MOLOPO ENERGY LIMITED

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ASX ANNOUNCEMENT / MEDIA RELEASE **17 January 2013**

CEO APPOINTMENT AND STRATEGY REVIEW

Molopo Energy Limited (ASX: MPO) today announces that, effective immediately, Mr Steven Cloutier will succeed Mr Tim Granger as Molopo's Chief Executive Officer and Managing Director.

Steve Cloutier has more than 23 years' experience in commercial legal practice and oil and gas. He was the President and a co-founder of APF Energy Trust (1996-2005) and Rockyview Energy Inc. (2005-2008), both listed on the Toronto Stock Exchange. Under his leadership, these entities drilled more than 1,000 wells and executed on approximately $2 billion of merger, acquisition and divestiture activity. In addition to APF and Rockyview, Mr. Cloutier has sat or sits on the boards of a number of exploration and production companies, including Millennium Energy Inc., Star Point Energy Trust, Cumberland Oil & Gas Ltd., Ki Exploration Inc., and Kallisto Energy Inc. Since 2009, Mr. Cloutier has been the President & Chief Executive Officer of Skyridge Capital Corporation, a private company that provides corporate finance and M&A advisory services with a particular emphasis on the upstream energy sector. He holds a Bachelor of Arts from McGill University and a Juris Doctor (Bachelor of Laws) from the University of Victoria (Canada).

Commenting on Mr Cloutier's appointment, Molopo's Chairman, Mr Greg Lewin, said, "The Board has engaged Steven Cloutier, to deliver a strategy of maximising the return to shareholders from the Company's current assets which as at 31 December 2012 included approximately US$70 million cash and 950 boep/d production; 26,000 acres in West Texas in the prospective Wolfcamp formation; 47,000 acres in Saskatchewan; 900,000 acres in South African onshore gas projects with a production right and 1.4 million acres in Quebec prospective for shale gas.

The last twelve months has seen our understanding of the Company's upstream assets significantly improved through drilling and technical evaluation, and the Board believes strongly in the value of these assets, particularly the Wolfcamp in Texas. The Molopo share price is, however, not reflective of that value.

Steven's track record of realising shareholder value appreciation in his previous companies, together with his entrepreneurial approach, provide the Board with confidence that he can successfully lead the Company to value maximisation for Molopo's shareholders."

A special Board committee has been formed to oversee and assist Mr Cloutier in developing and implementing a strategic review to enhance shareholder value. This committee will be Chaired by Mr Don Engle, with Mr Garry Cameron, Mr Brian Straub and Steven Cloutier as members. It is expected that details of the strategic review will be announced before the end of the first Quarter of 2013.

The Company confirms that Mr Granger will be paid in accordance with his contractual severance entitlements and Company policy, cash STI benefits to 31 December 2012 and other entitlements payable in accordance with applicable law.

The Company wishes to thank Tim Granger for his contributions to Molopo during his tenure.

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

This press release contains certain forward-looking statements. These statements relate to future events or future performance of the Company. When used in this press 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 press 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 press 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 press release are expressly qualified in their entirety by this cautionary declaration. These statements speak only as of the date of this press 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.

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CEO and Managing Director Contract: Key Terms

Contract term: The contract is evergreen.

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

Short Term Incentive (STI): Mr. Cloutier 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. Cloutier may be awarded a number of STI PSRs following an assessment of his performance for the period to 31 December 2013, 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 2014, 2015 and 2016.

Where Mr. Cloutier is deemed to be a ‘good leaver’, any unvested STI PSRs will be retained. In all other circumstances, any unvested STI PSRs will be forfeited.

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. Cloutier 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 relative to a comparator group of approximately 20 listed companies over the performance period, as well as a strategic objective.

It is intended that an award of Performance Share Rights under the LTI to Mr. Cloutier will be made in early 2013. Subsequently, awards will be made annually provided Mr. Cloutier’s performance for the period to 31 December of the previous year is satisfactory (as determined by the Board). If awarded, the first 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. Cloutier will be 112.5% of his base salary. The number of LTI PSRs which vest will depend upon the Company's total relative shareholder return during the Relevant Performance Period, as well as achievement of a strategic target.

Where Mr. Cloutier is deemed to be a ‘good leaver’, Mr. Cloutier will retain a reduced number of unvested LTI PSRs, adjusted to reflect the period of his service during the Relevant Performance Period. In all other circumstances, any unvested LTI PSRs will be forfeited.

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

Sign on Bonus: Mr. Cloutier will be granted 500,000 Performance Share Rights upon his commencement as CEO and Managing Director. One third of the Performance Share Rights will vest on each of 15 January 2014, 15 January 2015 and 15 January 2016 provided Mr. Cloutier 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. Cloutier's employment for cause at any time. In this case, Mr. Cloutier is not entitled to notice (or payment in lieu of notice) or any severance payment.

The Company may terminate Mr. Cloutier's employment without cause by giving six months' notice of termination or in the alternative, by providing a lump sum payment equivalent to six months' base salary.

Mr. Cloutier may resign by giving the company one months' written notice.

Material Diminution: Where Mr. Cloutier 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. Cloutier the equivalent of six months' annual base salary as a lump sum.