



ASX ANNOUNCEMENT (ASX: MPO)

19 September 2018

USA Legal Proceedings – Update

Molopo Energy Limited (**Company**) refers to its June 2018 Quarterly Activities Report (dated 1st September 2018), in which the Company stated that it had instigated injunction proceedings in the USA against Drawbridge Energy Holdings Limited (**Drawbridge**), registered in the British Virgin Islands, Drawbridge Energy Operation & Management, LLC (**Drawbridge O&M**), Drawbridge Energy US Ventures LLC (**Drawbridge US Ventures**), both Delaware registered limited liability companies, and Orient FRC (US) LLC (**Orient US**), a Texas registered limited liability company.

The injunction proceedings were filed by Molopo to limit further expenditure by Drawbridge of capital contributed by Molopo under a series of transactions undertaken by the former directors of Molopo (the **Orient/Drawbridge Transactions**) without shareholder approval, in contravention of ASX Listing Rules and the Australian Corporations Act.

The Company reports that following a process of court-mandated mediation (attended by representatives of Molopo and Drawbridge, which was unsuccessful in reaching a satisfactory solution), the application for injunction was denied by the Harris County District Court, Houston Texas. As such, Molopo has not been able to impose any legal restraints on further expenditure by Drawbridge of Molopo's contributed funds, at this time.

However, the Company has filed and is actively pursuing further legal claims in the USA against the abovenamed parties, as well as against Mr Michael Keener (**Keener**), Mr Darko Horvat (**Horvat**) and Sopris Energy Investments, Ltd. (**Sopris**) (collectively, the **Defendants**).

Mr Keener is a director of Drawbridge; Mr Horvat, based upon Molopo's knowledge and belief, is a principal of Sopris, which is the majority 70% shareholder of Drawbridge (Molopo indirectly holds the other 30% of Drawbridge, through its wholly owned subsidiary, Orient FRC Ltd).

These legal actions initiated by Molopo include seeking one or more of the Orient/Drawbridge Transactions declared void and an award of damages made to Molopo by the Defendants.

A trial date for the hearing of these claims has yet to be set. The Company will keep shareholders advised as these legal claims progress.

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Company Secretary

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