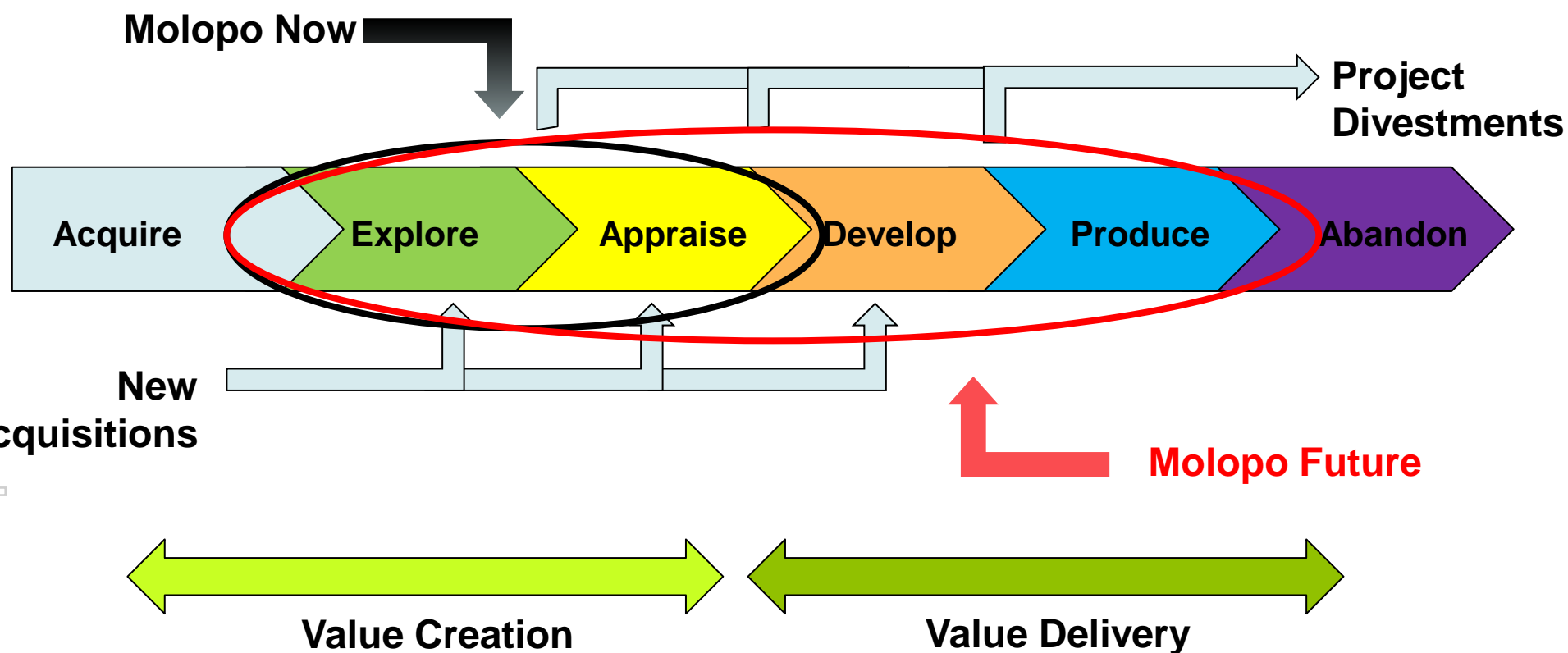
Molopo – the platform for growth

- Proven track record in low cost entry/high value opportunity acquisition
- Portfolio of exploration/early development assets with significant growth potential
- Demonstrated ability to add value to these assets well above acquisition and de-risking costs
- Fully funded for growth

Portfolio Position Today



Molopo value creation, delivery and portfolio management



Molopo assets today – a strong base from which to grow

Bakken tight oil acreage
Permian Basin tight oil acreage



Oil exploration acreages each
have potential for 50-200 well
developments if successfully
de-risked

Quebec shale gas acreage



Longer term shale gas potential

Queensland CBM project
South Africa Gas



Opportunities to monetise
when sufficiently de-risked¹

*Could
become
core
producing
assets*

All assets have majority held interests, enabling Molopo to control the pace & direction of de-risking and monetisation in the early part of the value chain

¹Subject to required approvals and market conditions



Molopo moving forward – strong performance underpinned by:

Revenue Growth

- Building a cost-effective production capability as projects mature along the value chain

Focus

- Simplified portfolio and value proposition to ensure Molopo is fully valued by the market

Leveraging Company Strengths

- Proven track record in finding and de-risking assets
- Core technical ability in unconventional oil and gas

Stakeholder Engagement

- Clarity of strategy and targets, and openness in communications



2011 focus:
*Assessing the potential of
Molopo's North American
oil acreage*

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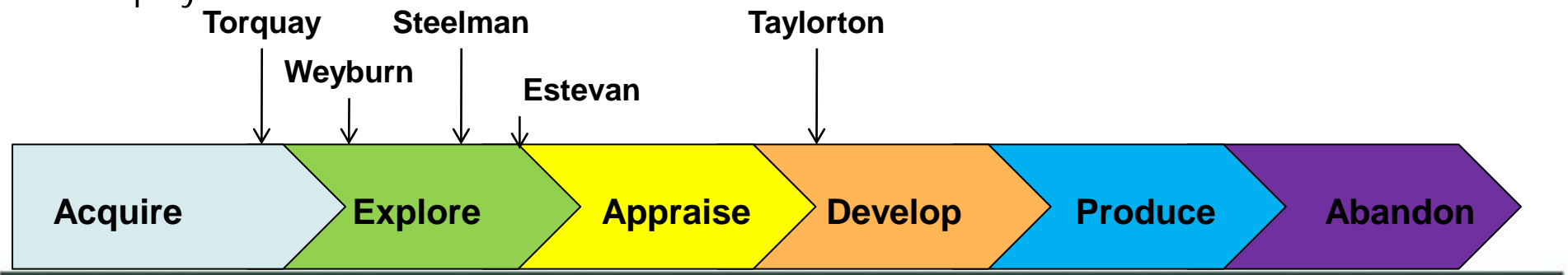
Near term oil opportunities – Bakken: Tight oil in Western Canada



Key 2010 activities & outcomes:

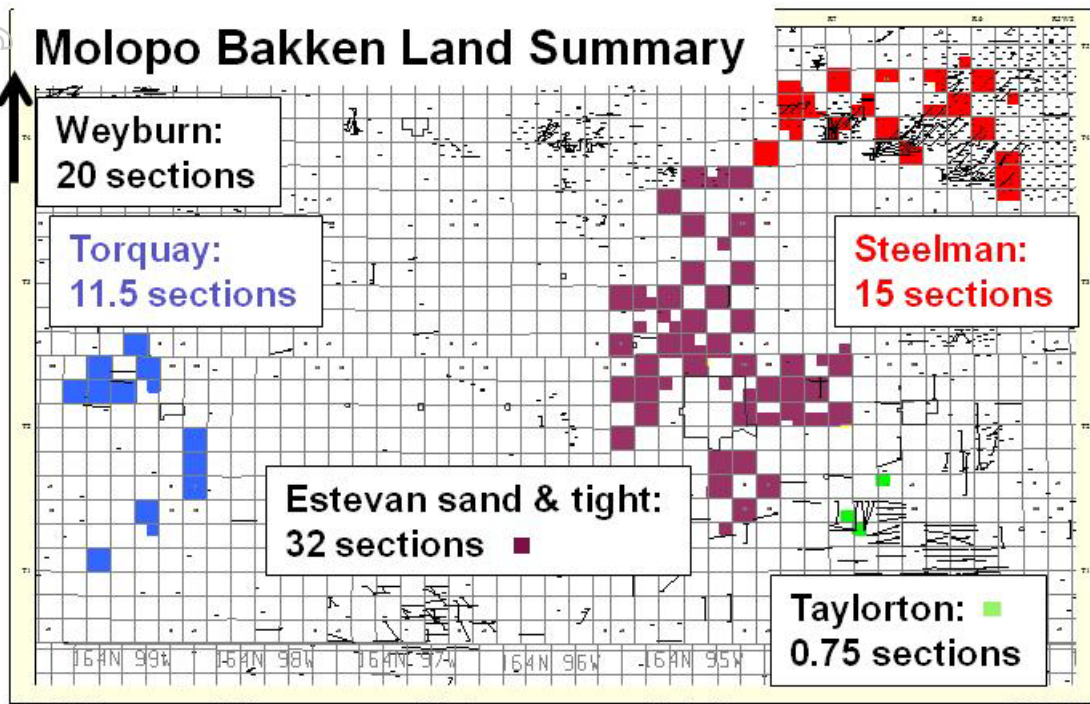
- Identified 6 discrete play areas
- Earned majority of acreage until 2015 through drilling of 6 trial horizontal wells
- All wells encountered oil shows; 4 are producing with total production ~ 25 bpd
- IPs ranged 40-60 bpd
- Independently evaluated 2P reserves of 564,000 bbls

- ~ 45,000 net acres in SE Saskatchewan acquired in 2009 & 2010
- Option to earn additional 7,360 net acres at Torquay in 2011



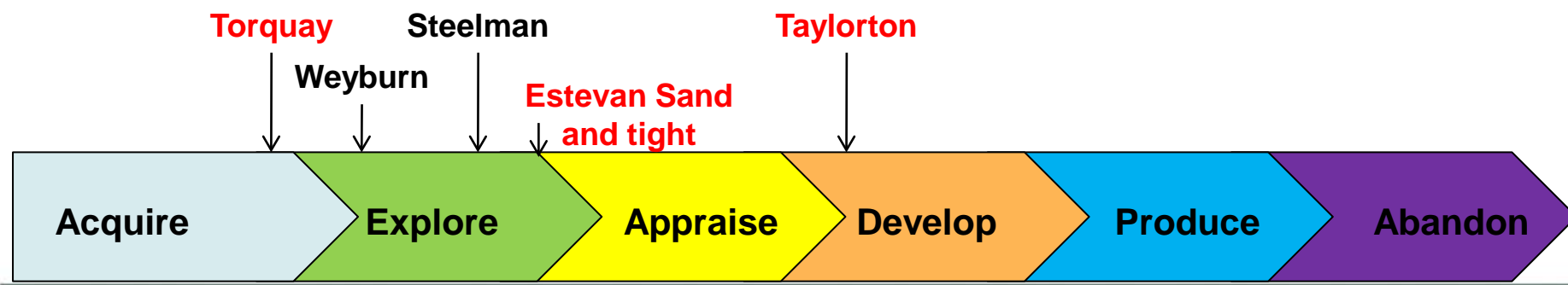
2011 focus – Bakken: Tight oil in Western Canada

Molopo Bakken Land Summary

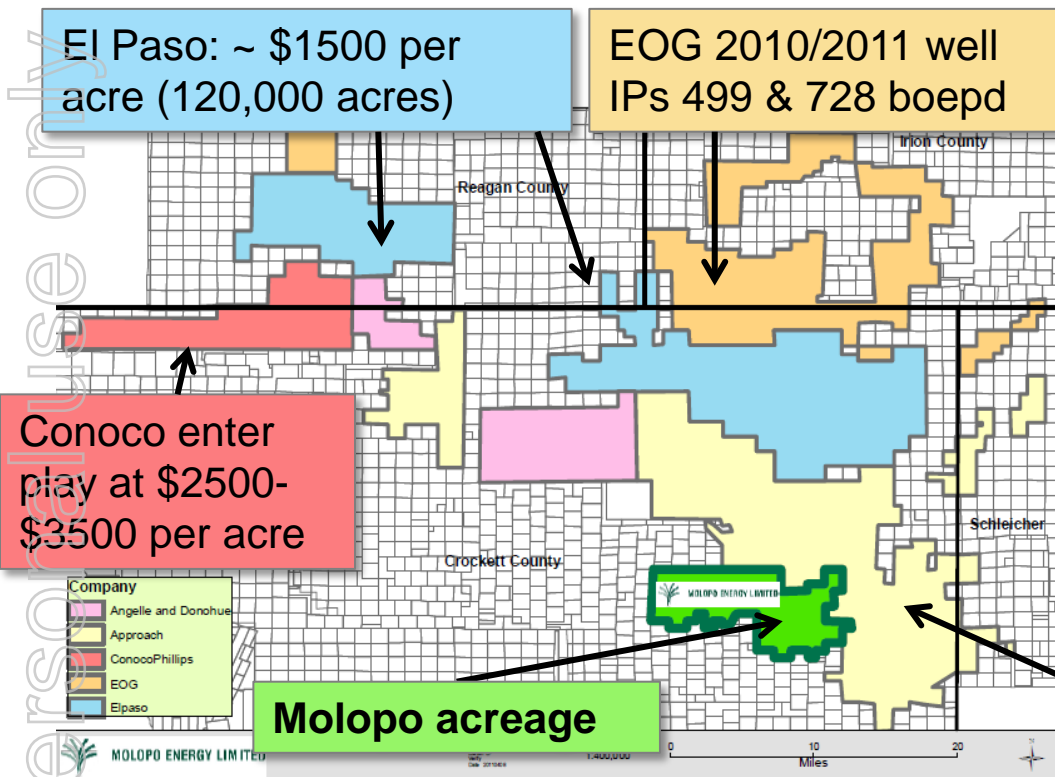


Key 2011 activities:

- Pool, drill and complete 7-10 gross wells (5.5 – 8.5 net)
 - Taylorton
 - Estevan
 - Torquay
- Shoot 3D seismic over Estevan - results to support 2012 development



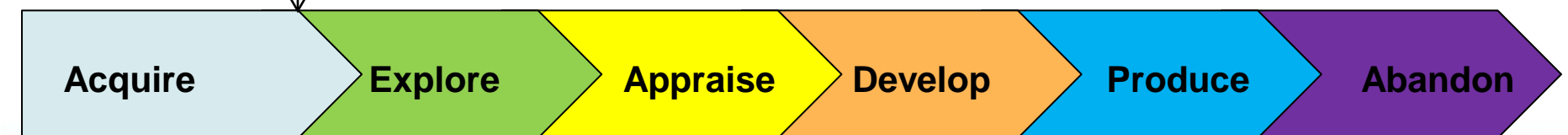
Near term oil opportunities – Permian Basin: Tight oil in West Texas



- ~16,900 net acres in Permian Basin
- 3 identified zones: Wolfcamp (oil and gas), Ellenburger and Canyon Sands (both liquids rich gas)
- Significant industry interest in this rapidly developing new play

Approach Resources plans \$100-130m capital budget in the Permian Basin for 2011

Permian Basin

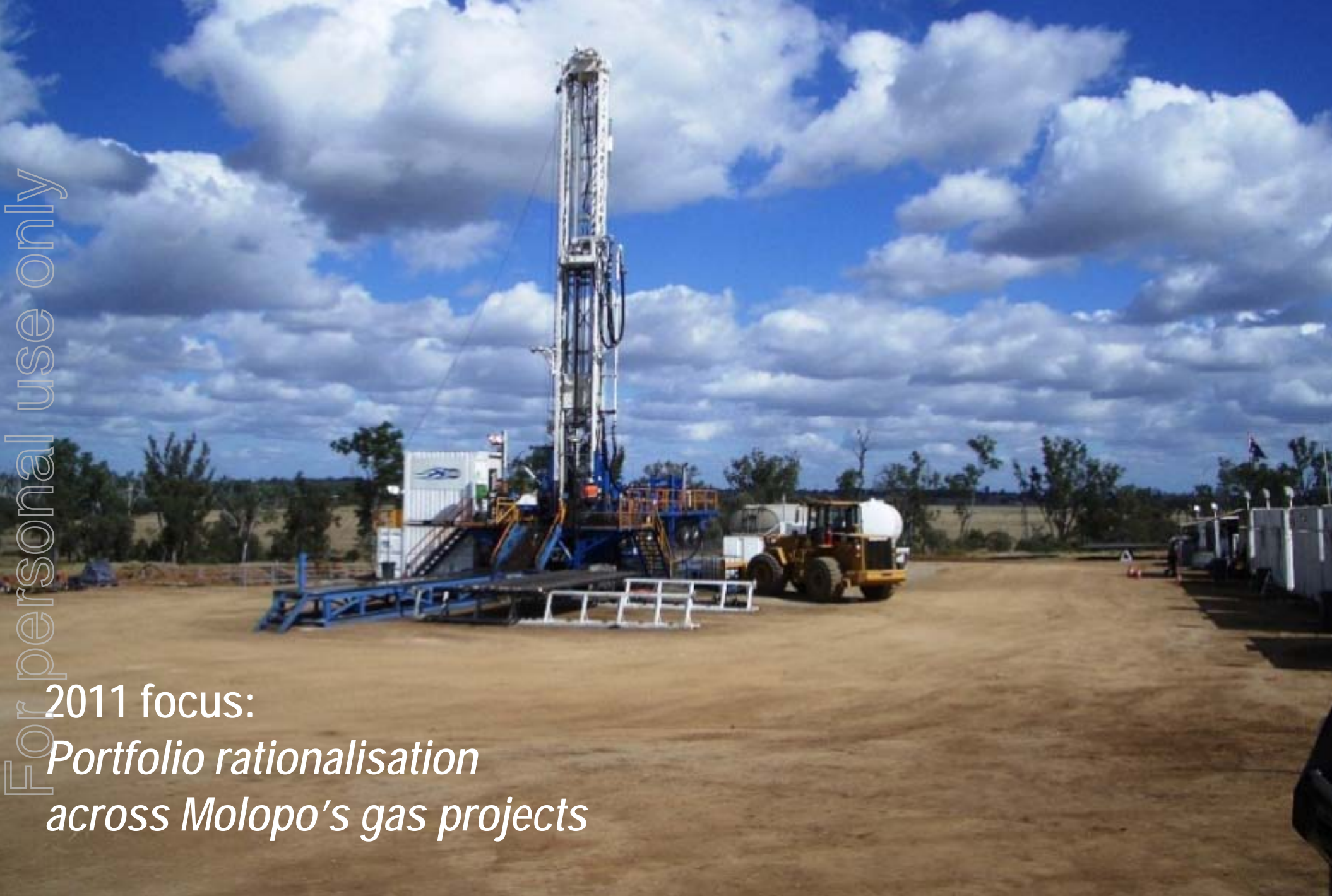


2011 focus – Permian Basin: Tight oil in West Texas

Key 2011 activities:

- 2D seismic purchase and interpretation
- Accelerated exploration programme
 - 2-3 gross vertical wells to test Wolfcamp, Canyon Sands and Ellenburger potential
 - 1-2 horizontal sidetracks to test Wolfcamp production potential
- Plan 3D seismic survey to support 2012 activity





2011 focus:
*Portfolio rationalisation
across Molopo's gas projects*



South Africa – de-risk and monetise; Queensland – monetise; Quebec – hold

South Africa

- 100% interest in > 800,000 acres in two gas exploration areas, Evander and Virginia
- 11 pilot wells stable (~1.2 MMscfd); 1st production well drilled (0.2 MMscfd)
- Gas Sales Agreement with Novo for production up to 8.2 MMscfd

Queensland

- Development drilling trials completed 2010
- Positioned for full scale development linked to LNG
- Opportunity for optimal value capture through monetisation.



Quebec

- 1.42 MM acres in emerging Shale Gas play in Eastern Canada
- 2 year halt while government and industry work to determine conditions for potential development
- Large potential justifies holding acreage while working through joint industry forum (QOGA)



2011 Targets and funding

Focus: - De-risking the current North American oil plays
- Optimising monetisation of non-core assets

Asset	Activity	Aspired outcome	Cost
Bakken	Drill/complete 5-9 net wells; 2D & 3D seismic	Successful wells (IPs > 100bpd)	~\$25 m
Permian Basin	Interpret 2D seismic, drill/complete 2-3 wells, plan 3D acquisition	Demonstrate Wolfcamp oil production	~\$20 m
Quebec	BAPE process to determine way forward	Waiving of 2011 work obligations & establishing way forward	\$0.1 m
Queensland	Monetise asset ¹	Value maximisation	<\$4m
South Africa	De-risk and look to exit ¹	Production Right awarded, first gas sales Feb 2012	~\$3m

¹Subject to required approvals and market conditions



New business development will be focused, higher paced and disciplined

Focus

- Onshore, unconventional oil and gas
- In countries with existing Molopo positions
- Leverage strengths: Continue to work in the high-risk/early exploration plays, but with a backdrop of de-risked, producing assets
- Re-balance the portfolio – move focus towards development
- Target operatorship in early resource plays; consider JVs to reduce risk/access capability

Pace

- Target 1-2 acquisitions each year

Monetise

- Target 0-1 divestments each year¹



Outcome

Gradual expansion of portfolio with quality assets supported by funding from selective divestments whilst building production and revenue stream



Funding/Capital management

- Strong financial position at 31 March 2011 (\$~165MM cash and investments, net of tax)
 - \$55 MM funding required in 2011
 - up to \$150 MM CAPEX could be incurred in 2012 if exploration is successful
- Potential divestments could add additional funds; potential acquisitions could require additional funds
- Existing funds required to finance growth over coming 2 years
- Share buy-back or special dividend will be considered if:
 - reduced 2012 investment plan
 - divestment income materially changes the cash balance



Wrap-up



The Current Reality

- Proven track record in converting low cost entry assets to high value assets
- Strong portfolio of projects
- Clear strategic direction
- Fully funded for growth
- Focus on value creation for shareholders

The Future

- Core of producing assets
- New asset acquisitions being progressed along value chain
- North American geographic focus
- Consistent delivery against targets
- NA listing to be considered



Summary

Molopo's strategy:

- deliver focused growth
- develop a core of producing assets
- pursue a well paced programme of asset acquisitions and divestments¹

Molopo is well placed to deliver:

- quality portfolio of growth assets
- newly energised Board and Leadership Team
- strong financial position
- core of technical expertise & proven track record



Corporate overview

MOLOPO SHARE PRICE



MOLOPO SUMMARY INFORMATION

Cash (as at 31 March 2011) \$106 million¹

Debt Free

Share Information (as at 31 March 2011)

High – YTD \$1.09

Low – YTD \$0.80

12-month Volume 191 million shares

Fully Paid Shares 251 million

Employee Options 6.8 million

No of Shareholders 7,791

Market Capitalisation (\$0.895) \$224.62 million

Top 20 / Issued Capital 39.74%

MOLOPO BOARD

Chairman - Gregory Lewin
 CEO & Director - Ian Gorman
 Non-Executive Director - Maxwell Beck
 Non-Executive Director - Brian Straub
 Non-Executive Director - Garry Cameron

MANAGEMENT

CFO - Scott Greenshields (Acting)
 Company Secretary - Jessica Huberman
 VP Exploration - Brian Tompkins
 VP Engineering - Curtis Schoenfeld
 VP Commercial - Ric Sotelo
 VP Strategic Planning & IR - TBA

ANALYST COVERAGE

Credit Suisse
 EL&C Baillieu
 Macquarie Equities
 Wilson HTM

