# ASX/MEDIA RELEASE
**19 OCTOBER 2012**

## MOLOPO ENERGY & PETROCHINA AUSTRALIA
**"QUEENSLAND ASSET SALE UNCONDITIONAL"**

We refer to Molopo Energy Limited's (***Molopo***) ASX announcement yesterday, which advised that:

*The purchaser (PetroChina Australia) of Molopo's Queensland coal seam gas assets (**Transaction**) has received confirmation from the National Development and Reform Commission, of China, that it approves the Transaction. Given PetroChina Australia has already received a no objection notice from the Australian Foreign Investment Review Board, all conditions precedent for completion of the Transaction are now satisfied. The Transaction is scheduled for completion on 1 November 2012.*

This is an important development for the Company's proposed 3 million tonne per annum (***mtpa***) Gladstone Fisherman's Landing LNG Project, in the Port of Gladstone, Queensland (***LNG Project***) – Refer to annexed illustrations.

As previously announced, PetroChina Australia and the Company have executed a non-binding Letter of Intent in relation to securing gas supply for the LNG Project, which states:

(i) PetroChina Australia and the Company's intention to work together to secure sufficient gas for the LNG Project's first LNG train (with guaranteed LNG production capacity of 1.5 mtpa).

(ii) PetroChina Australia will on a selective basis consider, without commitment:

- the acquisition of prospective gas assets and permit interests (***Gas Assets***) in Queensland (which includes Molopo's CSG assets), and/or
- the entering into of gas supply arrangements with parties owning gas assets in Queensland;

in each case where such transaction is capable of supplying gas to the LNG Project.

(iii) PetroChina Australia's and the Company's agreement to use their reasonable endeavours to negotiate and execute a Tolling Agreement, for gas to be delivered to the LNG Project, for liquefaction, storage and loading onto LNG ships arranged by PetroChina Australia or its designated LNG buyer.

PetroChina Australia, wholly owned by PetroChina International Investment Company Limited, is related to the Company's largest shareholder (19.9%), China Huanqiu Contracting & Engineering Corporation (***HQC***), being the selected engineering, procurement and construction contractor for the LNG Project.

Mr Brand, the Company's Managing Director, said "The Company is very appreciative of the support from PetroChina Australia and HQC in pursuing the Company's gas supply plan for the LNG Project. Completion of the Transaction by PetroChina Australia will be an important step in the Company's plans to secure the necessary commercial arrangements for the LNG Project to proceed to final investment decision."

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**Annexure**

**GLADSTONE FISHERMAN'S LANDING**
**LNG PROJECT**

Artist's Illustration of the First LNG Train