



ASX ANNOUNCEMENT / MEDIA RELEASE

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MOLOPO ANNOUNCES WELL RESULTS, UPDATE ON PRODUCTION AND CAPITAL EXPENDITURES

Molopo Energy Limited (ASX: MPO) is pleased to announce an update on well results from its drilling in Texas, along with an indication of overall current corporate productive capacity, and capital expenditures relative to budget.

In the latter half of 2012, Molopo drilled two Bench B wells in its Barnhart area, and three wells in its Fiesta area - 2 wells into Bench A, and 1 well into Bench B. Four of those wells are currently producing in various stages of flow back and the fifth commenced completion October 24, 2012 (North America).

Currently, aggregate productive capacity estimates from all of Molopo's producing wells (which includes Texas and Saskatchewan) ranges between approximately 1,100 barrels of oil equivalent per day (boe/d) to 1,300 boe/d, split approximately 75% to light crude oil and liquids, and 25% to natural gas. Of this production, Molopo's two Barnhart wells are materially contributing to the estimated volumes, with further production additions expected once the wells in Fiesta finish completion, flow back and clean up.

In light of Molopo's increased focus in the Wolfcamp, and greater capital efficiencies due to lower realized well costs relative to budget in Texas, the Company elected to reduce capital spending in Saskatchewan and drill only 1 of the 4 wells budgeted in that area. It was expected that the 3 budgeted Saskatchewan wells would have added approximately 200 bbl/d to the year-end production estimates. If the three Fiesta wells drilled in Texas perform as per type curve, the production from the Wolfcamp and the current Saskatchewan production should enable Molopo to achieve a 2012 year-end exit rate of approximately 2,100 boe/d after factoring in the incremental volume reduction from Saskatchewan.

The reduction in capital spending is approximately \$15 million which will result in an increased year end 2012 cash balance. Having a higher cash balance positions Molopo very well to proceed with additional drilling in its Wolfcamp acreage through 2013, the budget for which will be announced at the end of November.

Tim Granger, CEO and Managing Director of Molopo commented, "We are very encouraged by the performance of the wells in our Wolfcamp acreage to date, and expect to commence the drilling of our final Texas well before the end of 2012. With continued well performance and higher than forecast cash balances at year end 2012, Molopo will enter 2013 in a strong position to continue with Wolfcamp development in order to maximize value for our current and future shareholders."

Following is an update on the current status of Molopo's wells in the various stages of production, test and flow back, and the relative contribution to overall production:

- **36-2H Linthicum Washington (Barnhart)** – Currently on test after preliminary results were released August 30, 2012. Since that time, the maximum 24 hour initial production (IP) rate was 742 boe/d, comprising approximately 525 bbl/d of

crude oil, 109 bbl/d of natural gas liquids (NGL) and 644 mcf/d of natural gas. The IP30 rate for this well was approximately 400 boe/d.

- **36-1H Linthicum Washington (Barnhart)** – Has been on gas lift for 24 days and has flowed back high levels of fracing fluid, and is still currently producing approximately 450 bbl/d of load fluid. The peak 24 hour rate since the well came on production is 792 boe/d, comprising approximately 628 bbl/d of crude oil, 91 bbl/d of NGLs and 536 mcf/d of natural gas. An IP30 rate will be provided after 30 days.
- **Baggett 16-1H (Fiesta)** – Molopo's first long lateral well drilled in Fiesta has been on gas lift for 49 days has recovered over 32% of its load fluid. It is still producing approximately 1,500 bbl/d of load fluid and these high rates are encouraging at this stage of clean up. Since commencing production, the peak hydrocarbon rate is 382 boe/d, comprising approximately 59 bbl/d of crude oil, 160 bbl/d of NGLs and 945 mcf/d of natural gas, but it is anticipated that the well is not yet fully cleaned up. The 24 hour peak and IP 30 rates will be provided once achieved.
- **Baggett 40-2H (Fiesta)** – Has been on gas lift for 11 days and is currently flowing back approximately 1,500 bbl/d of fracing fluid. Measurable oil rates commenced on October 24 (North America) and as the well stabilizes, further production rates will be provided.
- **Baggett 54-1H (Fiesta)** – This well is Molopo's first well drilled in Fiesta into Bench B. Completion commenced October 24, 2012 (North America), with flow back expected to commence in mid-November, and resultant hydrocarbon production anticipated prior to year end. As the well stabilizes, flow rates will be provided.
- **Initial three exploration wells in Fiesta (Baggett 40-1H, Baggett 32 and Parker 85)** – These three wells were drilled in Fiesta in early 2012 and continue to produce approximately 130 boe/d in aggregate. These wells were not drilled optimally from an economic perspective, but did confirm that the Fiesta acreage was positioned in the oil window. These wells continue to add incremental production to Molopo's sales volumes.
- **Saskatchewan** - Production from Saskatchewan is contributing approximately 150 boe/d or 15% of Molopo's estimated sales volumes.

As additional data becomes available and performance of the wells stabilizes, Molopo expects to spud a sixth well before the end of calendar year 2012. The specific location and Bench selection for future drills will be based on the performance of the previous five wells.

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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Molopo Energy Limited is an oil and gas exploration and production company listed on ASX under code 'MPO', with management based in Calgary, Alberta, Canada. With a strong balance sheet, the Company is predominantly focused on the development of its Wolfcamp shale oil resource play in the Permian Basin, Texas, USA. In addition, Molopo also has oil assets in the Williston Basin, Saskatchewan, Canada; shale gas assets in Quebec, Canada; and onshore gas projects in South Africa.