



27 March 2017

ASX ANNOUNCEMENT (ASX: MPO)

Molopo Energy Board focused on Corporate Strategy

Further to the Molopo Energy Limited (**Molopo** or **Company**) announcements on 27 February 2017 and 24 March 2017 advising on changes to the Molopo Board, the new Molopo Board provides the following information to shareholders.

The Board, led by the newly appointed Managing Director Mr. Alexandre Gabovich, is seeking to both preserve and enhance the value of Molopo shares. Recent challenges experienced by the oil and gas industry give rise to investment opportunities for undervalued assets in this sector. Utilising the Company's strong balance sheet, the Board is well positioned to pursue short and medium term investment opportunities in Oil and Gas production and exploration.

Appointed as Managing Director on 8 March 2017, Mr Gabovich has a long and successful history in international business and the energy industry and has demonstrated a strong track record of leading operations in emerging markets as well as in international business development.

As previously announced, on 13 March 2017 Molopo received from Keybridge Capital Limited (**Keybridge**), a substantial shareholder, a requisition notice under section 249D of the Corporations Act, effectively seeking to remove all existing directors of the Company and replacing them with its three nominated candidates at a general meeting of shareholders (**Requisition Resolutions**). Keybridge is a financial services company and is the holder of approximately 19.15% of the issued share capital of Molopo.

Shortly after receiving the requisition notice from Keybridge, the Company was informed by Aurora Funds Management Limited (**Aurora**) of its intention to nominate its own director candidate(s) at the general meeting requisitioned by Keybridge. Aurora is a fund manager and is the holder of approximately 17.89% of the issued share capital of Molopo. The Company has yet to receive any such nomination(s).

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The Molopo Board note that Mr John Patton is Managing Director of Aurora and Executive Chairman of Keybridge.

The Board of Molopo is opposed to Requisition Resolutions for a number of reasons, including:

- The Board believes the successful implementation of the Requisition Resolutions may result in a change of control, without the Company's shareholders receiving any financial value, essentially a premium, or any commitment as to the future activities planned or direction of the Company and therefore presents a substantial risk to the value of Molopo's shares;
- The Board, led by the newly appointed Managing Director Mr. Alexandre Gabovich, is looking to enhance the value of Molopo's shares. As such, it is actively pursuing short and medium term investment opportunities in Oil and Gas exploration and production;
- The new Board possesses the necessary oil and gas sector technical experience as well as international business expertise in finding and executing relevant deals.

The Board has resolved that the Requisition Resolutions requested by Keybridge will be considered at the Company's forthcoming Annual General Meeting to be held on 15 May 2017.

The Board will be in communication with shareholders about the Requisition Resolutions, including the Board's detailed reasons as to why it believes the Requisition Resolutions proposed by Keybridge are not in the best interests of all Molopo's shareholders.

The Board of Molopo advises shareholders to take no action on this matter until further notice.

MOLOPO ENERGY LIMITED

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