



# **MOLOPO ENERGY LIMITED**

## **Molopo Energy Limited**

ABN 79 003 152 154

### **Notice of Annual General Meeting**

**Time: 10.00 am, Thursday 31 May 2018**

**Place: DLA Piper Australia, Level 21, 140 William Street,  
Melbourne, Victoria**

**The Board of Molopo recommends that you:**

**Vote FOR resolutions 1, 2, 3, 4 and 5**

**And**

**Vote AGAINST resolutions 6, 7, 8 and 9**

**This is an important document that requires your attention. Your vote is important.  
You should read all of this document before deciding whether and how to vote on the resolutions  
at this meeting. If you are in doubt about what do to, you should consult with your legal,  
investment or other professional advisor.**

**If you have any queries about the AGM please contact the Company on:**

**Phone 61 3 8459 2200**

**Email [enquiries@molopoenergy.com](mailto:enquiries@molopoenergy.com)**

## Letter from the Chairman

Dear Shareholders,

On behalf of the directors of Molopo, I am pleased to invite you to attend our 2018 Annual General Meeting (**AGM**).

The 2017 financial year was a difficult and eventful year for Molopo, its shareholders and the board of directors. I was appointed to the board in difficult circumstances, where the then current Managing Director and Interim Chairman was facing removal and the future was uncertain. This on the back of a number of appointments and resignations during the year which meant that there was very little continuity at board level. Shortly following my appointment as a director, I was elevated by my fellow board members to the position of Managing Director and Chairman of the board.

All of this change at board level, the subsequent change of company secretary, the litigation against Molopo that has been initiated by a major shareholder, Keybridge Capital Limited (**Keybridge**) and the continued takeover bid commenced by Aurora Funds Management Limited (**Aurora**), that commenced on July 2017 and remains open for acceptance, has been a distraction for the board and has resulted in material legal expenses of the company being utilised to deal with these matters, which depreciates the ability of the company to pursue value accretive opportunities.

As previously reported, the Takeover Panel determined in June 2017 that Keybridge and Aurora were associated and in contravention of the *Corporations Act 2001 (Cth)* (**Corporations Act**), which resulted in the Molopo shares of Aurora vesting with the Australian Securities & Investments Commission and orders that neither Keybridge nor Aurora directly or indirectly acquire any shares in Molopo. Aurora has applied to the Federal Court for a judicial review of this decision which is scheduled for hearing later this year. Each of Keybridge and Aurora have sought to nominate directors for appointment to the Board of Molopo at the AGM. The Board does not support these nominations. Two of the three nominated directors (namely, messrs Johnson and Hartnell) have sought appointments previously to the board of Molopo but shareholders also did not support their nominations on those occasions.

The Keybridge litigation ostensibly raises issues of alleged poor corporate governance during the tenure of the previous board of directors and company secretary which the company is vigorously defending. Given the ongoing legal proceedings, and the continued Aurora takeover bid of Molopo, neither Wayne Johnson (current Keybridge director) nor Tony Hartnell (whose firm acts for Aurora as a legal representative) will be able to be involved with any deliberations of the board concerning the Keybridge litigation nor the Aurora takeover, which are two current significant matters affecting Molopo.

In any event, you will have noticed that since the appointment of the new board members and the new company secretary that a number of additional announcements have been made by Molopo to enhance the disclosure by the company of relevant transactions to ensure adequate and informative disclosure. We have been liaising with ASX in this regard and improving the Company's processes accordingly. Notwithstanding these difficulties, we have made significant progress in a number of areas, not least the company's transition from being a cash box to an entity which is poised for growth..

The board is hopeful that the company can now enter into a period of relative stability and I look forward to reaching out to Molopo's shareholders in the coming months with regular updates on our further progress. The board is confident that as we demonstrate progress during the coming months, that shareholders will support their board and that the legal expense burden on Molopo, which has been one of our major expenses in recent years, will be reduced significantly.

The company is fundamentally an oil and gas exploration company and as such, our key goals during the 2018 financial year are to work with our investment partners to further develop oil and gas exploration and development opportunities.

We are also cognisant of the need to have the Company's shares re-admitted to trading on the ASX platform as soon as practicable and the Board looks forward to engaging with the ASX to achieve this.

Along with this Notice of Annual General Meeting, you will receive a proxy form. If you are attending the meeting, please bring your proxy form with you. If you are unable to attend the meeting, I encourage you to

complete the proxy form and return it to our share registry, or to vote online. Instructions on how to return the forms or vote online are set out in this Notice of Meeting. For your votes to be counted at this meeting please return the proxy form or vote online by the date and times specified on these forms.

The Board remains committed to protecting the interests of all shareholders, while it transitions from dealing with legacy litigation and takeover issues, into once again focusing on its core business of oil and gas exploration.

Yours faithfully

Mr Baljit Johal

Managing Director and Chairman

## Update on events involving Keybridge and Aurora

One of the critical matters to be considered in this meeting is the election of persons nominated by Keybridge and Aurora to the Board. This is the third time Keybridge and Aurora have nominated persons for election to the Board having failed in their first two attempts previously in the meetings held on 20 June and 10 November 2017. In the Board's view, the shareholders rightfully determined in those meetings to reject the appointment of nominees of Keybridge and Aurora to the Board due to serious concerns of independence and failure to act in the best interests of the shareholders of Molopo as a whole.

Given the continued and sustained actions by Keybridge and Aurora against Molopo to pursue their own agendas, it has become more apparent to the Board than ever before that their nominees will not act in the best interests of the shareholders and will instead seek to take control of Molopo to extract cash reserves for the benefit of Keybridge and Aurora. Keybridge previously sought to make a capital reduction to extract Molopo's cash reserves but this was successfully defended by Molopo in the Supreme Court of New South Wales. The repeated attempts to install nominees to the Board shows a continual disregard for the wishes and judgement of the Molopo shareholders.

Set out below are critical points for the shareholders in considering the Board's recommendation to reject the appointment of nominees of Keybridge and Aurora to the Board. The earlier Notice of General Meeting, Explanatory Notes and Proxy Form for the meetings on 30 May 2017 and 10 November 2017 provide further background information.

### **Keybridge and Aurora are associates**

As set out in detail in the Notice of General Meeting, Explanatory Notes and Proxy Form for the meeting on 10 November 2017, the Takeovers Panel Orders of 7 July 2017 found that Keybridge and Aurora **acted in concert and are associates** in relation to Molopo. Keybridge and Aurora were also found to have contravened Chapters 6 and 6C of the Corporations Act and ordered 3,666,285 shares in Molopo held by Keybridge and 39,540,910 shares in Molopo held by Aurora to be vested in the Commonwealth and be sold by ASIC in accordance with the Takeover Panel's orders. Aurora has applied for judicial review of the decision of the Takeovers Panel in the Federal Court which remains disruptive and costly to Molopo's shareholders. The Board confirms its position that the decision of the Takeover Panel continue to be correct and valid

Keybridge holds [19.95%] of Molopo's shares and Aurora previously held [17.89%] of Molopo's shares. Given the determination by the Takeover Panel that both are acting in concert, it is critical that shareholders continue to reject the combined attempts by both Keybridge and Aurora to seek to control Molopo to the likely detriment of the remaining other shareholders.

### **Keybridge Court actions against Molopo**

Keybridge applied to the Supreme Court of Western Australia seeking Court orders under section 247A(1) of the Corporations Act to inspect Molopo's books and documents to which Molopo has opposed. The Board is of the view that the requests were not made in good faith and for a proper purpose as required in the Corporations Act.

Separately, on 14 September 2017 Molopo received an originating application made by Keybridge and lodged with the Supreme Court of Western Australia whereby Keybridge sought a declaration of oppressive conduct by Molopo and that Molopo allegedly acted contrary to the interests of members as a whole. Molopo continues to vigorously deny these allegations and the Board is of the continued view that these actions are disruptive to the operations of Molopo.

On 5 December 2017 the Supreme Court of Victoria dismissed an injunction application initiated by Keybridge that sought to restrain Molopo from contributing US\$4.5 million towards its commitment to fund Molopo's U.S. oil and gas project.

On 7 March 2018, the Supreme Court of Victoria ordered the undertaking provided by Molopo to the Court be discharged. This court decision along with the dismissal of Keybridge's application to restrain Molopo from making payments to fund Molopo's U.S oil and gas project illustrates the importance of the current Board to maintain independence from Keybridge and Aurora in discharging its duties in the interests of all shareholders.

## **Aurora takeover bid of the Company**

Aurora announced takeover bids of Molopo on 27 July 2017 (subsequently withdrawn) and 12 September 2017 with the offer period closing on 19 January 2018. A notice of variation was announced on 12 January 2018 extending the offer until 20 April 2018 and a further announcement was made on 13 April 2018 extending the offer period again to 20 June 2018. The terms of the takeover bid continue to present clear and significant liquidity risk for Molopo's shareholders. The Board has recommended that the shareholders reject Aurora's offer and strongly maintain its recommendation to reject the offer. The consideration to be paid by Aurora will be made in a small proportion of cash and principally in units of Aurora Fortitude Absolute Return Fund (**AFARF**), AFARF is a complex hedge fund with a high risk strategy, an uncertain performance history and features that may not be appropriate for all investors.

AFARF units are unlisted and cannot be sold on the stock market making them illiquid. Further AFARF is a hedge fund which has seen large net redemptions in 2016 and 2017 so any shareholder who invested in units of AFARF by accepting Aurora's offer could be waiting many quarters before it could redeem its units in AFARF exposing its investment to the risk of AFARF's performance (for the year of 30 June 2017, AFARF's performance was negative 13.28% compared with its benchmark of positive 1.53%) and high fees.

We note that section 671B of the Corporations Act requires Aurora to provide notice to Molopo in circumstances where there is a movement of at least 1% in its shareholding in Molopo. Molopo has not received any such notice and presumes that Aurora's shareholding in the company has not increased by 1% or more. This clearly evidences the current view of the shareholders of Molopo to not entertain the bid of Aurora.

### **Summary**

Keybridge and Aurora have continually failed to demonstrate and clarify the purpose of their actions, in particular, whether they would attempt to change the nature, activities or purpose of Molopo by changing the board composition.

Since the last attempt by Keybridge and Aurora to change the composition of the board, their continued and sustained attempts to take control of Molopo and its Board has only increased as explained above. Considered together with the previous attempts in 2015 to invalidly force Molopo to pursue a capital reduction, it is apparent that the motives of Keybridge and Aurora are to seek to take control of Molopo and its cash reserves and not pursue Molopo's objectives in the oil and gas sector for the benefit of all of Molopo's shareholders.

The current Board believes that Keybridge and Aurora have acted in a way which is detrimental to the interests of the Molopo shareholders as a whole.. Any appointment of Keybridge or Aurora nominees will have a significant impact on the Board 's ability to independently and objectively deal with the Court actions and consider the takeover bid from Aurora.

Keybridge has no strategic alignment with Molopo's interests, and there is no benefit to Molopo shareholders to allow a Keybridge director to be appointed to the Board. The Board is also concerned that if nominees associated with Keybridge and Aurora are appointed to the Board, they would seek to exercise control over Molopo for their own respective self interest.

## Statement from the Molopo Board

The resolutions on the agenda for this meeting include nominations of several new Directors. Under the Corporations Act, shareholders can follow a process to nominate people to be directors. Accordingly, the Company is putting these nominations to the shareholders' vote at an AGM and including in this notice material provided by the nominees.

The current Directors unanimously recommend that you vote for one of these nominations, and against the others, as explained above and below.

### **Ralph Curton**

Mr Curton has been nominated by Gilbralt Corporation, a substantial shareholder in Molopo. Mr Curton is a long-time associate and colleague of Mr Samuel Belzberg, who served as non-executive Director of Molopo from July 2015 to his passing in March 2018.

Mr Curton has many years of experience in creating large oil and gas projects that have included assembling, acquiring, developing, and selling in excess of 50,000 acres of oil and gas leases. He has provided a statement of his relevant experience, which is included in Item 3 in the Explanatory Notes.

The current Directors believe that Mr Curton's experience with oil and gas projects in the USA would provide significant benefits to the Board, and recommend that you vote **FOR** Mr Curton's appointment.

### **William Johnson**

Mr Johnson is nominated by Keybridge Capital Limited (**Keybridge**), of which he is a current non-executive director. Mr Johnson was in fact nominated as a director twice last year - at the meetings held on 20 June and 10 November 2017 – and on both occasions was not successful.

It is important to note that Mr Johnson was also a director of Keybridge during the period of Keybridge's unlawful actions and omissions in relation to attempting to control or influence the composition of the Board of Molopo or the conduct of Molopo as determined by the Takeovers Panel set out in the Review Takeovers Panel's document entitled "**Reasons for Decision - Molopo Energy Limited 03R, 04R & 05R [2017] ARP12**" published on the Takeovers Panel website on 22 August 2017.

Mr Johnson has sought to suggest, in his submission for nomination, that he will act in the interests of all of the shareholders of Molopo and seek that a further 'independent' director also be appointed to the board of Molopo to represent minor shareholders. It is the view of the Board that these statements hardly reconcile to the consistent and damaging actions of Keybridge, who nominates him for directorship.

As a nominee of Keybridge and as explained above, the current Directors recommend that you vote against Mr Johnson's appointment.

### **Anthony Hartnell**

Mr Hartnell is a partner of law firm Atanaskovic Hartnell, which has provided legal advice to Keybridge and Aurora. Mr Jeremy Kriewaldt, one of the other partners of Atanaskovic Hartnell, is currently on the board of Keybridge.

As recently as November 2017, the firm of Atanaskovic Hartnell represented Aurora in their application to the Takeovers Panel in relation to its takeover offer. One of the defeating conditions of Aurora's bid is that Molopo does not incur or commit to any capital expenditure or liability for one or more related items of greater than \$2 million (unless previously announced or consented to by Aurora). Keybridge informed Aurora in November 2017 that Molopo proposed to make a payment which Aurora submitted to the Takeovers Panel that such a payment would trigger the defeating condition of the Aurora takeover bid and Aurora consequently sought an interim order prohibiting Molopo from making the payment until the application was finally determined by the Takeovers Panel. The Takeovers Panel's decision on 8 December 2017 was in favour of Molopo. In particular,

it considered that Aurora was sufficiently put on notice by Molopo's announcement of 22 August 2017 that such payment was likely. The Takeovers Panel was doubtful that any frustrating action would be unacceptable and was not satisfied that Molopo's proposed payment would give rise to unacceptable circumstances.

This year Mr Hartnell has nominated himself as a director. Last year, Keybridge nominated him as a director. Like Mr Johnson, he was nominated by Keybridge at the meeting held on 20 June 2017, but not appointed by shareholders.

As with Mr Johnson, the current Directors believe Mr Hartnell lacks independence and does not have the experience that the Board requires.

As a nominee of Keybridge and Aurora and as explained above, the current Directors recommend that you vote **against** Mr Hartnell's appointment.

### ***Roger Corbett***

Mr Corbett has been nominated by Andrew Metcalf, former company secretary of Molopo.

Mr Corbett has provided a statement of his relevant experience, which is included in Item 3 in the Explanatory Notes. The Board believes Mr Corbett does not have relevant expertise and experience required by the Board, namely oil and gas exploration.

The Board of Molopo is also aware of the views recently expressed by Mr Roger Corbett on the ABC 7.30pm Report, in the context of same sex marriage, that black men are not the same as white men. The views of Mr Corbett are not inclusive and do not appropriately reflect our modern society's views on these important issues. The Board does not believe it can effectively work with Mr Corbett who has expressed views which are out of touch with the qualities Australians expect of their current business leaders.

The current Directors recommend that you vote **against** Mr Corbett's appointment.

## Recommendation from the Molopo Board

The Molopo Directors do not believe the appointment of Keybridge and Aurora's nominees, Mr William Johnson and Mr Anthony Hartnell and the appointment of Mr Roger Corbett to be in the best interest of the Company. As set out in the Update on events involving Keybridge and Aurora:

- It has been determined by the Takeovers Panel (subject to judicial review) that Keybridge and Aurora are associates who are acting in concert. It is critical that Molopo shareholders continue to reject the combined attempts by both Keybridge and Aurora to control Molopo to the detriment of the other shareholders
- Keybridge has initiated two Court actions and recent Court decisions have been in favour to Molopo.
- Any appointment of Keybridge or Aurora nominees as directors will have a significant impact on the Board 's ability to independently and objectively deal with the Keybridge Court actions and consider the Aurora takeover bid, due to the conflict of these nominees with deliberating these issues with the board.

The Molopo Directors **STRONGLY AND UNANIMOUSLY** recommend that you vote:

- a) **FOR** the appointment of Mr Ralph Curton as a director
- b) **AGAINST** the appointment of Mr William Johnson, Mr Anthony Hartnell and Mr Roger Corbett as directors.

## Notice of Meeting

Notice is given that the Annual General Meeting (**AGM**) of Molopo Energy Limited (**the Company**) will be held at the offices of DLA Piper, Level 21, 140 William Street, Melbourne, VIC 3000, on **Thursday 31 May 2018** at **10.00 am** (Melbourne time) for the purposes set out below in this Notice of Meeting.

The Explanatory Notes accompany and form part of this Notice of Meeting and provide additional information on matters to be considered at the meeting.

### Ordinary Business

#### Item 1: Financial Accounts and Reports

To receive and consider the annual financial report, directors' report and auditor's report for the Company for the year ended 31 December 2017.

*Note – there is no resolution required for this item.*

#### Item 2: Remuneration Report

##### Resolution 1

To consider, and if thought fit, to pass the following resolution:

*That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the remuneration report of the Company for the year ended 31 December 2017 be adopted.*

The Board recommends Shareholders vote FOR this resolution.

*Note – the vote of this resolution is advisory only and does not bind the directors.*

*The Company will disregard votes cast on this resolution by certain persons, as described in the 'Voting Information' section below.*

#### Item 3: Election of Directors

To consider and, if thought fit, to pass the following resolutions:

	<i>Resolution</i>	<i>Board recommendation:</i>
<b>Resolution 2</b>	<i>That Mr Baljit Johal be elected as a director.</i>	FOR
<b>Resolution 3</b>	<i>That Mr Matthew Cudmore be elected as a director.</i>	FOR
<b>Resolution 4</b>	<i>That Mr Richard Matthews be elected as a director.</i>	FOR
<b>Resolution 5</b>	<i>That Mr Ralph Curton be elected as a director.</i>	FOR
<b>Resolution 6</b>	<i>That Mr William Johnson be elected as a director.</i>	AGAINST
<b>Resolution 7</b>	<i>That Mr Anthony Hartnell be elected as a director.</i>	AGAINST
<b>Resolution 8</b>	<i>That Mr Roger Corbett be elected as a director.</i>	AGAINST

## Contingent Business

### Item 4: Holding a Spill Meeting

Item 4 will be considered at the AGM only if at least 25% of the votes cast on resolution 1 are against the adoption of the Remuneration Report. The Explanatory Notes further explain the circumstances in which Item 4 will be put to the meeting.

If this condition is satisfied, the following resolution will be put as an ordinary resolution:

#### Resolution 9

That, as required by the Corporations Act:

- (a) a meeting of the Company's members be held within 90 days of the date of the 2018 Annual General Meeting (the **spill meeting**);
- (b) each of Matthew Cudmore and Richard Matthews cease to hold office immediately before the end of the spill meeting (\*); and
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the spill meeting be put to the vote at the spill meeting.

\* This assumes these directors are re-elected at the 2018 AGM.

The Board recommends Shareholders vote AGAINST this resolution.

*The Company will disregard votes cast on this resolution by certain persons, as described in the 'Voting Information' section below.*

By Order of the Directors

Richard Matthews  
Company Secretary  
30 April 2018

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## Voting Information

### Eligibility to vote at the meeting

Molopo has determined, for the purposes of voting at the meeting, that Molopo shares are taken to be held by those shareholders registered at 7.00pm (Melbourne time) on 29 May 2018.

### Proxies

If you are not able to attend the AGM but wish to vote, please complete and return the enclosed proxy form. A proxy need not be a member of the Company. A shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. (If proportions or numbers are not specified, each proxy may exercise half the available votes.)

For the appointment of a proxy to be effective, you must return the completed Proxy Form (and, if the appointment is signed by the appointor's attorney, the authority under which the appointment was signed or a certified copy of the authority) to Computershare Investor Services Pty Ltd (**Computershare**) at least 48 hours before the meeting, i.e. **before 10.00 am on Tuesday 29 May 2018**.

For the convenience of Shareholders, two proxy forms have been included with this notice of meeting – a green proxy form and a white proxy form.

The green form has been completed in line with the recommendations of the Molopo Board. If you wish to vote in accordance with the recommendations of the Molopo Board, you should sign and return the **green** proxy form.

If you do not wish to vote in accordance with the recommendations of the Molopo Board, you should follow the instructions to complete, sign and return the **white** proxy form. You should only return one form.

You can send your proxy form to Computershare by using the Reply Paid Envelope enclosed with this notice (Australia only), or by:

- Posting it to: Computershare Investor Services Pty Limited, GPO Box 242 Melbourne, Victoria 3001 Australia
- Delivering it to: Computershare Investor Services Pty Limited, 452 Johnston Street, Abbotsford, Victoria 3067
- Faxing it to: (within Australia) 1800 783 447 or (outside Australia) +61 3 9473 2555
- Lodging your vote **online**, at [www.investorvote.com.au](http://www.investorvote.com.au) – please follow the instructions at the site. Note that a proxy cannot be appointed online if they are appointed under Power of Attorney or similar authority.

### Corporate Representatives

Corporate shareholders wishing to appoint a representative to attend the meeting on their behalf must provide that person with a properly executed letter (under the common seal of the corporation or otherwise in accordance with section 127 of the *Corporations Act 2001*(Cth) (**Corporations Act**) or signed by an attorney) confirming that they are authorised to act as the company's representative. The authorisation may be effective either for this meeting only or for all meetings of Molopo and should be produced by the representative prior to admission to the meeting.

### Registration

If you are attending the meeting, please bring your personalised proxy form with you. The barcode at the top of the form will make it easier for you to register to vote. If you do not bring your form, you will still be able to attend the meeting, but representatives from Molopo or Computershare will need to verify your identity when registering.

### Undirected Proxies

If a member entitled to vote appoints the Chairman as their proxy and the member does not direct the Chairman how to vote on resolutions 1 or 7, the member may authorise the Chairman in respect of those resolutions to exercise the proxy notwithstanding those items are connected directly or indirectly with the remuneration of a member of the Company's key management personnel. Further details are contained on the proxy form distributed with this notice of meeting.

Where the Chairman is appointed as proxy for a member entitled to vote, the Chairman will (where authorised) vote all undirected proxies **in favour of resolutions 1 to 5 and against resolutions 6 to 9** (if required). Accordingly, if you appoint the Chairman as your proxy and wish to vote differently to how the

Chairman intends to vote on any of the items, you must mark “For”, “Against” or “Abstain” on the proxy form for the relevant item of business.

Molopo encourages all shareholders who submit proxies to direct their proxy how to vote on each resolution.

#### **Other Voting Restrictions - Voting on Remuneration Resolutions**

As required by section 250(R) of the Corporations Act, no member of the Company’s key management personnel, details of whose remuneration are included in the Remuneration Report, or a closely related party of any such member, may vote in any capacity (e.g. as a shareholder, proxy or corporate representative) on resolution 1 or resolution 9 unless:

- the person votes as a proxy appointed by writing that specifies how the person is to vote on the proposed resolution 1 or resolution 9; and
- the vote is not cast on behalf of any such member or closely related party of any such member.

The prohibition in the Corporations Act on members of the Company’s key management personnel voting does not apply to the Chairman of the Meeting as proxy for a member entitled to vote where the proxy appointment expressly authorises the Chairman to vote in that capacity on resolution 1 or resolution 9.

#### **Shareholder questions**

If Shareholders have queries about how to lodge your vote, you can contact our share registry, or the Company:

<b>Computershare</b>	<b>Molopo</b>
Phone 1800 850 505 or +61 (0)3 9415 4000	Phone +61 3 9867 7199
Email <a href="mailto:web.queries@computershare.com.au">web.queries@computershare.com.au</a>	Email <a href="mailto:enquiries@molopoenergy.com">enquiries@molopoenergy.com</a>
Web <a href="http://www.computershare.com">www.computershare.com</a>	Web <a href="http://www.molopoenergy.com">www.molopoenergy.com</a>

## Explanatory Notes

### Item 1: Financial Accounts and Reports

The Corporations Act requires the Company's financial report, Directors' report and auditor's report to be tabled at the AGM. These reports will be released to ASX before the AGM and will also be available at the Company's website, at [www.molopoenergy.com](http://www.molopoenergy.com).

There is no requirement for Shareholders to approve the reports and there is no resolution for this item of business. Shareholders will be given a reasonable opportunity to ask questions on the reports and on the management of the Company.

The auditor (or a suitable representative) is required under the Corporations Act to attend the meeting to be available to take questions on the conduct of the audit and the preparation and content of the auditor's report.

Shareholders may send written questions to the auditor on these matters for response at the meeting. These should be emailed to [enquiries@molopoenergy.com](mailto:enquiries@molopoenergy.com) or mailed to 'MPO Audit', BDO East Coast Partnership, Collins Square Tower 4, Level 18, 727 Collins St, Melbourne, Victoria 3008. Questions must be submitted before 24 May 2018.

The Company is required by law to forward all questions to the auditor and the auditor is required to prepare a list of questions that the auditor considers are relevant to the conduct of the audit and the preparation and content of the auditor's report. The auditor may omit questions that are the same in substance to other questions, questions that are not relevant and questions that are not received in a timely manner.

At the meeting the Chairman will give the auditor a reasonable opportunity to answer the questions on the question list. In addition, copies of the questions will be available at the meeting.

### Item 2: Remuneration Report

As required by the Corporations Act, the Remuneration Report will be submitted to shareholders for consideration and adoption by way of non-binding resolution.

The Remuneration Report for the year ended 31 December 2017 is included in the 2017 Annual Report.

This report shows the remuneration paid to Directors and other key management personnel in 2017. The report also shows the remuneration arrangements of the current directors.

The current executive members of the board have salaries which are significantly lower than their predecessors. This is notwithstanding the significant workload that has been involved in respect of dealing with the litigation commenced by Keybridge, the takeover panel proceedings involving Aurora and the significant travel demands placed on Mr Johal in respect of the efforts being undertaken by the Board to source new oil and gas opportunities for the Company.

The Remuneration Report for the year ending 31 December 2016 was passed by shareholders at the annual general meeting held on 20 June 2017 with 54% of votes voting in favour of the resolution. As more than 25% of votes were against the resolution, this constitutes a 'first strike' under the executive remuneration related provisions of the Corporations Act.

Accordingly, if there are at least 25% votes against the remuneration report at this AGM, then shareholders will have the opportunity to immediately vote on a "Board Spill Resolution". This is explained under Item 4 below.

While noting that each Director has a personal interest in their remuneration, as described in the Remuneration Report, the Board recommends that Shareholders vote in favour of adopting the Remuneration Report. The Chairman intends to vote undirected proxies in favour of resolution 1.

### **Item 3: Election of Directors**

Resolutions 2 to 8 deal with the election of Directors.

#### ***Resolutions 2 to 4 – Current Directors***

Under the Company's Constitution and the ASX Listing Rules, any Director appointed by the Board holds office only until the next AGM, when they must retire, but can renominate for election by the Shareholders.

As at the date of this notice, there are three Directors in office – Mr Baljit Johal, Mr Matthew Cudmore and Mr Richard Matthews. Each of these directors was appointed by the Board after the last AGM, and accordingly renominates for election at this AGM.

The Chairman intends to vote undirected proxies in favour of resolutions 2 to 4.

The profile and experience of these Directors is shown below:

#### **Baljit Johal, BA (Hons), CIMA**

In October 2017, Mr Johal was appointed to the Board as Finance Director. In November 2017, Mr Johal became the Managing Director and Chairman of Molopo.

Mr Johal has over twenty-five years' experience in finance, investment banking, corporate finance and private equity for various corporations including Nomura International, Nova Capital Management, Exxon and White Cloud Capital LLP. Mr Johal has been finance director, financial controller, managed international portfolio's, and formulated investment strategies and exits whilst building strong finance teams. Mr Johal has extensive experience in cash management and turnaround strategies, including having worked on several leading U.K. banks portfolio's and private equity backed investments where growth opportunities were identified and invested in. Mr Johal is an honours graduate in business from the University of North London (now the London Metropolitan University) and is a member of the Chartered Institute Management Accountants.

#### **Matthew Cudmore, BA (Hons)**

In October 2017, Mr Cudmore was appointed to the Board as an Independent Non-Executive Director. Mr Cudmore is a graduate of Durham University, achieving Honours in Economics. He has worked across multiple asset classes within the financial services industry in Sydney, specialising in foreign exchange markets and hedging solutions as a senior currency dealer. Matthew's experience includes having worked for Bell Potter and World First Foreign Exchange. He currently works for the Commonwealth Bank of Australia.

#### **Richard Matthews, BComm, CA**

In December 2017, Mr Matthews was appointed to the Board as the Finance Director (and also appointed as Company Secretary). Mr Matthews is a chartered accountant with extensive commercial and industry experience. He was employed by KPMG NZ where he attained his accounting certification. Mr Matthews has extensive experience working with UK and internationally listed blue-chip companies, such as NYK Shipping Gate Gourmet, Babcock International and Electrolux Home Products Pty Ltd where he held senior financial posts. In addition, Mr Matthews has gained valuable experience working in large multi-national private equity based businesses, such as IDG, Vue International and Atlantis Healthcare, the latter of which he was group financial controller.

Mr Matthews has extensive operational experience involved in setting up and establishing a finance structure, implementing a finance system, establishing internal controls and governance protocols and building a finance team and relationships within the business.

### **Resolution 5 – Mr Ralph Curton**

Resolution 5 proposes the election of Mr Ralph Curton as a Director.

Mr Curton has been nominated by Gilbralt Corporation, a substantial shareholder in Molopo. Mr Curton is a long-time associate and colleague of Mr Samuel Belzberg, who served as non-executive Director of Molopo from July 2015 to his passing in March 2018.

Mr Curton has provided the following statement of his relevant skills and experience:

*For the past four decades, Mr. Curton has been instrumental in creating large oil and gas projects that have included assembling, acquiring, developing, and selling in excess of 50,000 acres of oil and gas leases. Included in these projects were producing properties and development prospects. These projects were spread over a multi state geographical area which include Louisiana, North Dakota, Oklahoma, Texas, and Utah. Mr. Curton began his oil and gas career in 1976 as the owner of a private exploration and production company. He was a pioneer in the exploration of the Cotton Valley Oak Hill oilfield in East Texas, a low-risk, technology-sensitive play covering several hundred square miles. He has served as a director on the board of Amarillo-based EnergyNet.com, the world's largest internet platform for oil and gas properties.*

The current Directors recognise the skills and experience that Mr Curton can bring to the Board.

The Chairman intends to vote undirected proxies in favour of resolution 5.

### **Resolution 6 –Mr William Johnson**

Resolution 6 deals with the proposed election of Mr William Johnson, who is nominated as a director by Keybridge Capital Limited (**Keybridge**). Keybridge is a substantial Shareholder in the Company, holding approximately 18.5% of the shares.

Information on Mr Johnson is set out in the attached statement which has been prepared and provided by Keybridge.

The current Directors do not support the election of Mr Johnson, for the reasons set out in the statement by the current Board provided with this notice of meeting.

The Chairman intends to vote undirected proxies against resolution 6.

### **Resolution 7 –Mr Anthony Hartnell**

Resolution 7 deals with the proposed election of Mr Anthony Hartnell.

Mr Hartnell is a partner of law firm Atanaskovic Hartnell, which has provided legal advice to Keybridge and Aurora. Mr Jeremy Kriewaldt, one of the other partners of Atanaskovic Hartnell, is currently on the board of Keybridge.

This year Mr Hartnell has nominated himself as a director. Last year, Keybridge nominated him as a director. Like Mr Johnson, he was nominated by Keybridge at the meeting held on 20 June 2017, but not appointed by shareholders.

As with Mr Johnson, the current Directors believe Mr Hartnell lacks independence and does not have the experience that the Board requires.

The current Directors do not support the election of Mr Hartnell, for the reasons set out in the statement by the current Board provided with this notice of meeting.

The Chairman intends to vote undirected proxies against resolution 7.

### **Resolution 8 –Mr Roger Corbett**

Resolution 8 deals with the proposed election of Mr Roger Corbett.

Mr Corbett has provided the following statement of his relevant experience:

*Roger Campbell Corbett AO is an Australian businessman. From January 1999 to September 2006, Corbett served as CEO of Woolworths Limited, a large retailing conglomerate. In 2003, Corbett was appointed a Member of the Order of Australia (AM) for service to the retail industry, particularly as a contributor to the development of industry policy and standards, and to the community. In 2008, he was promoted to an officer of the Order of Australia (AO) for service to business, particularly through leadership and executive roles in the retail sector and a range of allied organisations, and to the community.*

The current Directors do not support the election of Mr Corbett, for the reasons set out in the statement by the current Board provided with this notice of meeting.

The Chairman intends to vote undirected proxies against resolution 8.

### **Item 4: Holding a Spill Meeting**

This item will only be considered if at least 25% of the votes cast on resolution 1 are against the adoption of the Remuneration Report.

The Corporations Act includes a “two-strikes” rule on Remuneration Reports, which provides that if at least 25% of the votes cast on the adoption of the remuneration report at two consecutive AGMs are against adopting the remuneration report, members will have the opportunity to vote on a “spill resolution”.

At the 2016 annual general meeting, at least 25% of the votes cast on the resolution to adopt the remuneration report were against adopting the report. This constitutes a “first strike”.

If at least 25% of the votes cast on resolution 1 at this AGM are against adopting the 2017 Remuneration Report, this will constitute a second strike and Item 4 will be put to the meeting and voted on as required by section 250V of the Corporations Act (the **spill resolution**).

If less than 25% of the votes cast on resolution 1 are against adopting the 2017 Remuneration Report, then there will be no second strike and Item 4 will not be put to the meeting.

If put, the spill resolution will be considered as an ordinary resolution.

If the spill resolution is passed, a further meeting of Shareholders must be held within 90 days (the **spill meeting**). Immediately before the end of the spill meeting, each of Matthew Cudmore and Richard Matthews, being the directors who approved the 2017 directors’ report (other than the Managing Director, Baljit Johal), cease to hold office (the **Relevant Directors**). (This assumes each of Matthew Cudmore and Richard Matthews are re-elected at this AGM.)

Each Relevant Director is eligible to seek re-election as a director of the Company at the spill meeting.

If the spill resolution is passed, members should note that each of the Relevant Directors intends to stand for re-election at the spill meeting.

The current Directors do not support the spill resolution.

The Chairman intends to vote undirected proxies against resolution 9.

## **Statement from Keybridge**

**(The statement below has been prepared by Keybridge. It is provided to shareholders as required by section 249P of the Corporations Act. Molopo does not endorse this statement.)**

## NOMINATION OF WILLIAM JOHNSON FOR MOLOPO BOARD

Keybridge Capital Limited (ASX:KBC) is Molopo Energy Limited's second largest shareholder (18.478%) and has for some time had serious concerns regarding the leadership, management, investment strategy and corporate governance of Molopo.

Accordingly, Keybridge has once again nominated one of its Directors, Mr William Johnson, for election to the Molopo Board at its upcoming Annual General Meeting (**AGM**).

Since the last Molopo AGM held on 20 June 2017:

- (1) Molopo's shares have been suspended from trading on ASX since 27 July 2017 with no indication as to if and when the shares will be reinstated for trading.
- (2) Molopo's cash has reduced by in excess of \$17 million from approximately \$65.2 million as at 30 June 2017 to approximately \$48 million as at 31 December 2017.
- (3) Molopo paid Mr Gil Feiler approximately \$8.7 million to acquire a 50% shareholding in BVI registered Orient FRC Ltd, which has a 50% earn-in interest in an oil and gas lease prospect (expiring in May 2019) in Florida, USA and has subsequently lent a further approximately \$6 million to Orient. Under the terms of the investment as announced to ASX, Orient is required to spud an exploration well on the prospect by 1 May 2018 - as at the date of this statement, Molopo has not announced whether a well will be spudded by this date or if not when the well will be spudded.
- (4) None of the four directors elected by shareholders at the last AGM remain. Mr Wayne Trumble resigned as a director in July 2017 (only one month after being re-elected), Mr Alexandre Gabovich was removed as a director by shareholders at Molopo's EGM in November 2017, Mr Ronnen Rosengart resigned as a director in January 2018 and Mr Sam Belzberg passed away recently at the age of 89. Molopo's long term Company Secretary, Mr Andrew Metcalfe, was also replaced in December 2017.
- (5) Molopo has announced delays in filing its financial reports on ASX, including its December 2017 Quarterly Report and 2017 Annual Report.

Mr Johnson's appointment will be a major step in addressing the issues facing the Company as Keybridge's interests align with all other shareholders. Keybridge is seeking a Board seat so it can try and get Molopo back on track as a value accretive oil and gas company.

Shareholders are accordingly encouraged to vote for the election of Mr William Johnson as a Director at the AGM.

In the event that Mr Johnson is elected, he is committed to lobby the Molopo Board to undertake the following actions:

- Appoint an independent Australian resident Director to represent the interests of minority shareholders.
- Commission an independent, forensic analysis of the Orient transaction.
- Develop a clear investment strategy for Molopo and seek shareholder approval for any further significant investments.
- Consider a significant return of capital to shareholders.

## NOMINEE TO THE MOLOPO BOARD



**William Johnson**

MA (Oxon), MBA, MAICD

William Johnson holds a Master's degree in Engineering Science from Oxford University, England and an MBA from Victoria University, New Zealand. His 30-year business career spans multiple industries and countries, with executive/CEO experience in oil and gas exploration (North Africa, Australia and Canada), mineral exploration and investment (Australia, Peru, Chile, Saudi Arabia, Oman and Indonesia), telecommunications infrastructure investment (New Zealand, India, Thailand and Malaysia) and information technology and Internet ventures (New Zealand, Philippines and Australia). Mr Johnson is a highly-experienced public company director and has considerable depth of experience in business strategy, investment analysis, finance and execution.

Between 2006 – 2009, Mr Johnson served as a Director of Drillsearch Energy Limited (ASX:DLS), an oil and gas development company with production and exploration assets in Australia and Canada and laid in place the significant value increase in the company leading to its subsequent acquisition by Beach Energy Limited (ASX:BPT).

William is currently Managing Director of Strike Resources Limited (ASX:SRK), an Executive Director of Bentley Capital Limited (ASX:BEL) and a Non-Executive Director of Keybridge Capital Limited (ASX:KBC) and Yowie Group Ltd (ASX:YOW).

Dated: 18 April 2018

On behalf of Keybridge Capital Limited,



William Johnson  
Director



Victor Ho  
Company Secretary