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MOLOPO ENERGY LIMITED

ABN 79 003 152 154

ASX ANNOUNCEMENT / MEDIA RELEASE **29 November 2011**

CEO appointment and transition

Molopo Energy Limited ("Molopo" ASX:MPO) today announces the appointment of Mr Tim Granger as Molopo's Chief Executive Officer and Managing Director, effective 3 January 2012.

Mr Granger will succeed Mr Ian Gorman, who will continue in the CEO role until 2 January 2012 and will assist with an orderly transition of the role. At that time, Mr Gorman will step down as a Director of Molopo and its subsidiaries but will continue to support the Company in a technical consultancy role on commercial terms.

Commenting on the succession, Molopo's Chairman, Mr Greg Lewin, said, "Tim Granger's appointment is a critical step forward in the implementation of Molopo's focused growth strategy. The Board determined, in consultation and agreement with Molopo's current CEO, Ian Gorman, that the CEO role should be North American focussed, to align with the location of the company's major assets and business strategy. Given Ian's commitments in Australia which made such an arrangement impractical, we are delighted to have been able to secure such a strong candidate."

Mr Granger brings to Molopo over 30 years of experience in North American oil and gas exploration and production operations and asset management. Most recently, he held the position of President and Chief Executive Officer of Toronto Stock Exchange listed Compton Petroleum Corporation. Mr Granger graduated from Carleton University (Ottawa) with a B.Sc. in Mechanical Engineering.

Mr Lewin commented "Tim has extensive knowledge of the global oil and gas industry, strong financial acumen, and proven capabilities of portfolio management and M&A strategy and implementation. His expertise is particularly evident in his previous roles, as CEO of Calgary-based Compton Petroleum, where he led the successful strategic repositioning and recapitalisation of that company, and as Chief Operating Officer of PrimeWest Energy for nine years, which was ultimately sold to TAQA North, where he became Managing Director. His deep knowledge of the North American oil and gas industry will be a great asset in leveraging the prospects of Molopo's outstanding USA and Canadian assets and delivering our strategy."

Details regarding Mr Granger's terms of employment are summarised as an appendix to this announcement.

Mr Lewin said, "Over the past five years, both as CEO and Chief Operating Officer, Ian Gorman has made a significant contribution to Molopo, including more recently finalising a strategic review that developed a clear and deliverable strategy to drive Molopo's growth over the next several years."

"We are very pleased that Ian will be available to contribute to the successful execution of Molopo's strategy through consultancy support to the Company."

The Company confirms that no termination benefits will be paid to Mr Gorman, other than the contractual 6 months' severance payment, STI benefits to 31 December 2011, and other statutory entitlements.

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

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CEO and Managing Director Contract: Key Terms

Contract term: The contract is evergreen.

Fixed Remuneration: Mr Granger will be entitled to a base salary of C$350,000 plus statutory pension payments.

Short Term Incentive (STI): Mr Granger will participate in the Company's short term incentive plan.

There are two award components of the STI: a cash award and an award of deferred Performance Share Rights (STI PSR).

The cash award amount would be paid annually and range from 45% of his base salary when "base" performance targets are satisfied, increasing to 67.5% if additional "stretch" performance targets are satisfied.

Mr. Granger may be awarded a number of STI PSRs following an assessment of his performance for the period to 31 December 2012, and annually thereafter. The number of STI PSRs awarded would range from a number equal in value to 75% of base salary when "base" performance targets are satisfied, increasing to a number equal in value to 112.5% of base salary where "stretch" performance targets are satisfied. If granted, the STI PSRs are subject to a time vesting condition, with one third of the STI PSRs awarded scheduled for vesting on 31 December in each of 2013, 2014 and 2015. Where Mr. Granger resigns or his contract is terminated by the Company with cause, any unvested STI PSRs will be forfeited. Where Mr Granger is deemed to be a 'good leaver' (generally meaning his employment involuntarily ceases (other than for cause)), any unvested STI PSRs will be retained.

The Company will satisfy any obligation to provide shares in the Company on vesting of STI PSRs by purchasing shares on-market.

Long Term Incentive (LTI): Mr. Granger will participate in the Company's long term incentive plan. The plan is structured to reward individual contribution to long term shareholder value creation as measured through an increase in the Company's total shareholder return on both an absolute basis and relative to a comparator group of approximately 20 listed companies over the performance period.

It is intended that an award of Performance Share Rights under the LTI to Mr. Granger will be made in early 2013, provided Mr. Granger's performance for the period to 31 December 2012 is satisfactory (as determined by the Board). If awarded, the LTI PSR award will be performance tested after 31 December 2015 in respect of the three year period between 1 January 2013 and 31 December 2015 ('Relevant Performance Period').

Under the LTI the number of LTI PSRs that may be awarded to Mr. Granger will be 112.5% of his base salary. The number of LTI PSRs which vest will depend upon the

Company's total shareholder return (measured relatively and absolutely during the Relevant Performance Period).

Where Mr. Granger resigns or his contract is terminated by the Company with cause, any unvested LTI PSRs will be forfeited. Where Mr. Granger is deemed to be a ‘good leaver’, Mr. Granger will retain a reduced number of unvested LTI PSRs, adjusted to reflect the period of his service during the Relevant Performance Period.

The Company will satisfy any obligation to provide shares in the Company on vesting of the LTI PSRs by purchasing shares on-market.

Performance Share Rights: Mr Granger will be granted 250,000 Performance Share Rights upon his commencement as CEO and Managing Director. One third of the Performance Share Rights will vest on each of 3 January 2013, 3 January 2014 and 3 January 2015 provided Mr. Granger either remains an employee of the Company or is otherwise deemed to be a ‘good leaver’.

The Company will satisfy any obligation to provide shares in the Company on vesting of the Sign on PSRs by purchasing shares on-market.

Termination: The Company may immediately terminate Mr. Granger's employment for cause at any time. In this case, Mr. Granger is not entitled to notice (or payment in lieu of notice) or any severance payment.

The Company may terminate Mr. Granger’s employment without cause by giving six months’ notice of termination or in the alternative, by giving the statutory level of notice required under law, payment in lieu of such notice or a combination of notice and payment in lieu, in addition to a lump sum payment equivalent to six months’ base salary as a lump sum.

Mr. Granger may resign by giving the Company one months’ written notice.

Material Diminution: Where Mr. Granger suffers a material diminution in his functions, powers or duties or a change in his reporting relationship to the Board, he may, within 30 days’ of such material diminution elect to give 90 days’ notice that the employment is treated as being terminated at the end of that 90 day period. In such a case, the Company must pay Mr. Granger the equivalent of six months’ annual base salary as a lump sum.

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