

MOLOPO ENERGY LIMITED

ANNUAL GENERAL MEETING – WEDNESDAY 22nd MAY 2024

CHAIR ADDRESS

Dear Shareholders,

Welcome to this year's Annual General Meeting.

It is with some considerable disappointment that I report to shareholders that during this past year the Board has been required to primarily focus its efforts on managing the conduct of our defence in relation to the long-running litigation against our subsidiary company Molopo Energy Canada Limited (Molopo Canada) in the Court of Queen's Bench of Alberta, Canada. These proceedings are complex, involved and expensive. They consume a large amount of Directors time, but because of the impact of possible damages must be strenuously defended.

Shareholders will recall that this litigation was commenced by 3105682 Nova Scotia ULC (310) against Molopo Canada in 2011, when the current Board was not involved, following Molopo Canada's sale of its assets to Legacy Oil and Gas Inc, now Crescent Point Holdings Ltd (Legacy). The action comprises a claim for damages in respect of breaches of obligations under an Acquisition and Exploration Agreement between 310 and predecessors of Molopo Canada and an entitlement by 310 to certain claimed interests in those sold assets.

Proceedings were also commenced by 310 against Legacy for damages in relation to certain claimed interests in the assets sold by Molopo Canada to Legacy. Legacy has joined Molopo Canada and Molopo Energy Limited, as third parties in respect of 310's claims against it. The Legacy claims include claims under an indemnity from Molopo Canada for breach of warranties and third party damages claims arising from the sale of the assets to Legacy, which Molopo Canada is defending to the fullest extent permitted given Legacy's due diligence enquiries and knowledge of the of assets at the time of the transaction.

For some 9 years there was little action taken by 310 after commencing the proceedings, until 2021 when 310 filed an Amended Statement of Claim for damages against Molopo Canada and Legacy in the amount of CAD90 million.

Molopo Canada strongly denies these claims and is vigorously defending the proceedings. Throughout 2022 and early 2023, detailed discovery and witness interviews took place, and a deferred mediation date was set down for 5th and 6th December 2023 after the earlier March date was abandoned due to further late claims made by 310 involving additional investigation and consideration. I, along with our legal counsel, attended the mediation in Calgary which was attended by legal and corporate representatives from 310 and Legacy. However despite our genuine attempts to achieve a resolution the mediation was abandoned on day two following 310's failure to appear to continue discussions despite our preparedness to continue given the mediator's encouragement to do so. Although a resolution was not achieved, we did, with the assistance of the experienced mediator, manage to get more clarity on the complex issues in the case.

The proceedings have been set down for trial commencing on 1 October 2024 for eight weeks and the Board will continue to work with its lawyers, Bennett Jones in Calgary, to resolve the litigation before trial, however until such time as it is finalised the Board is restricted from being able to release any funds to shareholders. Rest assured, the Board will be seeking to reach an outcome in

the matter that is in the interests of all shareholders, however if that fails it is likely the matter will go to trial in late 2024 and this will be an expensive and drawn-out process.

It is important for me to point out that to shareholders that in excess of CAD2M has already been expended on defending these proceedings since they began in 2011. The Company is currently and will continue to incur substantial legal costs preparing the matter for trial, and in excess of CAD1.5m in legal fees is expected if the matter does go to trial. Whilst Molopo Canada does not have any funds to meet the 310 claims against it, we are committed to defend our position against Legacy and the claims made against the parent under the cross claim.

As reported in the Annual Report, the Company has approximately AUD16.4M in cash on hand and a debt receivable of approximately AUD4.2M owing to it by Tetra4, a subsidiary of ASX listed Renergen Limited, which is accruing interest from 1 January 2023. In this regard I report that the Board has recently become aware of facts and circumstances which it considers to be breaches of the pre-conditions to the loan repayment which were linked to upstream dividend payments to the parent, and which precluded the repayment of loans to the parent without the consent of Molopo. Accordingly, the Board has demanded repayment and now intends to commence proceedings for its recovery. Again, this will involve expending shareholder funds on further legal proceedings which we will be seeking to recover along with repayment of the loan and all interest. Once again, I should point out that the loan arose in 2013 under a previous Board when it disposed of its assets in South Africa.

Finally on the issue of continuing litigation it was particularly disappointing to report to shareholders in the Annual Report that the Company is now being sued by one of its major shareholders, Keybridge Capital Limited, alleging that it suffered loss and damage with respect of actions undertaken by prior directors in relation to the Drawbridge Transactions as did all shareholders of Molopo. The Board has engaged lawyers and is defending the claims although again at some considerable expense to the Company and its shareholders.

Therefore, with respect to the ongoing operations of running Molopo, the Board are extremely cognisant of legal fees and other operating and regulatory costs which we are seeking to minimise to ensure that shareholders' funds are not eroded unnecessarily until all these actions can be finalised.

So in conclusion, the Board has no alternative but to fight these three legal actions in the interests of shareholders. It is in a sense tedious and very unrewarding to the Board and shareholders. If we are successful in these actions shareholders can be assured, we will seek recovery of all costs again to the extent provided for by law.

I hope this provides shareholders with an adequate update on matters and I will be happy to answer questions once we have completed the formal business of the meeting.