



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP18/69

Wednesday, 26 September 2018

Molopo Energy Limited 12R – Review Panel Decision

The review Panel has varied the final orders of the initial Panel in *Molopo Energy Limited 10 & 11*¹ by making additional final orders (Annexure A) following a review application dated 20 July 2018 by Molopo Energy Limited in relation to the initial Panel's decision on final orders (see [TP18/53](#) and [TP18/54](#)).²

The review Panel has made further orders that certain former directors of Molopo (i) reimburse Molopo for the costs Molopo was ordered to pay Aurora in the *Molopo Energy Limited 10 & 11* proceedings and (ii) pay costs incurred by Molopo and Keybridge in connection with the *Molopo Energy Limited 10 & 11* proceedings.

The review Panel found, among other things, that the former directors blatantly disregarded Molopo's disclosure obligations on numerous occasions, at times over extended periods, and were directly responsible for the actions taken, or purportedly taken, by or on behalf of Molopo giving rise to the unacceptable circumstances.

The Panel does not often make orders against directors personally. The Panel does not make such orders to punish, but rather because it thinks such orders are appropriate to protect the rights or interests of persons affected by the unacceptable circumstances.

The review Panel considered it was appropriate to make orders against the Former Directors personally including because such orders would protect the rights or interests of Molopo shareholders who have been affected by seriously deficient disclosure in relation to transactions of great significance that caused or contributed to proposed acquisitions of substantial interests in Molopo not proceeding.

The sitting review Panel was Tracey Horton, Michelle Jablko (sitting president) and John Sheahan QC.

¹ [2018] ATP 12

² Molopo did not seek a review of the initial Panel's decision to make a declaration of unacceptable circumstances

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

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**ANNEXURE A
CORPORATIONS ACT
SECTIONS 657EA AND 657D
ORDERS**

MOLOPO ENERGY LIMITED 12R

The Panel in *Molopo Energy Limited 10 & 11* made a declaration of unacceptable circumstances on 8 June 2018 and final orders on 18 July 2018.

The final orders made on 18 July 2018 are varied by inserting new Orders 3, 4 and 5, and renumbering and amending original Order 3, so that new Orders 3 to 6 read as follows:

THE PANEL ORDERS

3. Within 2 months of this order, the Former Directors must pay to Molopo \$70,581.66, representing the total amount paid by Molopo to Aurora pursuant to Orders 1 and 2 made on 18 July 2018. Liability is joint and several.
4. Within 2 months of this order, the Former Directors must pay to Molopo \$91,944.60 representing the costs actually, properly and reasonably incurred by Molopo in the course of the *Molopo Energy Limited 10 & 11* proceedings. Liability is joint and several.
5. Within 2 months of this order, the Former Directors must pay to Keybridge \$46,235 representing the costs actually, properly and reasonably incurred by Keybridge in the course of the *Molopo Energy Limited 10 & 11* proceedings. Liability is joint and several.
6. In these Orders the following terms apply.

Aurora	Aurora Funds Management Ltd, including as responsible entity for the Aurora Fortitude Absolute Return Fund
Former Directors	Messrs Baljit Johal, Matthew Cudmore and Richard Matthews
Keybridge	Keybridge Capital Limited
Molopo	Molopo Energy Limited
Takeover Bid	Aurora's off-market takeover bid for Molopo announced on 12 September 2017

Bruce Dyer
Counsel
with authority of Michelle Jablko
President of the sitting Panel
Dated 26 September 2018