



# MOLOPO AUSTRALIA LIMITED

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## MEDIA RELEASE

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### PEL 285 – NEW RECORD FLOW ACHIEVED IN GLOUCESTER BASIN PROJECT

Further to Molopo Australia Ltd's announcement on 23 November 2007, gas production rate in the company's coal bed methane ("CBM") well continues to build in the existing Stratford pilot production well, LMG03, as the fluid level in this well gradually declines. The well has increased its production rate since the onset of gas in early November 2007 to now achieve a new interim high in excess of 750,000 standard cubic feet per day (scf/d).

The fluid level in the well is at approximately 300 metres from ground level, part way through the completed interval. The ultimate peak gas production rate may be higher once the fluid level is drawn down to the lowermost producing coal seam at a depth of 403 metres and as the water flow rate declines further. Currently the well is still flowing approximately 400b/d of water.

Previously the well had reached a maximum daily rate of 669,000scf/d prior to failure of the down hole pumping system. The well's gas rate was still building at this time and peak rate had not been achieved.

COO Ian Gorman said "The strong performance of the LMG03 well re-confirms the commerciality of the shallower coals in the Gloucester Basin Project. This result is particularly pleasing given that the well is now free flowing. The pump was turned off over a week ago to test the well flow characteristics under natural flow. Since this time the well has increased in gas rate while maintaining water flow and continuing to gradually reduce the fluid level. The current gas rate is already several times higher than would be necessary for commercial viability."

An initial independent reserves certification for part of the Gloucester Basin is already underway and is expected by the end of the year.

Molopo's holds 30% of this permit. Lucas Energy Pty Limited holds 70% and is also the project's operator.

**Issued by:**

**Molopo Australia Limited**

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*Molopo Australia Limited is an ASX listed gas producer focused on the development of coalbed methane and other on-shore gas projects. Molopo holds a 50% interest in several gas fields located in the Bowen Basin, Queensland, a 30% interest in CBM operations located in the Gloucester Basin (NSW), a 50% interest in a US gas project, a 50% interest in two permits in the Clarence Moreton Basin, NSW, an interest in the Liulin CBM project in China, and a 100% interest in two South African projects covering 250,000 hectares.*

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