



11 July 2017

(ASX: MPO)

- **REVIEW PANEL MAKES FINDING OF ASSOCIATION**
 - **REVIEW PANEL ORDERS A PORTION OF KEYBRIDGE AND AURORA'S MOLOPO SHARES TO BE DIVESTED**
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The review Panel has made a finding of association between Keybridge Capital Limited (**Keybridge**) and Aurora Funds Management Limited (**Aurora**) and has made a declaration of unacceptable circumstances in relation to the affairs of Molopo Energy Limited (ACN 003 152 154) (**Molopo** or **Company**).

As a result, 3,666,285 Molopo shares held by Keybridge and 39,540,910 Molopo shares held by Aurora, being the Molopo shares they acquired since 10 August 2016 are to be vested in ASIC for sale, under the divestment orders issued by the Takeovers Panel.

Molopo made an application to the Takeovers Panel on 11 April 2017 seeking a declaration of unacceptable circumstances in relation to, amongst other things, the conduct of two of its substantial shareholders, Keybridge and Aurora. An application was also made by the Australian Securities and Investments Commission (**ASIC**) on the same date.

On 31 May 2017, the initial Panel made a declaration of unacceptable circumstances but did not find an association between Keybridge and Aurora. Both Molopo and Keybridge lodged review applications on 1 June 2017. On 15 June 2017, the Panel received an application from Aurora seeking a review of the initial Panel's decision on orders.

Declaration

On 30 June 2017, the review Panel made a declaration of unacceptable circumstances and made a finding that by no later than 26 October 2016 an “association” arose between Keybridge and Aurora or, in the alternative: *“the actions of Mr Bolton and Mr Patton, combined with the material financial interests each had in Keybridge and Aurora, and the influence that each exerted over Aurora and to an extent over Keybridge, gives rise to a control effect in Molopo that is otherwise unacceptable...”*

The review Panel made the declaration of unacceptable circumstances having considered that:

- Keybridge and Aurora were associated in relation to Molopo by no later than 26 October 2016 and had contravened section 606 and the substantial holder notice provisions of the Corporations Act, and
- further, or in the alternative, as the initial Panel found, the involvement of Mr Nicholas Bolton and Mr John Patton gave rise to unacceptable circumstances from 10 August 2016 in relation to the affairs of Molopo.

Orders

The review Panel has now made orders, the effect of which includes:

- 3,666,285 Molopo shares held by Keybridge and 39,540,910 Molopo shares held by Aurora (being the number of Molopo shares acquired by Keybridge and Aurora respectively since 10 August 2016) (**Sale Shares**) are to be vested in ASIC to sell;
- none of Keybridge, Aurora or their respective associates may, directly or indirectly, acquire any of the Sale Shares;
- none of the Keybridge, Aurora or their respective associates may vote any Sale Shares;
- neither Keybridge, Aurora nor their associates may acquire any further shares in Molopo for six months and thereafter Keybridge and Aurora cannot take into

account the shares to be vested in ASIC in determining whether they can rely on the 'creep' exception in item 9 of section 611 of the Corporations Act; and

- each of Keybridge and Aurora must make disclosure of their relevant interests and association by lodging substantial holding notices.

A copy of the media release issued by the Takeovers Panel is attached to this announcement.

The Board of Molopo is pleased with the outcome of the Panel proceedings. The orders issued by the Takeovers Panel mean that the Board is now able to move forward with reinvigorating the Company's balance sheet and driving strategic growth.

FURTHER INFORMATION:

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Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP17/37

Monday, 10 July 2017

Molopo Energy Limited 03R, 04R & 05R – Orders

On 30 June 2017, the review Panel made a declaration of unacceptable circumstances in relation to review applications dated 1 June 2017 by Keybridge Capital Limited (**Keybridge**) and Molopo Energy Limited (**Molopo**) (see [TP17/27](#)). The applications followed the initial Panel's decision in Molopo Energy Limited 01 & 02 (see [TP16/26](#)). Aurora Funds Management Limited (**Aurora**) made an application dated 15 June 2017 seeking a review of the initial Panel's decision on orders (see [TP17/31](#)).

In summary, the review Panel made a new declaration of unacceptable circumstances, having considered that:

- Keybridge and Aurora¹ were associated in relation to Molopo by no later than 26 October 2016 and contravened section 606² and the substantial holder notice provisions³ and
- as the initial Panel found, the involvement of Mr Nicholas Bolton and Mr John Patton gave rise to unacceptable circumstances from 10 August 2016 in relation to the affairs of Molopo (see [TP17/34](#)).

Orders

The review Panel has now made orders (Annexure A), the effect of which includes:

- 3,666,285 Molopo shares held by Keybridge and 39,540,910 Molopo shares held by Aurora (being the number of Molopo shares acquired by Keybridge and Aurora respectively since 10 August 2016) are to be vested in ASIC to sell
- neither the Associated Parties nor their associates may acquire any further shares in Molopo for six months and thereafter they cannot take into account

¹ As responsible entity for Aurora Global Income Trust and Aurora Fortitude Absolute Return Fund

² Unless otherwise indicated, all statutory references are to the Corporations Act 2001 (Cth), and all terms used in Chapter 6 or 6C have the meaning given in the relevant Chapter (as modified by ASIC)

³ See s671B

the shares to be vested in ASIC in determining whether they can rely on the 'creep' exception⁴ and

- each of the Associated Parties must make disclosure of their relevant interests and association.

As the proceeding is now at an end, the undertakings given to the Panel on 15 June 2017 by Keybridge and Aurora are at an end (see [TP17/30](#)).

The sitting review Panel was Peter Day, Ian Jackman SC (sitting President) and Tony Osmond.

The Panel will publish its reasons for the decision in due course on its website www.takeovers.gov.au.

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⁴ Item 9 of s611



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Takeovers Panel

Annexure A

**CORPORATIONS ACT
SECTION 657D
ORDERS**

MOLOPO ENERGY LIMITED 03R, 04R & 05R

The Panel made a declaration of unacceptable circumstances on 30 June 2017.

DIVESTMENT ORDERS

1. The Sale Shares are vested in the Commonwealth on trust for Keybridge and Aurora respectively.
2. ASIC must:
 - (a) sell the Sale Shares in accordance with these orders and
 - (b) account to Keybridge and Aurora respectively for the proceeds of sale, net of the costs, fees and expenses of the sale and any costs, fees and expenses incurred by ASIC and the Commonwealth (if any).
3. ASIC must:
 - (a) retain an Appointed Seller to conduct the sale and
 - (b) instruct the Appointed Seller:
 - (i) to use the most appropriate sale method to secure the best available sale price for the Sale Shares that is reasonably available at that time in the context of complying with these orders, including the stipulated timeframe for the sale and the requirement that none of the Associated Parties or their respective associates may acquire, directly or indirectly, any of the Sale Shares
 - (ii) to provide to ASIC a statutory declaration that, having made proper inquiries, the Appointed Seller is not aware of any interest, past, present, or prospective which could conflict with the proper performance of the Appointed Seller's functions in relation to the disposal of the Sale Shares
 - (iii) unless the Appointed Seller sells Sale Shares on market, that it obtain from any prospective purchaser of Sale Shares a statutory declaration that the prospective purchaser is not associated with any of the Associated Parties and

- (iv) to dispose of all of the Sale Shares within six months from the date of its engagement.
4. The Company and the Associated Parties must do all things necessary to give effect to these orders, including:
 - (a) doing whatever is necessary to ensure that the Commonwealth is registered with title to the Sale Shares in the form approved by ASIC and
 - (b) until the Commonwealth is registered, complying with any request by ASIC in relation to the Sale Shares.
 5. None of the Associated Parties or their respective associates may, directly or indirectly, acquire any of the Sale Shares.
 6. None of the Associated Parties or their respective associates may dispose of, transfer or charge any Sale Shares otherwise than in accordance with these orders.
 7. None of the Associated Parties or their respective associates may vote any Sale Shares.
 8. Nothing in these orders obliges ASIC to invest, or ensure interest accrues on, any money held in trust under these orders.

ACQUISITION RESTRICTION ORDERS

9. None of the Associated Parties or their respective associates may, directly or indirectly, acquire any shares in the Company before the date that is six months after the date of these orders.
10. From the end of the period referred to in order 9, none of the Associated Parties or their respective associates may take into account any relevant interest or voting power that any of the Associated Parties or their respective associates had, or have had, in the Sale Shares when calculating the voting power referred to in Item 9(b) of s611 of the Corporations Act 2001 (Cth), of a person six months before an acquisition exempted under Item 9 of s611.

DISCLOSURE ORDER

11. Within 2 business days after the date of these orders, the Associated Parties must disclose, in the form of a substantial holder notice, as approved by the Panel:
 - (a) that the Associated Parties became associated in relation to the Company by no later than 26 October 2016 and their current holdings in the Company
 - (b) the name of each associate who has a relevant interest in voting shares in the Company

- (c) the nature of their association
- (d) details of any relevant agreement through which they have a relevant interest in shares in the Company and
- (e) all transactions undertaken during the period covered by the disclosure.

Interpretation

12. In these orders the following terms apply.

Appointed Seller	an investment bank or stock broker
ASIC	Australian Securities and Investments Commission, as agent of the Commonwealth
Associated Parties	Keybridge and Aurora
Aurora	Aurora Funds Management Ltd, including as responsible entity for the Aurora Fortitude Absolute Return Fund and Aurora Global Income Trust
Company	Molopo Energy Limited
Keybridge on market	Keybridge Capital Limited in the ordinary course of trading on Australian Securities Exchange and not by crossing or special crossing
Sale Shares	3,666,285 ordinary shares in the issued capital of Company held by Keybridge 39,540,910 ordinary shares in the issued capital of Company held by Aurora

Bruce Dyer
Counsel
with authority of Ian Jackman SC
President of the sitting Panel
Dated 7 July 2017