



# MOLOPO ENERGY LIMITED

## ASX ANNOUNCEMENT (ASX:MPO)

19 January 2018

The Manager  
Company Announcements Office  
ASX Limited

### **RELEASE OF FIRST SUPPLEMENTARY TARGET'S STATEMENT - TAKEOVER BID BY AURORA FUNDS MANAGEMENT LIMITED AS RESPONSIBLE ENTITY OF THE AURORA FORTITUDE ABSOLUTE RETURN FUND**

**MOLOPO ENERGY LIMITED (ACN 003 152 154) (Molopo)** today releases its First Supplementary Target's Statement (**First Supplementary Target's Statement**) in relation to the off-market takeover offer made by Aurora Funds Management Limited (ABN 69 092 626 885) as responsible entity of the Aurora Fortitude Absolute Return Fund (ARSN 145 894 800) (**Aurora**) for all the shares in Molopo (**Aurora Offer**).

The First Supplementary Target's Statement accompanies this announcement and supplements and is to be read together with the Target's Statement issued by Molopo dated 28 November 2017. It sets out the unanimous recommendation of the Molopo Board that the Molopo shareholders continue to **REJECT** Aurora's Offer, the Board's reasons for its recommendation and other information that is material to Molopo's shareholders in their assessment of Aurora's Offer.

The First Supplementary Target's Statement has been served on Aurora and lodged with the Australian Securities and Investments Commission (**ASIC**) today.

On 12 January 2018, Aurora announced that, subject to certain conditions, it intends to increase the Aurora Offer price. One of those conditions is that Molopo make an announcement to ASX to the effect that it will not advance further money for its oil exploration project in Florida, USA, referred to in Molopo's 11 December 2017 announcement about that project. That condition cannot be satisfied, as Molopo will be required to fund further amounts, as Molopo has previously announced, including in its 11 December 2017 announcement.

Molopo Shareholders should therefore ignore Aurora's statements about Aurora's alleged conditional intention to increase its Bid consideration.

**Molopo Energy Limited**  
ACN 003 152 154



## MOLOPO ENERGY LIMITED

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

You should read this document in its entirety. It contains the recommendations of the Molopo Directors in relation to Aurora's offer to purchase all of your Molopo Shares. If you are in any doubt as to how to deal with it, you should consult your legal, financial or other professional adviser as soon as possible. If you have any questions about the Offer or this document or about how to reject or accept the Offer, please call 1300 090 795 (for calls within Australia) or +61 3 9415 4320 (for calls outside Australia).

# FIRST SUPPLEMENTARY TARGET'S STATEMENT

by

**MOLOPO ENERGY LIMITED**  
**ACN 003 152 154**

**The Directors of Molopo Energy Limited**

**unanimously recommend that you**

**REJECT** Aurora's Offer

**by TAKING NO ACTION**

**or WITHDRAW** your  
**acceptance (if you previously validly accepted  
Aurora's Offer)**

### **FURTHER INFORMATION**

Please call 1300 090 795 (for calls within Australia) or +61 3 9415 4320 (for calls outside Australia) between 8.30am and 5.30pm Monday to Friday (AEDT) if you require assistance with rejecting or accepting the Offer.

This document is a supplementary target's statement dated 19 January 2018 and is issued by Molopo Energy Limited ACN 003 152 154 (**Molopo**) under section 644 of the *Corporations Act 2001* (Cth) (**Corporations Act**). This is the first supplementary target's statement issued by Molopo in relation to the offer made by Aurora Funds Management Limited (ABN 69 092 626 885) as responsible entity of the Aurora Fortitude Absolute Return Fund (ARSN 145 894 800) (**Aurora**) in its Bidder's Statement dated 26 October 2017 (**Bidder's Statement**).

This supplementary target's statement (**First Supplementary Target's Statement**) supplements and is to be read together with the Target's Statement issued by Molopo dated 28 November 2017. This First Supplementary Target's Statement will prevail to the extent of any inconsistency with the Target's Statement.

A copy of this First Supplementary Target's Statement was lodged with ASIC and provided to ASX on 19 January 2018. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this First Supplementary Target's Statement.

This First Supplementary Target's Statement has been approved by a resolution passed by the Directors. All Directors voted in favour of the resolution.

Words and phrases defined in this First Supplementary Target's Statement have the same meaning as in the Target's Statement unless the context requires otherwise.

19 January 2018

Dear Molopo Shareholder

On 12 January 2018, Aurora issued a notice announcing that the terms of its Offer had been varied by extending the Offer Period from 7.00pm on Friday, 19 January 2018 to 7.00pm on Friday, 20 April 2018.

The terms of the Offer otherwise remain the same. In particular, the Offer Consideration that Aurora is offering for each Molopo Share has not changed.

On 12 January 2018, Aurora announced that, subject to certain conditions, it intends to increase the Offer Consideration. One of those conditions is that Molopo make an announcement to ASX to the effect that it will not advance money to Orient beyond the US\$4.5 million referred to in Molopo's 11 December 2017 announcement about the Orient Project. That condition cannot be satisfied, as Molopo will be required to fund further amounts, as Molopo has previously announced, including in its 11 December 2017 announcement.

Molopo Shareholders should therefore ignore Aurora's statements about Aurora's alleged conditional intention to increase its Bid consideration.

This First Supplementary Target's Statement also provides further information regarding the proposed off-market takeover offer for Molopo Shares that was announced by WAM on the ASX on 8 November 2017, and that was subsequently withdrawn by WAM on 4 January 2018. Please refer to Section 4 of this First Supplementary Target's Statement for further information.

The Directors continue to unanimously recommend that you **REJECT** Aurora's Offer as they consider that Aurora's Offer is inadequate and that it continues to be a significant liquidity risk for Molopo Shareholders.

Please refer to Section 2 of this First Supplementary Target's Statement and section 1.2 of the Target's Statement for the reasons why you should reject Aurora's Offer.

You are encouraged to read the Target's Statement and this First Supplementary Target's Statement in full and seek appropriate professional advice if necessary before taking any action (if any) in response to Aurora's Offer.

Yours sincerely,



Baljit Johal  
**Chairman**  
**MOLOPO ENERGY LIMITED**

## **1 EXTENSION OF OFFER PERIOD**

On 12 January 2018, Aurora announced that the terms of its Offer had been varied by extending the Offer Period from 7:00pm (Melbourne time) on Friday 19 January 2018 to 7:00pm (Melbourne time) on Friday 20 April 2018. A copy of Aurora's announcement dated 12 January 2018 is set out as Annexure A to this First Supplementary Target's Statement.

As a result of the Offer Period being extended, Molopo Shareholders, who validly accepted Aurora's Offer on or before 12 January 2018, have the right to withdraw their acceptance of Aurora's Offer.

Accordingly, the Molopo Directors recommend that any Molopo Shareholders who have accepted the Aurora Offer, should exercise their withdrawal rights and withdraw their acceptance of the Aurora Offer.

Details on how to exercise your right to withdraw your acceptance of the Aurora Offer are set out in section 3 of Aurora's ASX Announcement dated 12 January 2018.

## **2 REASONS WHY YOU SHOULD REJECT AURORA'S OFFER**

The Directors unanimously recommend that you **REJECT** Aurora's Offer (as varied) as they consider that Aurora's Offer is inadequate and that it continues to be a significant liquidity risk for Molopo Shareholders.

Please refer to Section 1 of the Target's Statement for the reasons why you should reject Aurora's Offer. In addition, Molopo Shareholders should consider the below.

### **2.1 The terms of Aurora's Offer have not changed**

The only change that Aurora has made to the Offer, is to extend the term of the Offer Period from 7.00pm (Melbourne time) on Friday, 19 January 2018 to 7.00pm (Melbourne time) Friday, 20 April 2018. Other than this variation, the terms of the Offer that are set out in its Bidder's Statement dated 26 October 2017 have not changed.

### **2.2 Other reasons to reject Aurora's Offer**

Please refer to section 1 of the Target's Statement for further details and additional reasons as to why you should reject the Aurora Offer.

In particular, acceptance of Aurora's Offer may cause you to be issued AFARF Units as well as cash. As noted in the Target's Statement, the cash consideration under the revised Offer will be capped at \$5 million in total. If the cash consideration under all accepted Offers exceeds \$5 million, the acceptances for cash consideration will be scaled back on a pro rata basis and the excess consideration for your Molopo Shares will be satisfied by the issuance of new AFARF Units. Once acceptances under the Offer exceed approximately 15% of all Molopo Shares, accepting Molopo Shareholders will no longer receive all cash consideration, but will instead be issued part cash and part AFARF Units for their Molopo Shares and will become unitholders in AFARF.

As set out in section 1.2.2 of the Target's Statement, you should be concerned about the following in relation to an investment in ARARF Units:

- 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;
- there may not be a liquid market for AFARF Units, which are not listed on any securities

exchange; and

- AFARF Units may not be immediately redeemable for cash.

Further, Aurora's Offer continues to be hostile and highly conditional. Please refer to section 12.8 of the Bidder's Statement and section 5 of Aurora's ASX Announcement dated 12 January 2018 for further details in relation to all of the conditions to Aurora's Offer.

### **3 CONDITIONAL INCREASE TO OFFER CONSIDERATION**

In its ASX announcement dated 12 January 2018, Aurora advised of its intention to increase the Offer Consideration subject to the satisfaction of certain conditions. These conditions are set out in section 4 of Aurora's ASX announcement dated 12 January 2018 and are briefly described below:

- Molopo obtaining a relevant interest in more than 30% of Molopo Shares;
- Molopo issuing an ASX announcement in relation to the Orient Project that includes a statement from Molopo that apart from the US\$4.5 million that Molopo advanced to Orient on 11 December 2017, it has not paid any further funds to any person in connection with the Orient Project and will not do so and Molopo has no further obligation to pay any amount to Orient (for full details, please refer to condition 4(b) in Aurora's announcement); and
- all defeating conditions in section 12.8 of the Bidder's Statement being satisfied (except to the extent any are waived by Aurora), noting there are 19 such defeating conditions.

Condition 4(b) in Aurora's announcement cannot be satisfied, as Molopo will be required to fund further amounts, as Molopo has announced, including in its 11 December 2017 announcement. As previously disclosed in its ASX announcements, Molopo has existing and ongoing obligations to fund 50% of certain costs that Orient is required to pay in relation to the Orient Project, which as at the date of Molopo's ASX announcement dated 11 December 2017, were estimated to be approximately US\$20 million.

Molopo Shareholders should therefore ignore Aurora's statements about Aurora's alleged conditional intention to increase its Bid consideration.

### **4 WITHDRAWAL OF WAM OFFER**

On 8 November 2017, WAM announced on the ASX that it intended to make an off-market takeover bid for all Molopo Shares at a bid price of \$0.135 per Molopo Share.

On 11 December 2017, Molopo announced to the ASX an update in relation to its funding commitments for its investment in Orient FRC Limited (**Funding Update**).

On 4 January 2018, WAM announced the withdrawal of its intention to make a takeover bid for Molopo stating that "additional expenditure commitments" announced in the Funding Update triggered the 'no material transactions' condition detailed in WAM's announcement dated 8 November 2017. Consequently, WAM withdrew its intention to make a takeover bid for Molopo.

A copy of WAM's announcement dated 4 January 2018 is set out as Annexure B to this First Supplementary Target's Statement.

### **5 CONSEQUENCES OF WITHDRAWAL OF WAM OFFER**

Following WAM's announcement that it has withdrawn its intention to make an off-market takeover

bid for Molopo, Aurora's Offer is the only takeover offer currently available to Molopo Shareholders.

Consequently, Molopo Shareholders have the following choices:

- **REJECT Aurora's Offer** and remain a Molopo Shareholder (unless your Molopo Shares are compulsorily acquired), in which case you do not need to take any action; or
- **accept Aurora's Offer** for all of your Molopo Shares (please see below and refer to Section 2 of this First Supplementary Target's Statement and section 1.2 of the Target's Statement for the reasons why Molopo Shareholders should reject Aurora's Offer).

The Directors unanimously recommend that you **REJECT** Aurora's Offer as they consider that Aurora's Offer is inadequate and that it continues to be a significant liquidity risk for Molopo Shareholders.

Please refer to Section 2 of this First Supplementary Target's Statement and section 1.2 of the Target's Statement for the reasons why you should reject Aurora's Offer.

## **6 APPROVAL OF FIRST SUPPLEMENTARY TARGET'S STATEMENT**

This First Supplementary Target's Statement has been approved by a resolution passed by the Directors of Molopo in accordance with section 645(3)(a) of the Corporations Act.

Signed for and on behalf of Molopo by:



**Baljit Johal**  
**Chairman and Managing Director**  
19 January 2018

**Annexure A - ASX Announcement by Aurora dated 12 January 2018**

## Aurora Absolute Return Fund

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Aurora Funds Management Limited ("Aurora") provides an update regarding Aurora Fortitude Absolute Return Fund ("AFARF"), which impacts the Aurora Absolute Return Fund.

### Further information

If you have any queries or concerns, please contact us.

Telephone: 1300 553 431

Email: [enquiries@aurorafunds.com.au](mailto:enquiries@aurorafunds.com.au)

Aurora Funds Management Limited | ABN 69 092 626 885 | AFSL No. 222110

12 January 2018

**This is an important document and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your legal, financial or other professional adviser.**

12 January 2018

**NOTICE OF VARIATION OF AURORA'S TAKEOVER BID FOR MOLOPO TO EXTEND  
OFFER PERIOD AND ANNOUNCEMENT OF CONDITIONAL INCREASE IN BID  
CONSIDERATION**

**1. Introduction**

This notice relates to the off-market takeover bid (**Bid**) made by Aurora Funds Management Limited ABN 69 092 626 885 (**Aurora**) as responsible entity of the Aurora Fortitude Absolute Return Fund ARSN 145 894 800 (**AFARF**) to acquire the ordinary shares (**Molopo Shares**) in Molopo Energy Limited ABN 79 003 152 154 (**Molopo**) under the bidder's statement (**Bidder's Statement**) dated 26 October 2017. Unless the context otherwise requires, a defined term in the Bidder's Statement has the same meaning in this document.

This notice sets out the terms of the variation of the Offers under the Bid and is being sent to you and the other persons to whom Offers have been made, in accordance with section 650D of the Corporations Act.

By this notice, Aurora varies the terms of the Offers made under the Bid by extending the closing date of the Offer Period as set out in section 2 below.

Aurora also announces an intended increase in the consideration it is offering for Molopo Shares **provided that** certain conditions are met as set out in section 4 below.

**2. Extension of Offer Period**

Aurora **hereby gives notice** that the Offer Period is extended so that **Offers will remain open for acceptance until Friday 20 April 2018 at 7:00 pm (Melbourne time)**, unless withdrawn or further extended in accordance with the Corporations Act.

The Offers are currently subject to all of the defeating conditions set out in section 12.8 of the Bidder's Statement. As a result of the Offer Period being extended, Aurora **hereby gives notice** in accordance with section 630(2)(b) of the Corporations Act that:

- (a) the new date that Aurora is required to give notice as to the status of the defeating conditions, as required by section 630(1) of the Corporations Act, is Friday 13 April 2018 (subject to any further extension of the Offer Period); and
- (b) as at the date of this notice, the Offers have not been freed of any defeating condition and, so far as Aurora is aware, none of the defeating conditions have been fulfilled.

### 3. **Withdrawal right**

As a result of the Offer Period being extended, Aurora **hereby gives notice** in accordance with section 650D(1)(a)(ii) of the Corporations Act that if you have validly accepted the Offer on or before the date of this notice, you have a right to withdraw that acceptance in accordance with section 650E of the Corporations Act.

If you wish to withdraw your acceptance, you must give Aurora written notice (**Withdrawal Notice**) of the withdrawal of your acceptance of the Offer within 1 month (**Withdrawal Period**) beginning on the day after the day on which you receive this notice. If a Withdrawal Notice is received after the Withdrawal Period, it will not be accepted and, accordingly, the purported exercise of your right to withdraw your acceptance will not be effective.

There are different ways to provide a Withdrawal Notice, depending on how you hold your Molopo Shares:

**Issuer sponsored holdings:** A Withdrawal Notice must be sent to Aurora in writing by one of the following methods:

**By email:**

[enquiries@aurorafunds.com.au](mailto:enquiries@aurorafunds.com.au)

**By hand delivery or post:**

Aurora Funds Management Limited  
Suite 613, Level 6  
370 St Kilda Road  
Melbourne VIC 3004

**CHESS Holdings:** A Withdrawal Notice must be given in the form of:

- (a) a valid originating message transmitted to ASX Settlement Pty Ltd by your Controlling Participant (usually your broker) in accordance with rule 14.16.1 of the ASX Settlement Operating Rules; or
- (b) a notice in writing to Aurora setting out the information that Aurora requires to enable it to transmit a valid message to ASX Settlement Pty Ltd on your behalf in accordance with rule 14.16.5 of the ASX Settlement Operating Rules, which is sent to Aurora by email, hand delivery or post as set out above.

In order to assist Aurora to process withdrawals, please ensure any Withdrawal Notice sent to Aurora sets out the full name of the registered Molopo Shareholder withdrawing its acceptance as well as the number of Molopo Shares for which the Molopo Shareholder is seeking to exercise its withdrawal right.

If you are legally entitled to give a Withdrawal Notice, and do so within the Withdrawal Period, then within 14 Business Days after the day on which you give the Withdrawal Notice, Aurora will return to you any documents that you sent to Aurora with your Acceptance Form.

If you have already accepted Aurora's Offer and do not wish to withdraw your acceptance, you do not need to do anything.

#### 4. Conditional increase in Bid consideration

The Bid consideration currently offered is \$0.135 for each Molopo Share.

However, subject to certain conditions (**Consideration Increase Conditions**) being fulfilled, Aurora intends to increase the Bid consideration to **\$0.153 for each Molopo Share**, an increase of \$0.018 (or approximately 13.3%) for each Molopo Share.

The Consideration Increase Conditions are that, before the date Aurora is required to give notice as to the status of the defeating conditions as specified in section 2(a) above (currently Friday 13 April 2018, but subject to any further extension of the Offer Period):

- (a) Aurora as responsible entity of AFARF has a relevant interest in more than 30% (by number) of Molopo Shares on issue at that time;
- (b) Molopo has made an announcement to ASX to the effect that apart from the US\$4.5 million that Molopo announced to ASX on 11 December 2017 it had advanced to Orient FRC Ltd (**Orient**) in connection with an exploration and development agreement for an oil and gas exploration project (**Orient Project**) in South Florida in the United States of America:
  - (1) Molopo has not paid or advanced (or committed or otherwise agreed to pay or advance) any further funds to any person under or in connection with the Orient Project, and will not do so (and, in particular, Molopo has no further obligation to pay or advance any amount to Orient including up to 50% of the at least US\$20 million of funds which Molopo claims Orient is expected to be required to hold in connection with the Orient Project); and
  - (2) Molopo has not done and will not do anything else that would result in the non-fulfilment of the 'no material capital commitment or liability' defeating condition set out in section 12.8(f)(4) of the Bidder's Statement; and
- (c) all defeating conditions to which the Offers are subject as set out in section 12.8 of the Bidder's Statement are fulfilled, except to the extent any is waived by Aurora (see section 5 below as to Aurora's intention to waive the '50.1% minimum acceptance' and 'no material capital commitment or liability' conditions set out in section 12.8(a) and 12.8(f)(4) of the Bidder's Statement).

#### *If Bid consideration is increased*

If the Bid consideration is increased, you may still elect to receive the Bid consideration in cash and/or by the issue of new AFARF Units with an equivalent value.

Further, the cash consideration under the Bid would still be capped at \$5 million in total. If the cash consideration under all accepted Offers would exceed \$5 million, the acceptances for cash consideration will be scaled back and the excess consideration will be satisfied by the issuance of new AFARF Units. Accordingly, if you accept the Offer and elect to receive cash consideration for your Molopo Shares, the quantum of cash consideration that you will be entitled to receive will depend on the level of all acceptances for cash consideration. To the extent you do not receive cash consideration, the balance of the consideration to which you are entitled will be provided by the issuance of new AFARF Units of equivalent value.

AFARF Units are not quoted on ASX or any other financial market but can be redeemed (subject to any redemption restrictions in place at the time a redemption application is made). See sections 1.3, 4.21 and 12.1 of the Bidder's Statement for further information.

*If Bid consideration is not increased*

If the Bid consideration is not increased, it will remain at \$0.135 for each Molopo Share.

## 5. **Current intention in relation to defeating conditions**

Aurora provides the following update in relation to its intentions in relation to some of the defeating conditions. Full details of the defeating conditions are set out in section 12.8 of the Bidder's Statement.

By providing this update, which is a statement of current intention only, Aurora does not waive fulfilment of any defeating condition.

### *50.1% minimum acceptance*

This condition (set out in section 12.8(a) of the Bidder's Statement) will **not** be fulfilled if, at the end of the Offer Period, Aurora as responsible entity of AFARF does **not** have a relevant interest in more than 50.1% (by number) of Molopo Shares on issue at that time.

This condition had not yet been fulfilled, and may not be by the end of the Offer Period. However, if Aurora as responsible entity of AFARF were to have a relevant interest in more than 30% (by number) of Molopo Shares on issue at the end of the Offer Period, Aurora's current intention is that it would waive fulfilment of this defeating condition.

### *No material capital commitment or liability*

This condition (set out in section 12.8(f)(4) of the Bidder's Statement) will **not** be fulfilled if, during the period starting on 12 September 2017 and ending at the end of the Offer Period, Molopo, or any subsidiary of Molopo, incurs or commits to, or grants to another person a right the exercise of which would involve Molopo or any subsidiary of Molopo incurring or committing to any capital expenditure or liability for one or more related items of greater than \$2 million, or makes an announcement about such a commitment, without Aurora's written consent, unless reasonably full details of the proposed commitment had been publicly announced by Molopo before 12 September 2017.

As noted above, on 11 December 2017, Molopo announced that it had that day advanced US\$4.5 million to Orient in connection with Orient Project. Molopo also announced that Orient is expected to be required to hold funds of at least US\$20 million in connection with the Orient Project, that Molopo was responsible for funding 50% of those costs, and that the US\$4.5 million payment part satisfied that obligation. In the circumstances, it appears that Molopo is required to provide further funds of at least US\$5.5 million to Orient.

Accordingly, this defeating condition is not able to be fulfilled. However, apart from the US\$4.5 million that Molopo says it advanced to Orient on 11 December 2017, provided Molopo does not pay or advance any further funds to any person under or in connection with the Orient Project before the end of the Offer Period or do anything else that would result in the non-fulfilment of this defeating condition, Aurora's current intention is that it would waive the non-fulfilment of this defeating condition due to the US\$4.5 million advance referred to above.

Aurora notes that a competing takeover bid for Molopo announced by WAM Capital Limited (**WAM**) was recently withdrawn because, according to WAM's ASX announcement of the withdrawal, the additional expenditure commitments announced by Molopo on 11 December 2017 triggered the 'no material transactions' defeating condition of WAM's proposed bid. In the circumstances, were the directors of Molopo to facilitate any further transfer of Molopo's cash reserves overseas for the Orient Project or otherwise, they would be jeopardising the only remaining takeover bid for the company and potentially deny Molopo Shareholders the ability to sell their Molopo Shares under Aurora's Bid for increased consideration.

6. **No change to other Offer terms**

Except for the variation to extend the Offer Period set out in this notice, the terms of the Offer made to you by Aurora for your Molopo Shares remain the same.

In particular, the Offer terms relating to the Bid consideration have not changed because Aurora's intention to increase the Bid consideration as described in this notice is subject to conditions, which may not be fulfilled.

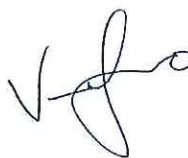
7. **Other information**

This notice is dated, and a copy of it was lodged with ASIC and given to ASX and Molopo, on 12 January 2018. ASIC and ASX take no responsibility for the contents of this notice.



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**John Patton**  
Managing Director



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**Victor Siciliano**  
Director

**Annexure B - ASX Announcement by WAM dated 4 January 2018**



4 January 2018

#### ASX ANNOUNCEMENT

Company Announcements  
ASX Limited  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

#### **WAM Capital Limited (ASX: WAM) announces withdrawal of intention to make a takeover bid for Molopo Energy Limited (ASX: MPO)**

WAM Capital Limited (ACN 086 587 395) (**WAM Capital**) announced on 8 November 2017 its intention to make an off-market takeover bid for all the issued fully paid ordinary shares in Molopo Energy Limited (ACN 003 152 154) (**Molopo**), for \$0.135 per share (**Offer**).

The Offer was [announced](#) following a review of publicly available information relating to Molopo at the time and was subject to a number of defeating conditions, including a 'no material transactions' condition that, between 8 November 2017 and the close of the Offer, Molopo does not incur or commit to any capital expenditure or liability for one or more related items of greater than A\$2 million.

Molopo announced to the ASX on 11 December 2017 an update in relation to the financial commitments for its investment in Orient FRC Limited (**Orient Project**). This announcement included updated estimates in relation to future cash requirements for the Orient Project and an upfront payment of US\$4.5 million towards the costs of the investment. The update included a summary budget for the drilling of the three commitment wells, general, administrative and project management costs of the Orient Project and completing the three commitment wells. This total budgeted amount is now estimated to be approximately US\$20 million. Molopo stated it is responsible for funding 50% of these costs in addition to the US\$4.5 million payment.

The announced additional expenditure commitments have triggered the 'no material transactions' condition detailed in WAM Capital's 8 November 2017 [announcement](#). As a result, WAM Capital is withdrawing its proposed Offer.

For further information in relation to this announcement, please contact me on (02) 9247 6755, Head of Corporate Affairs, James McNamara on 0416 734 080 or Chief Financial Officer, Jesse Hamilton on 0401 944 807.

Yours sincerely,

**Geoff Wilson**  
Chairman

**W | A | M Capital**

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