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).

THIRD SUPPLEMENTARY TARGET'S STATEMENT

OF 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.

MOLOPO ENERGY LIMITED

1. IMPORTANT NOTICES

This document is a supplementary target's statement dated 28 May 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 third 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 (**Third Supplementary Target's Statement**) supplements and is to be read together with the Target's Statement issued by Molopo dated 28 November 2017, the First Supplementary Target's Statement issued by Molopo dated 19 January 2018 and the Second Supplementary Target's Statement issued by Molopo dated 19 March 2018. This Third Supplementary Target's Statement will prevail to the extent of any inconsistency with the Target's Statement, the First Target's Statement and the Second Target's Statement.

A copy of this Third Supplementary Target's Statement was lodged with ASIC and provided to ASX on 28 May 2018. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this Third Supplementary Target's Statement.

Capitalised terms used but not defined in this Third Supplementary Target's Statement have the same meaning as in the Target's Statement, unless the context requires otherwise.

2. INFORMATION ABOUT MOLOPO

2.1 Shareholder Update

Molopo has undertaken a series of transactions to secure and protect its interest in the Orient Project and provides the following updates to shareholders. Further details in respect to these updates are contained in the ASX announcement dated 8 May 2018 titled "Molopo De-Risks by Diversifying its Oil and Gas Exploration Portfolio" (**ASX Announcement**). The ASX Announcement comprises part of this Third Supplementary Target's Statement and is enclosed in the Annexure A below.

2.1.1 On 30 January 2018, Orient redeemed all of the remaining 50% of shares in Orient held by Molopo's joint venture partner for a redemption amount of US$7 million (**Orient Redemption**) (refer to section 3 of the ASX Announcement for further details).

2.1.2 Following completion of the Orient Redemption, Molopo sole funded the remaining amounts required by the Orient Project, in accordance with its current budget for the project, in an aggregate amount of US$21 million (refer to section 4 of the ASX Announcement for further details).

2.1.3 On 21 February 2018, Orient entered into a contribution agreement with Drawbridge Energy Holdings Ltd (**Drawbridge Holdings**) pursuant to which it agreed to (i) transfer its 100% interest in Orient FRC (US) LLC (**Orient US**), a wholly owned subsidiary of Orient; and (ii) assign Orient's interest in the Orient Project to Orient US at completion, in consideration for 3000 class A ordinary shares (**Class A Shares**) representing 30% of the equity interests in Drawbridge Holdings (**Combination Transaction**) (refer to section 6 of the ASX Announcement for further details).

2.1.4 The rights of the Class A Shares are as follows:

2.1.4.1 the Class A Shares provide Orient (and thus Molopo) with a right to appoint a director to the board of Drawbridge Holdings (**Class A Director**);

2.1.4.2 the Class A Shares are non-voting shares - except for voting in relation to the amendment of the rights of the Class A shares and/or appointment/removal of the Class A Director;

2.1.4.3 the Class A Shares carry a right to share equally in any dividend and/ or distribution of surplus assets of Drawbridge Holdings;

2.1.4.4 the Class A Shares carry pre-emptive rights on new issues (which may be waived by the board of directors). Transfers of Class A Shares are subject to tag-along rights; and

2.1.4.5 the Class A Shares carry a right to appoint the Class A Director, but any replacement must be approved by a majority in interest of holders of class B shares.

Refer to section 6 of the ASX Announcement for further details.

2.1.5 Drawbridge Holdings is a newly formed enterprise comprised of an experienced investment, commercial and technical team with a senior management and investment committee with over 100 years of domestic and international oil and gas experience (refer to section 9 and Appendix A of the ASX Announcement for further details). Drawbridge Holdings holds a diversified oil and gas exploration portfolio with indirect interests in the following projects (refer to section 7 of the ASX Announcement for further details):

2.1.5.1 Texas, Permian Basin, Fenix Project: an interest in Fenix DB, LLC, a privately owned exploration and production company headquartered in Houston, Texas with assets located in the Permian Basin;

2.1.5.2 South East Texas Gulf Coast, Onshore: exploration and development opportunity onshore in the South East Texas Gulf Coast;

2.1.5.3 South East Texas Gulf Coast, Offshore: seven offshore Gulf of Mexico lease blocks representing 40,320 gross acres; and

2.1.5.4 USA Drilling Prospect Participation: numerous other single and multiple well drilling opportunities.

2.1.6 Following completion of the Combination Transaction Molopo has approximately A$16.904 million in cash and cash equivalents as at 31 March 2017 (refer to section 8 of the ASX Announcement for further details).

2.1.7 Drawbridge Energy Operations & Management LLC was appointed to operate the Orient Project.

2.1.8 On 25 April 2018, Kerogen Florida Energy Company, L.P. agreed subject to certain conditions, to extend the drilling deadline for the spudding of the first commitment well for the Orient Project to 1 April 2019 (refer to section 5 of the ASX Announcement for further details).

2.2 South East Texas Gulf Coast Onshore Project

On 28 May 2018, Molopo provided further details on an independent evaluation report dated 17 April 2018 (**DUEPC Report**) prepared by Dynamic Upstream E&P Consultants LLC (**DUEPC**) in relation to the "South East Texas Gulf Coast, Onshore" project (**SE Onshore Announcement**). The SE Onshore Announcement comprises part of this Third Supplementary Target's Statement and is enclosed in the Annexure B below.

2.2.1 The project area lies in the Expanded Yegua producing trend of the Texas Gulf Coastal Plain in Liberty, Hardin and Chambers Counties, Texas, and consist of the following 12 prospects being developed by Drawbridge Holdings:

2.2.1.1 three prospects which have licensed 3D-seismic data and in respect of which DUEPC was able to provide an independent evaluation of the geologic risks, probabilistic volumetrics, and economics of these Prospects (**Addax, Bongo and Leopard Prospects**);

2.2.1.2 eight other prospects which are in the Yegua trend which, due to Drawbridge Energy not yet having 3D-seismic data licensed, were reviewed and analyzed by DUEPC using a "proxy prospect" in a portfolio sense (**Other Yegua Trend Prospects**); and

2.2.1.3 an additional deeper prospect in the Cook Mountain area has also been identified and mapped but DUEPC could not review it at this time (**Cook Mountain Prospect**).

2.2.2 Leopard Prospect

The Leopard Prospect is a southwest to northeast-trending Amplitude vs Offset (**AVO**) anomaly that is bounded to the southeast by a fault. The northwest, southwest, and northeast flanks of the prospect form apparent stratigraphic traps. Refer to Section 4 of the SE Onshore Announcement for further details.

2.2.3 Bongo Prospect

The Bongo Prospect is a southwest to northeast-trending AVO anomaly that is bounded to the northwest and southeast by faults. To the northeast and southwest, the AVO anomaly appears to have stratigraphic limits. Refer to Section 4 of the SE Onshore Announcement for further details.

2.2.4 Addax Prospect

The Addax Prospect sits between two faults in a structural low – the northeast and southwest boundaries of the trap are purely stratigraphic. The thin polygon on the south side is not a fault but a clear stratigraphic feature, likely a clay-filled channel. Refer to Section 4 of the SE Onshore Announcement for further details.

2.2.5 Geologic Risks of Addax, Bongo and Leopard Prospects

DUEPC considers the Addax, Bongo and Leopard Prospects to be low-risk (high probability of occurring) opportunities. The probability of geologic success (P_g), i.e., the chance of finding moveable hydrocarbons (getting on the hydrocarbon distribution at the P99 volume), is probable to most probable. The risk factors involved in calculating P_g and DUEPC's assessment of P_g for each prospect are detailed in section 4 of the SE Onshore Announcement.

2.2.6 Other Yegua Trend Prospects and Cook Mountain Prospect

Drawbridge Energy Operations and Management, LLC (**Drawbridge Energy**) has identified and earlier mapped nine other prospects in the project area. However, as Drawbridge Energy has not yet licensed the 3D-seismic data, DUEPC could not do an evaluation similar to the three prospects already discussed on the same basis at this time. However, DUEPC have reviewed these other prospects and provided pro forma portfolio review including the three evaluated prospects giving various economic evaluations on this 12-prospect portfolio.

The Cook Mountain Prospect cannot be reviewed by DUEPC at this time as there is very limited data and this prospect is a different objective at a much deeper depth. DUEPC however believes this should be considered as "potential upside" but cannot be included in its evaluation.

Refer to Section 5 of the SE Onshore Announcement for further details.

2.2.7 Prospective Resource Estimates

In accordance with industry guidelines (i.e. the Society of Petroleum Engineers and others, 2011), all potential hydrocarbons identified by Drawbridge Energy are classified by DUEPC as "prospective resources" as they are undiscovered.

Refer to section 6 of the SE Onshore Announcement for details on the prospective resources estimates.

2.3 Independent Technical Assessment Report

Molopo has engaged an independent technical specialist to prepare an independent technical assessment report, which will be prepared in accordance with the VALMIN Code 2015, in respect to the Drawbridge Holdings projects (including the Orient Project) and will publish the report to shareholders once available.

2.4 ASX Matters

On 11 May 2018, Molopo received a letter from the ASX (**ASX Letter**) stating (amongst other matters) that based on the information provided to date, including the ASX Announcement, ASX considers that Molopo's acquisition of 50% of the shares in Orient from Dr Gil Feiler for US$7 million (announced on 22 August 2017) (**Orient Transaction**) including the modifications outlined in the ASX Announcement, Molopo's quarterly cashflow report and commentary for the three months ended 31 March 2018 and Molopo's annual report to shareholders for the year ended 31 December 2017 (together the **Transactions**), to be a significant change to the nature and scale of Molopo's activities. ASX has determined that it should exercise its discretion under Listing Rule 11.1.2 and, in the particular circumstances of this case, determined that it should also exercise its discretion under Listing Rules 11.1.3 to require Molopo to:

2.4.1 seek shareholder approval in respect to the Transactions (**Shareholder Approval**); and

2.4.2 satisfy the requirements in Chapters 1 and 2 of the Listing Rules as if it were applying for admission to the official list of the ASX (**Re-admission**).

In addition, ASX considers that Molopo:

2.4.1 has committed serious breaches of the Listing Rules, including Listing Rules 11.1 and 3.1; and

2.4.2 may have also breached certain provisions under the Corporations Act.

ASX notes that:

2.4.1 it will be referring its findings to ASIC for ASIC to consider whether action should be taken against Molopo under the Corporations Act in relation to the matters referred to in the ASX Letter;

2.4.2 Molopo Shares will remain suspended until ASIC advise ASX that they have completed their deliberations in this regard; and

2.4.3 should Molopo receive Shareholder Approval and proceed to apply for Re-admission, ASX will have due regard to the events and the breaches of the Listing Rules detailed in the ASX Letter in deciding whether or not it should exercise its discretion under Listing Rule 1.19 to refuse that application and will also have regard to the involvement of the current directors of Molopo in these events in determining whether Molopo satisfies the requirement for Re-admission under Listing Rule 1.1 condition 20.

Refer to the ASX Letter published on Molopo's ASX platform on 11 May 2018, in particular pages 3 and 4 of the ASX Letter, for further details.

Having regard to the ASX Letter, Molopo wishes to advise shareholders that it intends to:

2.4.1 seek shareholder approval in respect to the Transactions;

2.4.2 seek to satisfy the requirements in Chapters 1 and 2 of the Listing Rules; and

2.4.3 engage with the ASX to address the issues identified in the ASX Letter.

Molopo is currently working with its legal advisers to consider and address the issues identified in the ASX Letter.

2.5 Takeover Panel Proceedings

On 11 May 2018, Molopo received an application to the Takeovers Panel from Aurora seeking an order that "*all of the transactions that are capable of being unwound be unwound*" and if such an order is not made (or complied with) and Aurora withdraws its bid due to the frustrating actions, an order for costs associated with its bid be made instead.

On 14 May 2018, the Panel announced that a sitting Panel had not been appointed and no decision has been made whether to conduct proceedings (**First Media Release**). Further, the Panel makes no comment on the merits of Aurora's application. Refer to the First Media Release published on Molopo's ASX platform on 14 May 2018 for further details.

On 18 May 2018, the Panel:

2.5.1 decided to conduct proceedings in respect to Aurora's application; and

2.5.2 made an interim order (**Interim Order**) that neither Molopo nor any subsidiary of Molopo make any payment or otherwise incur or commit to pay or incur any expenditure or liability for an amount in any single transaction of more than $175,000, or an amount in aggregate in aggregate in any series of transactions of more than $175,000, without the prior consent of one or more of the sitting Panel members communicated to Molopo in writing.

The interim order has effect until the earliest of further order of the Panel, the determination of the proceedings and 2 months from the date of the interim order. Refer to the media release published on Molopo's ASX platform on 21 May 2018 for further details.

On 24 May 2018, the Panel received an application from Aurora seeking to variation of the final orders made in Molopo Energy Limited 03R, 04R and 05R to allow Aurora to be able to vote Aurora's shares in Molopo that are currently vested in the Commonwealth of Australia. On 25 May 2018, the Panel decided to conduct proceedings in respect to this application. Refer to the media release published on Molopo's ASX platform on 25 May 2018 for further details.

2.6 Material Litigation

2.6.1 As previously announced, on 7 March 2018, the Supreme Court of Victoria dismissed the Molopo Court undertaking, notwithstanding the position agitated by Keybridge that it should remain, on the basis that it restricted the ability of the Directors to perform their functions and that it was an unfair and impermissible encroachment on their ability to act as directors, as they are subject to the requirement to satisfy duties of directors in any event.

2.6.2 Since the ASX Announcement, Keybridge filed a new application to the Court on 14 May 2018, seeking orders that Molopo be restrained from making certain monetary payments or commitments in excess of a minimal amount for certain company activities. This application was heard on 24 May 2018 in the Supreme Court of Victoria on the basis that orders were ostensibly agreed as between the parties, substantially similar to the Interim Order (noting that an aggregate work stream limit of $250,000 for various compliance, litigation and corporate matters has been afforded by the Court) were made to 5 June 2018 (being the date that the Court will hear the Keybridge proceedings).

2.6.3 Molopo formed the view that, as a consequence of the Interim Order, which remained in place at the time of the Court hearing and the resolutions to be considered at the AGM, it was in the best interests of shareholders to accede to orders substantially similar to those of the Panel.

2.7 Key risks faced by Molopo

Having regard to the events that have occurred since the Target's Statement, the risks associated with continuing to hold Molopo Shares have been updated as follows:

2.7.1 Continued suspension from quotation of Molopo Shares

As noted in Section 2.4, Molopo Shares will continue to be suspended from quotation on the ASX until such time as:

2.7.1.1 ASIC is satisfied with its deliberations;

2.7.1.2 Molopo receives Shareholder Approval and proceeds to apply for Re-admission; and

2.7.1.3 ASX determines that Molopo satisfies the requirement for Re-admission under Listing Rule 1.1 condition 20 and it will not exercise its discretion under Listing Rule 1.19.

There is a risk that the matters detailed above may not occur in the near future or at all, such that Molopo Shares will continue to remain suspended from quotation and may not be traded on the ASX. This may adversely affect Molopo Shareholders as this will reduce the liquidity of Molopo Shares.

2.7.2 Drawbridge Holdings Projects

On 8 May 2018, Molopo announced the acquisition of a 30% interest in Drawbridge Holdings, which, as at the date of this Third Supplementary Target's Statement, comprise of various oil and gas exploration and production projects including the Orient Project (refer to Section 2.1). A detailed summary of the various Drawbridge Holdings projects is detailed in the ASX Announcement.

While the Directors are optimistic about the success and profitability of the various Drawbridge Holdings projects (including the Orient Project), there is no guarantee that the various Drawbridge Holdings projects (including the Orient Project) will generate a return on Molopo's investment. The profitability of the various Drawbridge Holdings projects (including the Orient Project) will vary depending on a number of factors, including the size and quality of any resource deposits identified, the competence of management and the funding of the various projects and the continued co-operation of the joint venture parties.

Molopo notes that the occurrence of any of the risk factors below could have a material adverse effect on the business, results of operations, financial condition and/or prospects of Drawbridge Holdings and, by extension, Molopo:

2.7.2.1 the execution of the business strategy depends significantly on the regulatory policies of US State and Federal bodies and the ability to obtain requisite permits;

2.7.2.2 the current business of Drawbridge Holdings depends significantly upon prevailing gas (oil) prices, which may be adversely impacted by unfavourable global and national (US) macroeconomic conditions;

2.7.2.3 initially, hydrocarbon production is concentrated in one project/project area;

2.7.2.4 exploration and eventual production are dependent on compliance with and obligations under contracts, licenses, permits, relevant legislation;

2.7.2.5 operations require significant capital expenditure and the future expansion and development could require further debt and equity financing. The future availability of such funding is not certain and the costs of obtaining such finance may be significant and dilutive;

2.7.2.6 oil and gas is a highly competitive industry and there may be significant competition for leasehold rights in the target areas, affecting the cost of said leasehold and the ability to obtain those leasehold rights, for this reason, specific location information is not disclosed when discussing the projects unless the leasing strategy has already been secured;

2.7.2.7 the drilling of oil and gas wells is reliant on contract services such as drilling rigs which may not be available when drilling is intended to commence, as well as completion services and equipment where a shortage may cause delays in activity;

2.7.2.8 significant uncertainties exist in connection with the exploration, appraisal and development activities under consideration and those activities may discover or produce less oil and gas than expected;

2.7.2.9 drilling, exploration and production risks and hazards that may affect ability to produce oil and gas at expected levels, quality and costs; and

2.7.2.10 at present Orient (and therefore Molopo) has limited minority protection rights in respect of its shareholding in Drawbridge Holdings. Removal or resignation of Mr Baljit Johal as a Class A Director of Drawbridge Holdings would mean that a new director would have to be approved by a majority in interest of the class B shareholders in Drawbridge Holdings. This approval is discretionary in nature. Failure to obtain such consent would mean that Orient and therefore Molopo would no longer have influence in relation to the affairs of Drawbridge Holdings.

2.8 Directors and senior management

As at the date of this Third Supplementary Target's Statement, the Directors are as follows:

2.8.1 Mr Baljit Johal;

2.8.2 Mr Matthew Cudmore; and

2.8.3 Mr Richard Matthews.

Mr Richard Mathews director profile is as follows:

Richard Matthews, BComm, CA
Executive Director and Company Secretary
Appointed as a Director on 6 December 2017.

In December 2017, Mr Matthews was appointed to the Board as the Finance Director. 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.

Mr Matthews was appointed as company secretary on 6 December 2017 (replacing Mr Andrew Metcalfe).

3. RECOMMENDATION

The Directors continue to unanimously recommend that Molopo shareholders reject the Aurora Offer, for the key reasons detailed below:

3.1.1 Acceptance of the Aurora Offer may cause you to be issued AFARF Units as well as Cash. You should be concerned about the following in relation to an investment in ARARF Units:

3.1.1.1 AFARF is a complex hedge fund with a high risk strategy, an uncertain performance history and features that may not be appropriate for all investor;

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

3.1.1.3 AFARf Units may not be immediately redeemable for cash.

3.1.2 The Aurora Offer is hostile and highly conditional.

3.1.3 The Timing of the Aurora Offer is opportunistic and made at a time when Molopo is advancing its growth strategy in the oil and gas sector.

3.1.4 There may be tax implications if you accept the Aurora Offer.

4. ASIC RELIEF

As permitted by ASIC Class Order 13/521 this Third Supplementary Target's Statement contains statements which are made, or based on statements made, in documents lodged with ASIC or given to ASX.

Pursuant to this ASIC Class Order, the consent of persons to whom such statements are attributed is not required for the inclusion of these statements in this Third Supplementary Target's Statement.

Any shareholders who would like to receive a copy of any of those documents may obtain a copy free of charge (within two business days of the request) during the Offer Period by contacting Molopo on 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).

5. AUTHORISATION

This Third Supplementary Target's Statement is dated 28 May 2018 and has been approved by a resolution passed by the Directors. All Directors voted in favour of the resolution.

Signed for and on behalf of Molopo Energy Limited:

Yours sincerely,

Baljit Johal
Chairman and Managing Director
MOLOPO ENERGY LIMITED

MOLOPO ENERGY LIMITED

ANNEXURE A

MOLOPO ENERGY LIMITED

ASX ANNOUNCEMENT (ASX:MPO)

8 May 2018

MOLOPO DE-RISKS BY DIVERSIFYING ITS OIL AND GAS EXPLORATION PORTFOLIO

Gains interest in portfolio of US projects with significant upside potential, one of which already producing oil

Molopo Energy Limited (**Molopo** or the **Company**) (ASX: MPO) is pleased to announce that in the past few months, the board of directors of Molopo (**Board**) have spent a significant amount of time and effort to drive value and shareholder wealth. Molopo is pleased to provide a progress report on developments in respect of the oil and gas exploration project in South Florida (**Orient Project**) and to provide details of an arrangement which gives Molopo access to a portfolio of diversified oil and gas projects in the USA and reduces the risk inherent in having only one investment.

The Chairman of Molopo, Mr Baljit Johal, commented:

"The board of directors is excited to announce these developments. The changes that we have made to our portfolio reduce the concentration risk inherent in the Orient Project and give Molopo access to a diversified portfolio of oil and gas projects at various stages of development.

This is the core business of Molopo and these projects have significant upside potential. One of the investments is already producing oil and our view is that as the project ramps up in the coming months, it will support development in the other exploration projects that we have acquired interests in.

Significant time has been spent by myself and other directors in progressing these developments, and with the world class team we are working with at Drawbridge Energy Holdings Ltd, we look forward to further positive developments going forward."

1. SUMMARY

The Company provides the following updates in respect to the Orient Project, with further explanation and background detailed below:

- **Orient Project**
  - Orient FRC Limited (**Orient**) is an entity which has entered into an exploration and development agreement (**EDA**) with Kerogen Florida Energy Company LP (**Kerogen**) to participate in up to a 50% working interest in the Orient Project. Molopo holds 50% of the shares in Orient with the remaining 50% held by Dr Gil Feiler's special purpose vehicle, ESGM Investments Limited (**JV Partner**). Refer to the ASX announcements dated 22 August 2017, 11 December 2017 and 30 April 2018 for further details on the acquisition of Molopo's interest in Orient and the Orient Project.

- Whilst negotiating with Kerogen for an extension of time to satisfy the requirement to spud the first commitment well by 1 May 2018, as part of Orient's requirement under the terms of the EDA, the JV Partner expressed its concern regarding Molopo's ability to deliver on its obligations in respect to the Orient Project including, in respect to its ability to meet funding obligations (having regard to, amongst other matters, the Company's ongoing matters concerning Keybridge Capital Limited and Aurora Funds Management Limited). As part of the negotiations, the JV Partner also raised the possibility of litigious actions against the Company in respect to the failure to deliver on its obligations in respect to the Orient Project.

- On 30 January 2018, Orient redeemed all of the JV Partner's shares in Orient for a redemption amount of USD$7 million (**Orient Redemption**) resulting in the shares of the JV Partner in Orient being cancelled and Orient becoming a wholly owned subsidiary of Molopo. The Board unanimously supported this decision.

- Following completion of the Orient Redemption, Molopo has sole funded the remaining amounts required by the Orient Project, in accordance with its current budget for the project, in an aggregate amount of USD$21 million (**Orient Funding**).

- **Combination Transaction**

  - On 21 February 2018, Orient entered into a contribution agreement (**Contribution Agreement**) with Drawbridge Energy Holdings Ltd (**Drawbridge Holdings**) pursuant to which it agreed to (i) transfer its 100% interest in Orient FRC (US) LLC (**Orient US**), a wholly owned subsidiary of Orient; and (ii) assign Orient's interest in the Orient Project to Orient US at completion, in consideration for a 30% interest in Drawbridge Holdings (**Combination Transaction**).

  - Drawbridge Holdings is a newly formed enterprise with a world class operating team (refer to Section 9 for details of Drawbridge Holdings). Following completion of the Contribution Agreement, Molopo's indirect interest in the Orient Project has been reduced and Molopo has gained (via Orient's 30% interest in Drawbridge Holdings) a diversified oil and gas exploration portfolio with indirect interests in the following projects:

    - **Texas, Permian Basin, Fenix Project**: An interest in Fenix DB, LLC, a privately owned exploration and production company headquartered in Houston Texas. Fenix. **Current production of 65-90 barrels of oil per day** (BOPD) with significant expansion potential. See further details below in Section 7, the sub-section headed "*Projects, Fenix Project*";

    - **South East Texas Gulf Coast, Onshore**: Exploration and Development Opportunity onshore in South East Texas. The Project Area lies in the Expanded Yegua producing trend of the Texas Gulf Coastal Plain in Liberty, Hardin and Chambers Counties, Texas. Drawbridge Holdings has identified three 3D evaluated prospects (estimated 22 total wells) and nine mapped prospects (eight of which are in the Yegua trend and one of which is in the Cook Mountain area). See further details below in Section 7, the sub-section headed "*Projects, South East Texas Gulf Coast, Onshore*";

    - **South East Texas Gulf Coast, Offshore**: Drawbridge Holdings has acquired seven offshore Gulf of Mexico lease blocks representing 40,320 gross acres. The newly acquired leasehold covers 3 identified prospects. See further details below in Section 7, the sub-section headed "Projects, South East Texas Gulf Coast, Offshore"; and

- **USA Drilling Prospect Participation**: The Drawbridge Holdings team is exposed to numerous single and multiple well drilling opportunities. Two prospects are expected to be drilled soon in South Texas. See further details below in Section 7, the sub-section headed "*Projects, Drilling Prospect Participation*".

- Following completion of the Contribution Agreement, Drawbridge Energy Operations & Management, LLC (**Operator**) was appointed to operate the Orient Project.

- On 25 April 2018, Kerogen Florida Energy Company, L.P. (**Kerogen**) agreed, subject to a number of conditions, to extend the drilling deadline for the spudding of first commitment well for the Orient Project to 1 April 2019.

2. COMMERCIAL RATIONALE

The commercial rationale for the above transactions are as follows:

- Notwithstanding that the Board fully supported the Orient Project which it inherited from the previous board of directors, it was concerned that Molopo was overly reliant on one project. This was inherently risky and the portfolio of diversified opportunities provided by Drawbridge Holdings, including producing units that could assist in the funding of the larger projects in that portfolio, both reduces risk and increases the prospects that Molopo's oil and gas exploration strategy will be successful.

- The reduction in interest in the Orient Project and addition of the new projects (detailed below) via its interest in Drawbridge Holdings continues to give Molopo significant upside potential, whilst reducing risk inherent in a single investment only.

- The Drawbridge Holdings team has world class expertise in exploration and development which should add significant value for Molopo shareholders (refer to Section 9).

3. REDEMPTION OF SHARES IN ORIENT HELD BY JOINT VENTURE PARTNER

As detailed above, the JV Partner raised issues regarding potential claims as a result of Molopo's delay in funding the Orient Project. Accordingly, the Board considered that the position of the JV Partner placed into jeopardy the Orient Project with Kerogen and without the financial support of the JV Partner, would have either given rise to a breach of the exploration terms with Kerogen (as detailed in the EDA) potentially resulting in a termination of the EDA, or have resulted in the need for Molopo to ultimately entirely sole fund the Orient Project (with the interest of the JV Partner in the Orient Project being diluted with the increased funding provided by Molopo). Either scenario was deemed by the Board to be of an unacceptable risk to the investment in the Orient Project, as either action would likely have resulted in litigation.

Although the Board was concerned that full funding of the Orient Project would put 'all of Molopo's eggs in one basket', having regard to the above, in the circumstances and after exploring the possibility of entering into the Combination Transaction (as defined below), the Board decided that the best course for Molopo was for Orient to redeem the joint venture partner's shares and enter into the Combination Transaction.

As a result of these circumstances, the Board determined to redeem the shares of the JV Partner to ensure the continued exploration of the Orient Project with Kerogen.

The redemption of the JV Partner shares in Orient were funded by loans previously provided by Molopo, which ultimately resulted in the payment of USD$7 million by Orient to the JV Partner for the redemption of all of their shares in Orient.

4. FUNDING OF ORIENT

As detailed above, during the first quarter of 2018, the Company (itself or by way of funding from its subsidiaries) provided total funding to Orient of USD$23.5 million. This in addition to the USD$4.5million provided during December 2017 equated to USD$28 million in aggregate.

Of this amount, USD$7 million was used to fund the Orient Redemption and USD$21 million was funded by way of intercompany loan from Orient to Orient US. Following completion of the Combination Transaction on or about 7 March 2018, the loan from Orient to Orient US was extinguished.

The Board considers that in light of the resource volumes upgrade (reflected in the Morning Star Consultants, LLC report dated 18 September 2017, the results of which are summarised in the Company's announcement to ASX dated 30 April 2018) and increased oil prices since the time of the original transaction, the Orient Project potentially had a greater value than when Molopo initially invested in the project.

5. KEROGEN EXTEND DRILLING DEADLINE FOR ORIENT PROJECT

On 25 April 2018, Kerogen offered an extension to 1 April 2019 in respect of the drilling deadline set out in the EDA for the Orient Project (**Extension**). The Extension is subject to a number of other conditions, the most significant being that the application for a drilling permit must be filed on or before 1 August 2018.

The expectation is that the leasing strategy in respect of the Orient Project will be completed within the next 90 days. Orient is currently intending to acquire additional acreage in the area of the Orient Project.

The key lease in respect of the Orient Project has been extended such that it will now expire on 23 September 2024. As is reasonably standard in such oil and gas leases, after the end of the primary term of the leases, the entire lease is maintained as long as a new well is drilled every 120 days thereafter. When drilling ceases, then the remaining minerals covered by the lease that are not in a producing unit will then expire. In respect of acreage in producing units (such term as defined by the Florida Department of Environmental Protection) those portions of the lease will survive as long as the wells in those units are productive.

Permit applications are expected to be submitted as soon as possible following the acquisition of the additional acreage referred to above and in any event prior to the deadline set out by Kerogen in respect of the Extension. In January 2018 discussions were held by consultants on behalf of Orient, with officials from the Florida Department of Environmental Protection, in order to inform them of forthcoming permit requests and to discuss the process to ensure expedient approval when the permit requests are submitted.

Drilling of the first commitment well in respect of the Orient Project is now expected to commence prior to 1 April 2019.

6. ORIENT ENTERS INTO COMBINATION TRANSACTION

Combination Transaction

On 21 February 2018, Orient entered into a Contribution Agreement with Drawbridge Holdings (a BVI business company), with its headquarters in Houston, Texas (**Combination Transaction**).

Orient engaged the services of the law firm of Greenberg Traurig in the United States to negotiate and undertake the Combination Transaction.

Closing under the Contribution Agreement occurred on or about 7 March 2018 (**Closing**).

Drawbridge Holdings is in the business of pursuing, acquiring and funding oil and gas investment opportunities, both in the continental United States and internationally. It has an experienced management team and has developed and/or acquired proprietary information and leasing of land with respect to a number of oil and gas exploration and development opportunities.

Details of the projects in which Drawbridge Holdings has an interest are set out at section 7 of this announcement. Details of the Drawbridge Holdings team are set out at Appendix A.

Aside from the obvious benefits of reducing Molopo's reliance on a single exploration and development project, the addition of additional projects with the potential for high returns and the attraction of an extremely experienced operating team, the Board felt that Kerogen, as the party to the EDA in respect of the Orient Project, were more likely to provide the necessary extension to the drilling deadline in the EDA if the Drawbridge Holdings team was in control of the Orient Project.

Consideration

Pursuant to the Contribution Agreement, Orient agreed to transfer its 100% interest in Orient US (including funds of USD$21 million, inclusive of USD$2 million amount on deposit for leasing strategy with the Operator) into Drawbridge Holdings in order to pursue a more diversified opportunity of oil and gas development prospects, with less reliance on a single project. In return, Orient received 3000 class A ordinary shares representing 30% of the equity interests in Drawbridge Holdings (**Class A Shares**). Sopris Energy Investments, Ltd owns the remaining 70% equity interest in the form of 7000 Class B ordinary shares (**Class B Shares**).

As a condition to the Combination Transaction, Orient was required to assign its interest in the Orient Project to Orient US.

What rights do the Class A Shares have?

As noted above, Molopo has acquired the Class A Shares in Drawbridge Holdings which provide Molopo with a right to appoint a director to the board of Drawbridge Holdings (**Class A Director**). Although the Class A Shares do not have voting rights, the board of directors of Drawbridge Holdings determines and manages the business of Drawbridge Holdings. The board of directors of Drawbridge Holdings currently consists of two directors (there is no maximum number). Baljit Johal has been appointed as the Class A Director and Michael Keener has been appointed as the Class B Director.

Brief particulars of the Class A Shares are as follows:

- the Class A Shares are non-voting shares - except for voting in relation to the amendment of the rights of the Class A shares and/or appointment/removal of the Class A Director;
- the Class A Shares carry a right to share equally in any dividend and/ or distribution of surplus assets of Drawbridge Holdings;
- the Class A Shares carry pre-emptive rights on new issues (which may be waived by the board of directors). Transfers of Class A Shares are subject to tag-along rights; and
- the Class A Shares carry a right to appoint the Class A Director, but any replacement must be approved by a majority in interest of holders of Class B Shares.

The Drawbridge Holdings management team is entitled, following a return of capital to investors (USD54m aggregate), to a carried interest of 20% in respect of any investment gains which exceed a hurdle rate of 8%.

Representations, Warranties and Indemnities

Orient and Drawbridge Holdings have provided reciprocal representations, warranties and indemnities which the Company considers to be standard for contracts of this nature including indemnities in respect of any breach of any representation or warranty made by the parties, any claim, action, suit, proceeding, inquiry, investigation or arbitration by or before any governmental, regulatory, administrative, judicial or arbitral body disclosed in the parties disclosure letters and any breach of any covenant or agreement by the parties requiring performance after the Closing.

7. PROJECTS

In addition to the Orient Project, Molopo, indirectly through Orient's interest in Drawbridge Holdings, now has an interest in a number of new projects. Set out below are details of these projects. Molopo has engaged an independent expert who is presently finalising the technical information in respect to the projects (detailed below) and Molopo will release this information shortly.

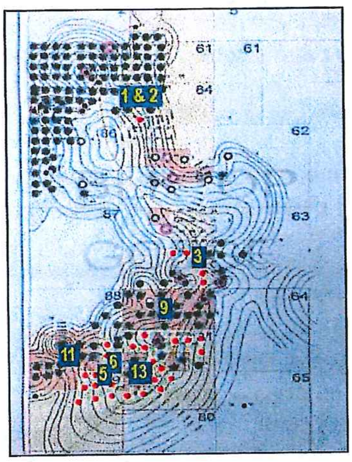
Projects, Fenix Project

Drawbridge Holdings committed to invest USD$3.67 million in Fenix DB, LLC (**Fenix**) a privately owned exploration and production company headquartered in Houston, Texas with assets located in the Permian Basin.

Fenix has acquired a 6,000 acre Proved Developed Producing field in Crocket County, Texas where the strategy is to exploit low risk conventional producing oil and gas properties. Current field level production is less than 100 BOPD from 37 vertical producing wells. The assets are shallow (1,900' deep) mature, vertical wells with established decline trends of approximately 6% per annum.

The property has at least 30 additional San Andres drilling locations on 20 acre spacing. Offset properties with waterfloods have substantially increased asset utility. In addition the property contains 4 other regionally productive sands in the Queen, Greyburg, Wolfcamp and Ellenberger. The majority of the Company's production is from the San Andres formation. All of the acreage is held-by-production. Fenix has approximately 6,000 net acres (8,000 gross).

Figure 1: Location Map, Drilling Locations and Leasehold Rights



In the diagram on the left above, Crockett County is shown in red. On the diagram to the right above, the Red Dots denote 30 undeveloped drilling locations. Pale shading denotes leasehold rights from the surface to the base of the Clearfork and darker shading denotes leasehold rights from 1600' to the base of the Clearfork.

Fenix is now charged with improving field operations by making minor changes to surface configurations and equipment to improve production.

Once this remediation work is complete the company will embark on a 5 well initial drilling program.

Drawbridge Holdings has funded the amounts committed to Fenix and the use of proceeds is as follows:

Figure 2: Fenix Budget

Acquire assets	$2,200,000
5 Well Drilling Program	$1,000,000
Working Capital /Field Remediation	$300,000
Transaction Costs & Expenses	$173,000
Total Uses	$3,673,000

All figures in USD

Drawbridge Holdings owns 100% of Class B shares of Fenix. Class B shares have a preferred position to all other classes of stock. Once the Class B investment and an 8% preferred return is repaid, the Class B shares will be convertible into 85% of the Class A shares of Fenix DB.

At such time as Drawbridge Holdings receives three times the amount of its investment from all cash paid to Drawbridge Holdings, then Drawbridge Holdings' 85% of the Class A shares will be reduced to 70% of the Class A shares. Drawbridge Holdings will also retain two of three board seats of Fenix. Additional investment will be considered based on the performance of the activity described above.

Resources and Economics

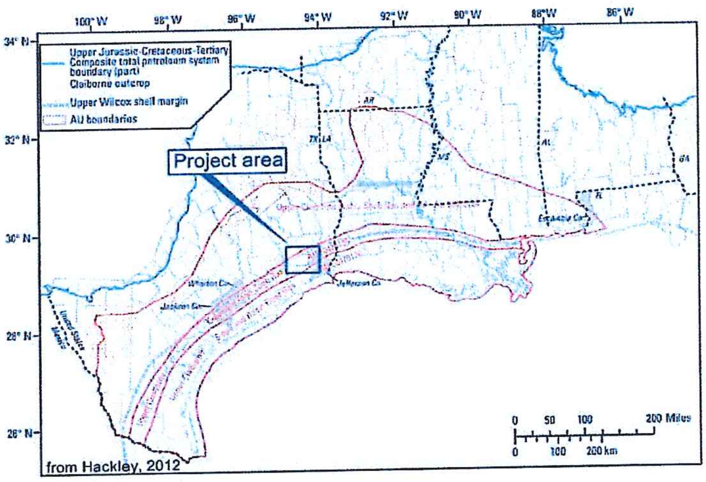
Landowner royalties are 25% and operating expenses plus production taxes total approximately 15% the revenue generated from production.

Remedial work is currently underway to improve production from existing wells and the first new drill is targeted for the third quarter of 2018.

Projects, South East Texas Gulf Coast, Onshore

The project area lies in the Expanded Yegua producing trend of the Texas Gulf Coastal Plain in Liberty, Hardin, and Chambers Counties, Texas, east of Houston. The Yegua is a major reservoir with a long history where gas/condensate (and some oil) production is well established.

Figure 3: Map of Texas showing project area



Project area denoted by the blue square

Drawbridge Holdings licensed 50 square miles of fully processed data from Seitel, Inc. which was then re-processed. The newly merged 3D dataset and advanced processing has identified new and exciting targets in this low risk exploration trend. High-quality, three-dimensional (3-D) seismic data encompassed the project area.

An independent study commissioned by Molopo through its subsidiary Orient, indicates that while the area has been heavily explored and produced, opportunities are still present, especially with the use of modern seismic interpretation technology and integration of all nearby data by Drawbridge Holdings.

The oil and gas industry's exit of the area through the 2008-2010 commodity price down-cycle now provides good leasing opportunities where most acreage is available or "unleased" and leasing is expected to be at favorable terms as landowners have not seen industry activity for about 10 years. Thus, there exists a favorable ground floor entry point via Drawbridge Holdings' staff experience and use of the latest technology. Thus far there have been identified three 3D evaluated prospects (Leopard, Addax and Bongo) (estimated 22 total wells) and nine mapped prospects (eight in the Yegua trend and one in Cook Mountain – these prospects discussed in the paragraph labelled "Prospects awaiting seismic data" below).

The prospects, per an independent expert's report commissioned by Orient, as refined by seismic data, are considered low risk (high probability of encountering hydrocarbons) opportunities from a hydrocarbon exploration viewpoint. The probability of geologic success, i.e., the chance of finding moveable hydrocarbons, is probable to most probable. There are however a multitude of risk factors in conventional oil and gas exploration and production. For each location reviewed as a prospect, or potential drill-site, Drawbridge Holdings will assess the geological risk of the following factors:

- Chance of encountering reservoir quality rock;
- Chance of having an effective hydrocarbon seal;

- Chance of having a geologic feature to trap hydrocarbons;
- Chance of having a hydrocarbon source rock that can generate sufficient oil and gas to allow for significant accumulations; and
- Chance of having the required timing and migration of hydrocarbons into traps.

Acreage

Drawbridge Holdings is seeking 100% Working Interest leases with high Net Royalty Interests, where possible. Once wells are drilled and payout plus 8% is achieved the Working Interest to Drawbridge Holdings will revert to 85%. Initially 400 leasehold acres has been obtained and further offers have been issued on another approximately 5,000 acres. This activity will continue in the target area which may encompass up to 40,000 acres. Each drilling prospect will require an acreage block for that location ranging from a minimum of 170 acres to 1,160 acres depending on the sub-surface geology.

Well Ownership and Reversions

Drawbridge Holdings estimates 100% working interest and 72.5% revenue interest on each well. Upon the project cash flow reaching payout plus eight (8.00%) percent on outstanding well investment the after payout well ownerships revert to 85% working interest and 61.625% revenue interest to the interest of Drawbridge Holdings.

Well Costs and Operating Expenses

The total cost to drill, complete, and install production facilities is estimated at USD$3,600,000 per well in these locations. These costs are for 11,600-foot wells with an intermediate casing string. An independent expert has estimated operating expenses to be USD$5,500 per month per well for the first sixty months of production, then decreasing to USD$4,500 per month per well until the end of the well's economic life.

Resources and Economics

Resources and project economics for the first three prospects that Drawbridge Holdings has progressed have been reviewed by an independent expert and details will be provided shortly.

Prospects awaiting seismic data

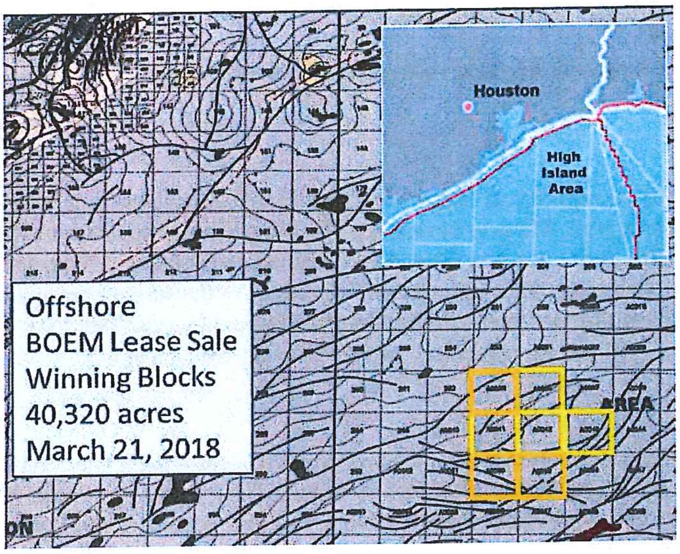
Further resource estimates and project economics were also developed for drilling on the basis of 11 Yegua prospects; these include Addax, Bongo, and Leopard (the 3D prospects), and 8 mapped prospects. Risked mean reserves potential was used. Costs for increased overhead and additional leasing were included along with a total of 52 exploration and development wells. These estimates will be revised and refined as seismic for the areas of interest are reprocessed at the direction of the Drawbridge Holdings team. An initial well is targeted to be drilled in the first quarter of 2019 as acreage, permitting and planning advance.

Projects, South East Texas Gulf Coast, Offshore

On March 21, 2018 Drawbridge Holdings was the successful bidder of seven offshore Gulf of Mexico lease blocks representing 40,320 gross acres. The newly acquired leasehold covers 3 identified prospects.

Three seismically controlled conventional prospects in the prolific Miocene trend were identified with reprocessed 3D dataset where low risk wells in the existing offshore infrastructure can be drilled. They are expected to produce rich gas with condensate and high NGL yield. The shallow but large gas opportunities offer exceptional returns. Available turnkey operations are also an attractive feature.

Figure 4: Diagram showing offshore blocks



Yellow squares denote lease bocks acquired by Drawbridge Holdings in the High Island Area

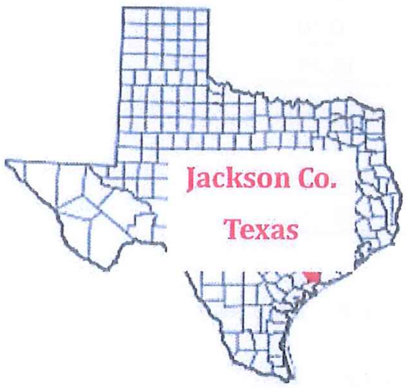
Following the review of the reprocessed 3D seismic data, the three prospects were identified that could provide up to 25 drilling locations. With that information Drawbridge Holdings acquired a 100% Working Interest in the leases with high, 87.5% Net Royalty Interest. The leases are situated in the High Island Area of the gulf of Mexico, approximately 100 miles from Houston or 50 miles off the coast of Galveston. The water depth in this area is approximately 70 feet. The targeted producing horizons range from 3,500 to 12,700 feet into the subsurface to access pay zone thickness ranging from 50 to 100 feet. The target zones observed are the Pliocene, Cris 1, and Tex W. Depending on various factors including target depth, well costs can range widely from USD$3.0 to USD$6.0 million on a dry hole cost basis.

Projects, Other

The Drawbridge Holdings team is exposed to numerous single and multiple well drilling opportunities. The types of activity will range in capital expense from USD$250,000 - USD$5,000,000 total per project. The intention is to limit Drawbridge Holding's exposure to 25% of any one well. The opportunities are screened for geologic, engineering and economic risks.

Funds will only be invested in known hydrocarbon producing reservoirs to reduce risk and will be primarily located in the Gulf Coast onshore and Mid-Continent basins with focus on conventional reservoirs – consistent with the overall strategy of Drawbridge Holdings. By investing limited capital the team gains geological and environmental knowledge and data about areas of current concern and potential interest for future development. No single investment is intended to be material in relation to the overall size and scope of the Drawbridge Holdings strategy.

Figure 5: Map showing Jackson County Texas, where East Crystal City Prospect is located



The first opportunity is the East Crystal City shallow Frio Prospect in Jackson County, TX. Seismic indicates Frio pay zones at the 7,700, 8,000 and 8,700 feet. The Drawbridge Holdings share of the prospect is 25% and total estimated costs for land/legal, drilling and completion are estimated to be USD$1.6 million. The Drawbridge Holdings participation is then USD$400,000 (25%). This is a seismic driven exploration project where not only are the potential returns very high, but the science provided of great value.

Other projects are likely to follow, with the experienced and deep geophysical and petroleum engineering competencies in place with the Drawbridge Holdings team, the opportunity now exists to actively originate, review and investigate alternate ground floor opportunities. For example, the team has acquired access to an extensive data set for a currently un-delineated shale play. Proprietary science points to the possibility of a large undiscovered shale formation that has not been tested.

This, and similar projects, continue to be in the conceptual stage and at this time considered high risk. Opportunities such as this reside in the higher risk pool of opportunities in the Drawbridge Holdings portfolio. The current investment required for scientific data mining and evaluation for these activities is not estimated to be a material investment. However, should Drawbridge Holdings gain confidence in the prospect-ability of a particular concept, funding "proof-of-concept" activity will be considered by the board.

8. FINANCIAL POSITION OF THE COMPANY, ORIENT AND DRAWBRIDGE

Following completion of the Combination Transaction, Molopo has approximately A$16.904 million available to it as at 31 March 2018. Molopo continues to review investments in line with its core strategy of oil and gas exploration and development.

Orient does not have any ongoing obligations or liabilities, other than shareholder loans from Molopo and other entities within the group. Orient's sole asset is its 30% interest in Drawbridge Holdings.

Drawbridge Holdings' balance sheet as at 31 March 2018 was as follows, including amounts received in respect of the Orient Project:

ASSETS	(Millions USD)	
Cash/Current Assets	$	14.07
Investment Assets	$	4.31
Other Assets	$	0.10
	$	18.49

LIABILITIES & EQUITY	(Millions USD)	
Liabilities (Current)	$	0.29
Equity	$	18.20
	$	18.49

Budgeted expenditure for Drawbridge Holdings to 30 September 2018 is as follows:

Estimated Budget	(Millions USD)	
Seismic and Processing	$	1.75
Land/Lease and Property Acquisition	$	4.00
Drilling and Asset Development	$	0.50
General Administrative	$	0.36
	$	6.61

Currently, the only obligations of Drawbridge are payments due to the Operator of USD$285,000.00. The general and administrative expenses of the Drawbridge oil and gas team are running at approximately USD$60,000.00 per month at present. It is expected that as the projects ramp up, the annual expenses will be a minimum of USD$1,500,000 per annum.

9. DRAWBRIDGE BUSINESS AND STRATEGY

Drawbridge Team

Drawbridge Holdings and its affiliate undertaking, the Operator, were formed in late 2017.

The Operator has the benefit of having Mr Chris Burkard on the team, who was one of only four people who were approved by Kerogen to be an operator in respect of the Orient Project. In addition, Drawbridge Holdings has assembled a world-class investment, commercial and technical team with a Senior Management & Investment Committee which has over 100 years of domestic and international oil & gas experience, who:

- understand the resources in the ground and the latest extraction and delivery technologies;
- have a large relevant network and in-depth knowledge of seller expectations and goals; and
- have a proven track record of generating investment returns across commodity cycles.

Details of the Drawbridge Holdings team are contained in Appendix A.

Drawbridge Holdings Strategy

The current market has created an economically advantageous opportunity for traditional low risk, technically sound, onshore and offshore oil and gas opportunities. The Drawbridge Holdings investment provides a well thought out strategy and an experienced execution team to accomplish long-term growth in shareholder wealth by way of strategic investments in oil and gas assets. The strategy is to identify, acquire, develop and operate conventional oil and gas assets with a primary focus on the Gulf Coast region of the USA and leveraging the team's extensive experience and expertise in conventional oil/gas producing assets providing low risk expansion. Key competitive advantages are as follows:

- **Balanced Portfolio:** The intended portfolio is specifically designed to capture opportunities at various points on the risk spectrum from low cost quick-to-cash flow production, intermediate risk development drilling to exploration opportunities focused on oil and wet gas is intended to provide balanced risk within the oil and gas portfolio.

- **Global Team and Business Infrastructure:** The ability to analyze opportunities and deploy capital quickly supported by dedicated professionals in North America and Europe.

- **Proven Technical Expertise:** Dedicated technical staff with a history of finding and extracting value, enhancing operating performance and managing production/midstream and exploration portfolios through commodity price cycles and volatility.

- **Strong Origination Platform and ample Deal Flow:** Relationships across a breadth of sponsors, public and private companies, management teams and financial intermediaries expected to provide an attractive pipeline of investment opportunities and the ability to recognize quality subsurface/exploration projects that are ready to execute;

- **Timing & Focus:** Fundamentals in the oil price cycle are generating attractive opportunities and fewer dollars chasing opportunities in the conventional arena, this combined with a full, experienced team in place provides an early mover advantage.

Drawbridge Holdings will primarily pursue a Conventional Exploration and Development Strategy

Drawbridge Holdings is largely pursuing a conventional exploration and development strategy.

For shareholders who are unfamiliar with such concepts, conventional resources are[1] concentrations of oil or gas that occur in discrete accumulations or pools. Rock formations hosting these pools traditionally have high porosity and permeability and are found below impermeable rock formations. These impervious layers form barriers to hydrocarbon migration resulting in oil and gas being trapped below them. Conventional oil and gas pools are developed using vertical well bores and using minimal stimulation. Conventional oil and gas pools fall into several categories based on the mechanism responsible for the trapping or pooling of the hydrocarbon:

1. Structural traps whereby broad folds and/or faults lead to concentrations of hydrocarbons;

2. Dome-like structures related to diapiric rise of underlying sediments;

3. Stratigraphic traps where a change in the rock type creates a barrier; and

4. Multiple combinations of the previous processes.

Unconventional Resources are oil or gas-bearing units where the permeability and porosity are so low that the resource cannot be extracted economically through a vertical well bore and instead requires a

[1] As described by the British Columbia Ministry of Natural Gas Development

horizontal well bore followed by multistage hydraulic fracturing to achieve economic production. Unconventional resources fall into two broad categories:

- A widespread, low-permeability and -porosity gas- or oil-charged horizon. If the horizon is composed primarily of shale, it is a “shale gas” or “shale oil” resource; and,
- Low-permeability and -porosity portions of an oil or gas pool that cannot be developed through conventional drilling and completion processes.

Prior to the Barnett Shale in North Texas and future shale “resource plays” almost all oil and gas exploration and development was “Conventional.”

Key risks factors in relation to the Drawbridge Investment

The occurrence of any of the key risks below could have a material adverse effect on the business, results of operations, financial condition and/or prospects of Drawbridge Holdings and accordingly Orient and Molopo:

1. the execution of the business strategy depends significantly on the regulatory policies of US State and Federal bodies, and the ability to obtain requisite permits;
2. the current business of Drawbridge Holdings depends significantly upon prevailing gas (oil) prices, which may be adversely impacted by unfavorable global and national (U.S.) macroeconomic conditions;
3. initially, hydrocarbon production is concentrated in one project/project area;
4. exploration and eventual production are dependent on compliance with and obligations under contracts, licenses, permits, relevant legislation;
5. operations require significant capital expenditure and the future expansion and development could require further debt and equity financing. The future availability of such funding is not certain and the costs of obtaining such finance may be significant and dilutive;
6. oil and gas is a highly competitive industry and there may be significant competition for leasehold rights in the target areas, affecting the cost of said leasehold and the ability to obtain those leasehold rights, for this reason, specific location information is not disclosed when discussing the projects unless the leasing strategy has already been secured;
7. the drilling of oil and gas wells is reliant on contract services such as drilling rigs which may not be available when drilling is intended to commence, as well as completion services and equipment where a shortage may cause delays in activity;
8. significant uncertainties exist in connection with the exploration, appraisal and development activities under consideration and those activities may discover or produce less oil and gas than expected;
9. drilling, exploration and production risks and hazards that may affect ability to produce oil and gas at expected levels, quality and costs; and
10. at present Orient (and therefore Molopo) has limited minority protection rights in respect of its shareholding in Drawbridge Holdings. Removal or resignation of Baljit Johal as a Class A Director of Drawbridge Holdings would mean that a new director would have to be approved by a majority in interest of the Class B shareholders in Drawbridge Holdings. This approval is

discretionary in nature. Failure to obtain such consent would mean that Orient and therefore Molopo would no longer have influence in relation to the affairs of Drawbridge Holdings.

Chapter 11 of the Listing Rules

ASX has raised issues in respect to the Company's compliance with Chapter 11 of the Listing Rules in respect to the Orient transaction. The Company is presently in the process of formalising a response to ASX in respect to Chapter 11 of the Listing Rules (change to the nature or scale of the Company's activities), which will include the Orient transaction and the transactions detailed above, and will provide its response to the ASX in due course.

Forward looking statements and estimates

Certain statements in this document constitute forward looking statements and comments about future events, including estimates of the Company's expected costs and the Company's expectations about the performance of its businesses and operations. Such forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company and which may cause actual results, performance, achievements, costs or liabilities to differ materially from those expressed or implied by such statements. Forward looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance or outcomes. Given these uncertainties, recipients are cautioned to not place undue reliance on any forward looking statement. Subject to any continuing obligations under applicable law the Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in this document to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any such statement is based.

Nothing contained in this document nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of the Company.

Appendix A

Details of the Drawbridge Team

The Drawbridge Energy Capital Senior Management & Investment Committee consists of Dr. Alex Kulpecz, Mr. Michael Keener and Mr. Chris Burkard. Details of the operations team are set out below.

Mr. Burkard will manage an Operations Team of highly skilled and experienced professionals including the Geophysicist, Geologist, Reservoir Engineer, Drilling and Completions Engineer, and Land Manager who are all seasoned professionals with 30-plus years of experience with various companies including Anadarko, Hess, BHP, Kerr McGee, Hunt, Getty, Texaco, Chevron, and ConocoPhillips.

SENIOR MANAGEMENT & INVESTMENT COMMITTEE

Dr. Alex Kulpecz

Dr. Kulpecz brings 35 years of experience and a deep technical, managerial and commercial background in subsurface evaluation, risk analysis and all aspects of production operations in the United States, North Sea, Europe, Russia, Middle East, Africa, South America and Asia.

His twenty year career with Shell included Executive Director of Shell International Gas, Power and Coal responsible for Russia, Central & Eastern Europe, Africa and South America comprising midstream businesses (pipelines, storage, power and LNG.) He has acted as an advisor to various firms including Carlyle / Riverstone, McIntyre Partner and Silverpoint Capital as well as an energy consultant to the Boston Consulting Group for Oil & Gas and service company CEOs / owners in India, Asia and Europe.

Dr. Kulpecz' transaction history includes co-orginator of the PetroPlus (NL) refineries, storage and LNG businesses which was taken private and then IPO'd by Riverstone/Carlyle two years later at a substantial profit, the acquisition of initial privatized tranche of Comgas, the natural gas Company of Sao Paulo, Brazil, the acquisition of privatized portion of Bolivia-Brazil Pipeline, Transredes, and was responsible for over 50 Production Sharing Agreements and production contract transactions as well as direct investment in US and African oil and gas start-up entities.

Dr. Kulpecz earned his PHD from Imperial College London in Geology / Petroleum Engineering.

It should be noted that Dr. Alex Kulpecz is recused from decisions regarding the previously announced acquisition of interest (22 August 2017) in Orient which will participate with Kerogen Florida Energy Company, L.P., a subsidiary of Kerogen Energy Holding LLC where he is the Executive Chairman; and further from any other decisions involving Kerogen.

Mr. Michael Keener

Mr. Keener's 37 years of experience provides a long history as an investor and investment manager in the Exploration and Production business as well as oil and gas portfolio and Fund Management. He began his career with Shell and over 22 years gained valuable oil and gas insight with Shell Exploration and Production, trading and money management experience with Shell Oil, and producer financing when assigned the task of initiating Shell's U.S. capital investment business.

Following Shell, Mr. Keener was Principal of Petrobridge Investment Management Oil & Gas Structured Equity Business, and then of KP Energy Management an independent investor and portfolio manager where he was instrumental in the negotiation, structuring and capital outlay of over USD$1 billion in 39 separate transactions.

In addition to being an experienced investor in the energy space, Mr. Keener is the past President of North Texas Oil and Gas Company, has provided oversight as a Director on numerous boards, holds an undergraduate degree in Accounting, and an MBA from Loyola University New Orleans.

Mr. Chris Burkard

Mr. Burkard, an industry veteran of 37 years is the operational driver of the team with exploration experience managing multi-disciplined oil and gas companies, directing technical, managerial and commercial activities in subsurface evaluation, risk analysis and all aspects of production operations.

Following his time as a Commissioned Officer, US Army, Corps of Engineers, 4th Infantry & Area Office, Colorado Springs, CO., Mr Burkard's oil and gas activities include directing the acquisition of 160,000 acres of options and leasehold in conjunction with executing 467 SM 3D shoots in SE Texas, managed operations for joint venture developed projects, drilled and operated vertical Frio-Miocene, Yegua, Wilcox and Woodbine prospects and deep horizontal Austin Chalk wells in Texas. He has managed drilling and production operations in South Louisiana and South East Texas generating over USD$1 billion (PV10) and 500 BCF in net proved probable and possible reserves. He has also managed geological/geophysical exploration teams processing and interpreting seismic data and the horizontal drilling and production operations in the Permian Basin.

Mr. Burkard holds a degree in Nuclear Engineering from Texas A&M university and has fortified that education with significant additional coursework in Petroleum Engineering at A&M and Geology at the University of Colorado. Mr. Burkard also received his MBA from Rice University.

OPERATIONS TEAM

Mr. Burkard will manage an operations team of highly skilled and experienced professionals including:

Engineering

Mr. Robert Elmore, Sr. Engineer, Drilling & Completions, brings forty-six years of experience in oil & gas operations both domestically (US) onshore in Louisiana, Texas, California, Colorado, Montana, New Mexico, North Dakota, Oklahoma, Utah, and Wyoming; offshore Alaska (Cook Inlet), California, and the Gulf of Mexico; and internationally in China (on/offshore), Mexico, the UK North Sea, Venezuela (on/offshore), and Russia (Sakhalin Island.) His vast and varied experience in project engineering and the management of drilling, completions, work overs and coil tubing operations was accumulated through progressively senior positions at Gulf Oil, Aminoil, Phillips, Conoco Phillips, BP, and Chevron. Mr. Elmore holds a B.S. in Petroleum Engineering from Texas A&M University.

Mr. Chris Chang, Sr. Reservoir Engineer is a 40 year industry veteran with experience performing reservoir evaluations for the major shale plays in the USA and Canada as well as coalbed methane projects, conventional Appalachian and offshore Gulf of Mexico valuations. Additional experience includes water floods and CO2 Sequestration projects, and extensive study of the exploration potential of Pumpkin Bay, Bone Island, Wood River and Upper Sunniland play in Southern Florida. Mr. Chang's career path has included positions at Shell, McMoran, Equitable, Anadarko, Dominion/Highmount, Petrohawk/BHP and Kerogen. He earned a BS in Chemical Engineering from Chung Yuan University and an MS in Petroleum Engineering from the University of Wyoming.

Geology and Geophyics

Mr. David Hruzek, Geologist & Geophysicist of 35 years' experience has worked extensively in the Gulf of Mexico including offshore Louisiana and Texas deepwater, shelf, and state waters. In addition, he has exploration experience on shore gulf coast South Texas, East Texas and South Louisiana. Mr. Hruzek has also developed international projects in Peru, West Africa and the Szechwan fold basin

China. In progressive roles from Explorationist, Lead Asset Geoscientist to Exploration Manager he has worked for Mark Producing, Anadarko, Spinnaker Exploration, Energy Partners, and Energy XXI. Mr. Hruzek has earned a Geology/Earth Science degree from Texas A&M University and a BS in Geology from the University of Houston.

Ms. Janice Leyden, Sr. Geologist has evaluated and integrated vast amounts of geologic data over the course of her 38 career. Her experience in reservoir/basin evaluation includes understanding basin tectonics, clay mineralogy, TOC, thermal maturity, geochemical data, and the ability to integrate log and petrophysical analyses resulting reservoir productivity predictions. She has evaluated unconventional potential in Appalachian, Powder River, Big Horn, Green River, Uinta, Paradox, Michigan, Illinois, East Texas and Permian Basins. Ms. Leydens career advanced from Geologist/Petrophysicist to Principal Geologist while working at Dome, Kerr McGee, Hunt, EnerVest, Kerogen, Mariner and Statoil. She holds a BS in Geology with Honors from the University of Manitoba, Winnipeg, Manitoba.

Land/Leasehold

Mr. Joel Loshak, Land Manager is a seasoned executive with 39 years' experience in domestic E&P land acquisition, corporate acquisitions and divestitures, business development & project management. His experience includes lease negotiations, supervising lease acquisition teams, managing land department staffs processing all land, regulatory, drilling and due diligence requirements in both acquisitions and divestitures and reviewed and negotiated contracts and participation agreements. He has experience covering all of Texas, Louisiana, the Rocky Mountains, Southern California, Wyoming, Utah, new Mexico and Canada. Mr. Loshak advanced from Petroleum Landman to Vice President of Land & Business Development while working at Ensearch Exploration, Goldston Oil, Chalker Energy Partners, Hess, Forest, Trail Ridge & Scala. He earned a BA, Petroleum Land Management from The University of Oklahoma, and an MBA from St. Thomas University.

Regulatory, Engineering, Geological & Office Support

Sherry Groves – Senior Reservoir Engineering & Regulatory Technician – Provides 35 years' experience supporting well known exploration & production activities ranging from support for geology, drilling, operations and reservoir engineering and manages regulatory reporting. She has provided her invaluable support to fellow professionals as a multifaceted Engineering Technician while at Getty, Chevron, Bechtel, Torch Operating, Oxy, Aera, Plains and Kerogen Exploration. Ms. Groves has studied Business Management at the University of Phoenix and Accounting at Taft Jr. College.

MOLOPO ENERGY LIMITED

ANNEXURE B

MOLOPO ENERGY LIMITED

ASX ANNOUNCEMENT (ASX:MPO)

28 May 2018

Further details of projects in South East Texas Gulf Coast, Onshore ("Safari Onshore Project")

We refer to Molopo's ASX announcement of 8 May 2018 (**Molopo Update Announcement**).

The Safari Onshore Project referenced in this announcement is the project referred to as "South East Texas Gulf Coast, Onshore" in the Molopo Update Announcement.

1. INDEPENDENT EVALUATION

Molopo is pleased to provide further details on an independent evaluation report prepared by Dynamic Upstream E&P Consultants LLC (**DUEPC**) for Orient FRC, Ltd. (**Orient**) in relation to the Safari Onshore Project dated 17 April 2018 (**DUEPC Report**).

The project area lies in the Expanded Yegua producing trend of the Texas Gulf Coastal Plain in Liberty, Hardin and Chambers Counties, Texas, and consist of the following 12 prospects being developed by Drawbridge Energy Holdings Ltd (**Drawbridge Holdings**):

- three prospects which have licensed 3D-seismic data and in respect of which DUEPC was able to provide an independent evaluation of the geologic risks, probabilistic volumetrics, and economics of these Prospects (**Addax, Bongo and Leopard Prospects**);
- eight other prospects which are in the Yegua trend which, due to Drawbridge Energy not yet having 3D-seismic data licensed, DUEPC reviewed and analyzed these prospects using a "proxy prospect" in a portfolio sense (**Other Yegua Trend Prospects**); and
- an additional deeper prospect in the Cook Mountain area has also been identified and mapped but DUEPC could not review it at this time (**Cook Mountain Prospect**).

2. METHODOLOGY OVERVIEW

The downdip Yegua play has been explored by the industry for more than 40 years. Thus it is a mature play with many wells and abundant data (well logs, tests, production, etc.). DE is focusing on the Yegua in stratigraphic traps in a sand-rich fairway using 3D-seismic – using Direct Hydrocarbon Indicators (DHIs) - and nearby well control. The Yegua is expected at depths of 8500 to 13,000 feet MD. The objectives are sandstones (informally termed "sands") 20 to 100 feet+ thick with good porosity and permeability. They are expected to be gas bearing with good condensate yields.

In relation to the Addax, Bongo and Leopard Prospects, data evaluated includes the nearby wells and 3D-seismic data licensed from Seitel and reprocessed by eSeis. The latter work focuses on using DHI (i.e. direct hydrocarbon indicator) technology – in this case, AVO (i.e. Amplitude vs. Offset) (**AVO**) – to identify and characterize the potential gas-bearing sands. Data was of high quality and abundant. From DUEPC's review of the seismic interpretation on these three prospects – a major element in the exploration play and DUEPC's evaluation – DUEPC was of the view that there was good quality data and sound interpretations. For each prospect, DUEPC identified reasonable minimum, most likely, and reasonable maximum areas of the Yegua reservoirs based on the seismic images. This was critical input into its probabilistic volume estimates.

The Other Yegua Trend Prospects have been mapped by Drawbridge Holdings' operating entity, Drawbridge Energy Operations and Management, LLC (**Drawbridge Energy**), but seismic data has not been licensed as yet. These were reviewed by DUEPC using Drawbridge Energy's most likely areas for volumetric calculations. Other volumetric inputs used were from the Addax, Bongo and Leopard Prospects as they are nearby and at similar depths. DUEPC used the average P_g (probability of geologic success) from the three evaluated prospects for these eight mapped prospects.

Very little data was available on a deeper Cook Mountain prospect and that has not been reviewed or included in DUEPC's economic evaluation of the entire exploration portfolio. DUEPC identified this twelfth prospect as "upside potential" but give it no value at this time.

3. INDUSTRY ACTIVITY ANALYSIS

The Yegua trend is a very mature and prolific play in onshore Texas, Louisiana, and Mississippi.

As background, there are three portions (fairways) of the trend: (i) the "updip" sandstone-rich region that has produced since the 1930s; (ii) the "mid-dip" region where sandstones are scarce; and (iii) the "downdip" sandstone-rich region that is slightly to moderately geopressured.

The downdip fairway is the focus of the current exploration play. DUEPC note that significant data (wells, seismic, production, etc.) are available in the project area.

DUEPC's industry activity analysis was restricted to the play area defined by Drawbridge Energy (red box of four plus counties as shown in Figure 2 below). This subset is representative of industry activity within the downdip fairway. As shown in Figure 1 below, the downdip fairway had significant activity in the early 2000s. With the oil price collapse in 2007, industry activity rapidly declined. Most of these operators were small independents that have not returned to the area, as investor funding in the US has primarily focused on onshore shale drilling since circa 2012.

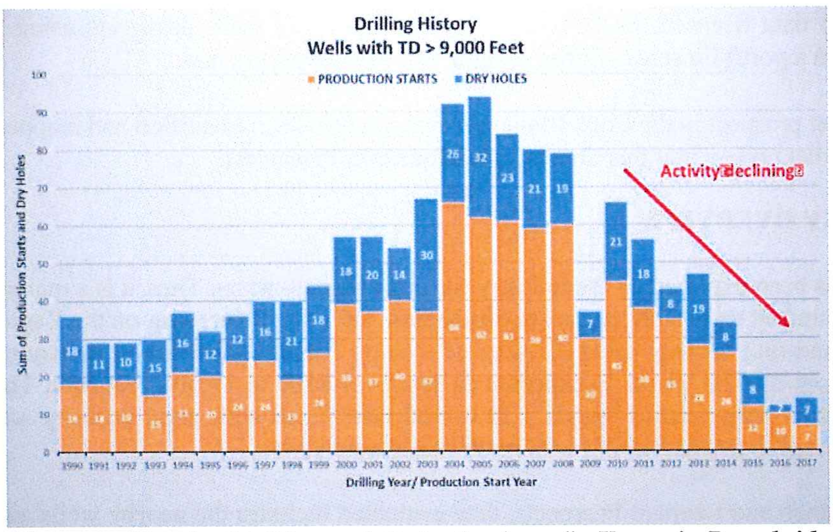


Figure 1: Graph of drilling activity in the downdip Yegua in Drawbridge Energy's project area

The DUEPC Report indicates that there is a lack of industry activity in the project area as reflected by (i) the current drilling activity in the project area as shown in Figure 2; and (ii) the number of well drilling permits.

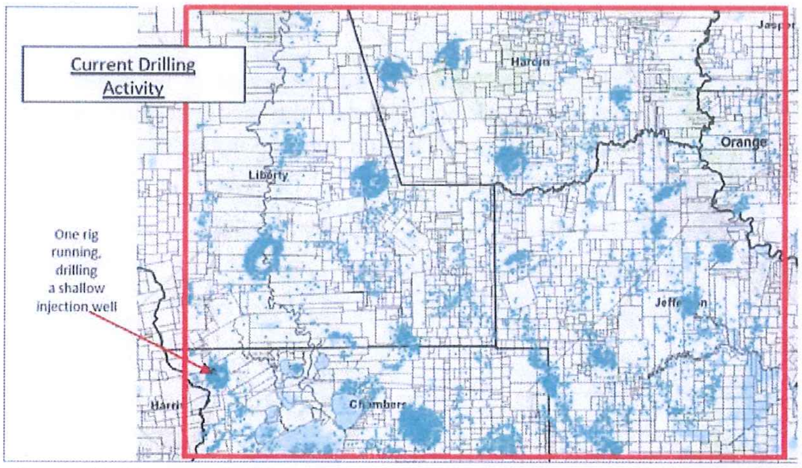


Figure 2: Current drilling activity in the project area. The areas marked in blue are existing oil and gas fields.

The DUEPC Report also indicates that the project area has had significant production (see Figure 3).

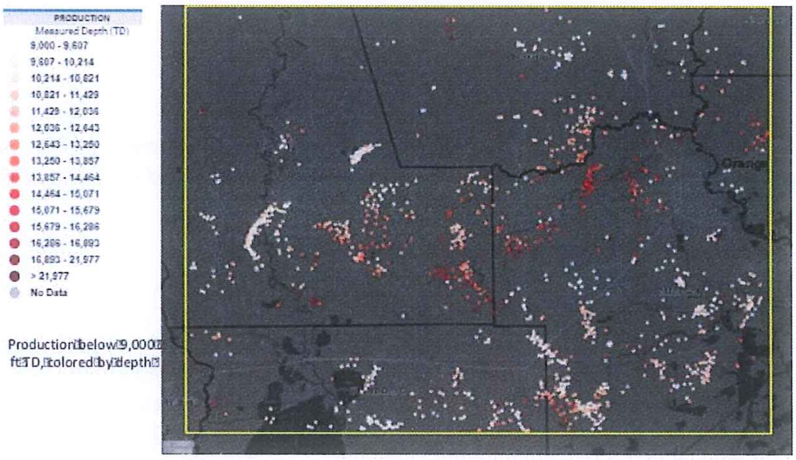


Figure 3: Production in the project area by depth. Most that is shown is from the downdip Yegua (9000-13,000') – the objective of the Safari Onshore Project.

The DUEPC Report observes that:

- although the area has been heavily explored and produced, opportunities are still present, especially with the use of modern AVO technology and integration of all nearby data by Drawbridge Energy;
- the abandonment of the play by industry provides Drawbridge Energy with good leasing opportunities (most acreage is available (unleased)) and leasing is expected to be at favorable terms, as mineral owners have not seen industry activity for about 10 years; and
- accordingly, Drawbridge Energy has developed a favorable ground floor entry via its staff's experience and use of the latest AVO technology.

4. PROSPECT EVALUATIONS - ADDAX, BONGO AND LEOPARD PROSPECTS

Leopard Prospect

The Leopard Prospect is a southwest to northeast-trending AVO anomaly that is bounded to the southeast by a fault. The northwest, southwest, and northeast flanks of the prospect form apparent stratigraphic traps. The reasonable minimum, most likely, and reasonable maximum pay areas (P90, P50, and P10) are defined on the map in Figure 4.

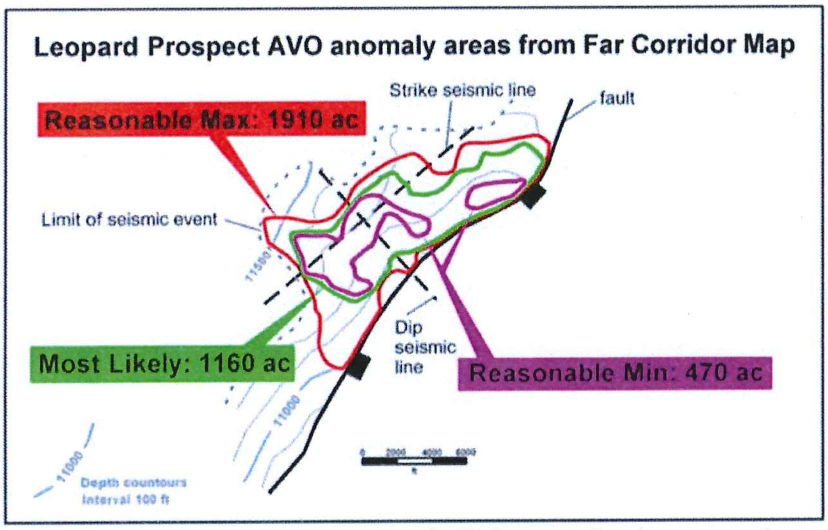


Figure 4: Line drawing of Leopard AVO anomaly size range (reasonable min, most likely and reasonable max) superimposed on depth structure contours and showing location of strike and dip seismic line drawings[1]

Bongo Prospect

The Bongo Prospect is a southwest to northeast-trending AVO anomaly that is bounded to the northwest and southeast by faults. To the northeast and southwest, the AVO anomaly appears to have stratigraphic limits. The reasonable minimum, most likely, and reasonable maximum pay areas (P90, P50, and P10) are defined on this map in Figure 5.

[1] Please note that line sketches created from seismic images are used as Figures 4, 5 and 6 as the licensing agreement between Drawbridge Energy and the seismic vendor precludes direct use and publication of the seismic images.

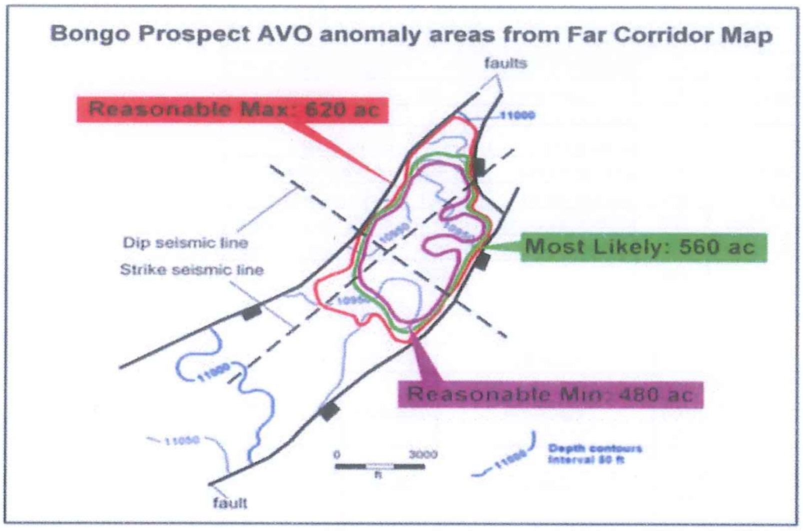


Figure 5: Line drawing of Bongo Prospect AVO anomaly size range (reasonable min, most likely and reasonable max) superimposed on depth structure contours and showing location of strike and dip seismic line drawings.

Addax Prospect

The Addax Prospect sits between two faults in a structural low – the northeast and southwest boundaries of the trap are purely stratigraphic. The thin polygon on the south side is not a fault but a clear stratigraphic feature, likely a clay-filled channel. The reasonable minimum, most likely, and reasonable maximum pay areas (P90, P50, and P10) are defined on the map in Figure 6.

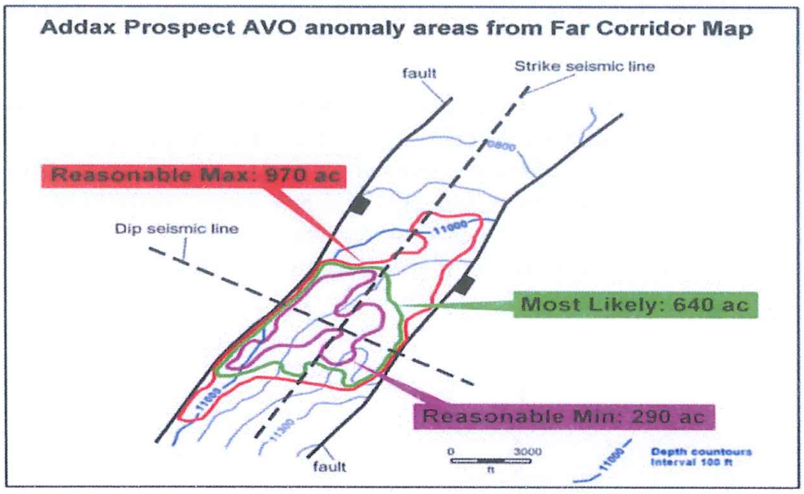


Figure 6: Line drawing of Addax Prospect AVO anomaly size range (reasonable min, most likely and reasonable max) superimposed on depth structure contours and showing location of strike and dip seismic line drawings.

Geologic Risks of Addax, Bongo and Leopard Prospects

DUEPC considers the Addax, Bongo and Leopard Prospects to be low-risk (high probability of occurring) opportunities. The probability of geologic success (P_g), i.e., the chance of finding moveable hydrocarbons (getting on the hydrocarbon distribution at the P99 volume), is probable to most probable. The risk factors involved in calculating P_g and DUEPC's assessment of P_g for each prospect is shown in Figure 7.

SAFARI - PHASE 1: Yegua						
	Prospect Addax		Prospect Bongo		Prospect Leopard	
Risk factors	Risk	Comments	Risk	Comments	Risk	Comments
Reservoir quality rock	85%	not all are reservoir quality in area	85%	not all are reservoir quality in area	85%	not all are reservoir quality in area
Seal	95%	good top and base	95%	good top and base	95%	good top and base
Trap	75%	purely stratigraphic	90%	structural rollover	80%	purely stratigraphic
Source	100%	nearby Yegua producers	100%	nearby Yegua producers	100%	nearby Yegua producers
Timing/migration	100%	nearby Yegua producers	100%	nearby Yegua producers	100%	nearby Yegua producers
Pg	61%		73%		65%	

Risk factor	Outcome	Data: Quantity	Data: Quality
100%	Virtually to absolutely certain	Significant	Excellent
90%			
80%	Most probable	Good	Good
70%			
60%	Probable	Fair	Fair
50%			
40%	Possible	Poor	Poor
30%			
20%	Virtually to absolutely impossible	Significant	Excellent
10%			

Figure 7: Calculation of the probability of geologic success P_g for the Addax, Bongo and Leopard Prospects.

5. PROSPECT EVALUATIONS - OTHER YEGUA TREND PROSPECTS AND COOK MOUNTAIN PROSPECT

As mentioned above, Drawbridge Energy has identified and earlier mapped nine other prospects in the project area. However, as Drawbridge Energy has not yet licensed the 3D-seismic data, DUEPC could not do an evaluation similar to the three prospects already discussed on the same basis at this time. However, DUEPC have reviewed these other prospects and provided pro forma portfolio review including the three evaluated prospects giving various economic evaluations on this 11-prospect portfolio. The area of interest for the project area is shown in Figure 8 below.

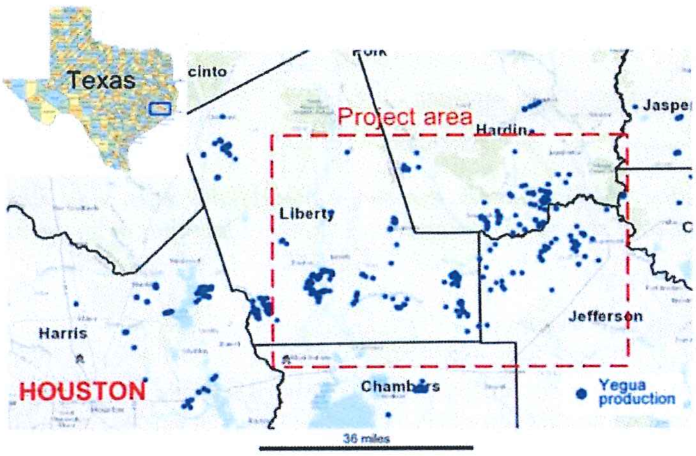


Figure 8: Index map showing the Safari Onshore project area.

DUEPC provided its 11-prospect portfolio analysis on the basis that it believes it is reasonable to make a Yegua "proxy" prospect for the Other Yegua Trend Prospects to use in a portfolio analysis as:

- the Other Yegua Trend Prospects have similar characteristics to the evaluated Addax, Bongo and Leopard Prospects, namely objectives and depths (see Figure 9); and

- the Other Yegua Trend Prospects are also in the same geologic setting and sediment fairway and within 40 miles of the evaluated Addax, Bongo and Leopard Prospects.

	3 evaluated prospects	8 mapped prospects	1 mapped prospect
Objective	Downdip Yegua	Downdip Yegua	Cook Mountain
Depths			
Range	9950' – 11350'	8500' – 12600'	18000'
Average	10800'	10680'	N/A
Most likely areas (acres)			
Range	560 - 1160	170 - 520	850
Average	790	340	N/A

Figure 9: Comparison of Other Yegua Trend Prospects and Cook Mountain Prospect (without seismic) and the evaluated Addax, Bongo and Leopard Prospects

The Yegua proxy prospect has been assumed to have the same volumetric inputs as the average of evaluated Addax, Bongo and Leopard Prospects except at ~50% of the size (most likely area). DUEPC has evaluated the portfolio using DUEPC's average geologic risk of the three evaluated Addax, Bongo and Leopard Prospects and assumed each mapped prospect is independent (see Figure 10).

Case	Pg	Comment
1	66%	Same as average by DUEPC for 3 evaluated prospects. DUEPC success case.

Figure 10: Geologic risk for Yegua proxy prospect (representing eight mapped prospects lacking seismic at this time).

The Cook Mountain Prospect cannot be reviewed by DUEPC at this time as there is very limited data and this prospect is a different objective at a much deeper depth. DUEPC however believes this should be considered as "potential upside" but cannot be included in its evaluation.

6. PROSPECTIVE RESOURCES ESTIMATES

In accordance with industry guidelines (i.e. the Society of Petroleum Engineers and others, 2011), all potential hydrocarbons identified by Drawbridge Energy are classified by DUEPC as "prospective resources" as they are undiscovered. As DUEPC was evaluating the expected success case in the DUEPC Report, it has used the term "reserves" in the DUEPC Report.

It should be noted that DUEPC evaluated the eleven Yegua Trend prospects for resource potential and project economics. The first three prospects – Addax, Bongo, and Leopard Prospects– were analysed in detail. The remaining eight prospects were analyzed in much less detail using only average parameters from the first three prospects and the areas provided by Drawbridge Energy as most likely. DUEPC applied the average geologic risk of the three evaluated prospects on a *pro forma* basis as from the available information, these other eight prospects are very similar geologically and depth-wise and very nearby. A twelfth prospect was not evaluated as although it is in the project area it is much deeper and different geologically. It was given no value and has been identified only as "upside potential". The twelfth prospect can be evaluated when the seismic data is licensed.

To account for the uncertainty in reservoir size and geologic risk, a risked Monte Carlo volumetric methodology was used. This analysis yields a risked mean resources size that was used for the economic projections. This risking accounts for cases where one or more of the prospects could be unsuccessful (dry holes). Based on DUEPC's review of the geologic risk factors, there is a very low chance that all three of the first set of prospects will be unsuccessful.

For the purposes of the economic evaluation, DUEPC has assumed that:

- spud of first well will occur on 1 January 2019; and
- production will commence on 1 March 2019.

Prospective Resources Estimates

Using the information set out in the DUEPC Report, the estimated Prospective Resources in respect of the Safari Onshore Project are set out in Table 1 below. Table 1 includes the assessed 11-prospect portfolio only and excludes the twelfth prospect which has been given no value.

Table 1

Prospective Resources Net to Molopo	**Low Estimate**	**Best Estimate**	**High Estimate**
Billion Cubic Feet of Gas (**"BCF"**)	20.76	25.72	30.42
Million Barrels of Oil (**"MMBO"**)	0.95	1.14	1.33

Notes

1. Prospective Resources are estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) that relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

2. The estimates in Table 1 have been prepared:

    a. based on information from the DUEPC Report dated 17 April 2018, which utilised a future evaluation date of 1 July 2018, as activity (other than leasehold investment costs) will only commence when money is spent on drilling activity;

    b. in accordance with the SPE-PRMS reserve and resource definitions and ASX Listing Rules Chapter 5; and

    c. using the probabilistic method. This method is an industry standard methodology used to compare and rank projects, such as the drilling of wells, which is often more representative than decision tree or deterministic approaches. As opposed to traditional deterministic methods, probabilistic analysis gives decision-makers ranges of outcomes with associated probabilities of occurrence.

3. The estimates in Table 1 have been calculated:

    a. according to Molopo's economic interest in the Prospective Resources as set out in Table 1 above, taking into account, Molopo's 30% interest at such time in Drawbridge Holding's participation of (i) 100% working interest and 72.5% revenue interest on each well until the project cashflow reached payout plus eight (8.00%) percent interest on outstanding investments; and (ii) after the payout date, 85% working interest and 61.625% revenue interest in each well; and (iii) after the payout date, 65% working interest and 47.13%

revenue interest in each well (assuming the entire portfolio of investments has also met the 8% interest on outstanding investments). Molopo's interest is a result of it owning 100% of the issued share capital in Orient FRC Ltd, which in turn holds 30% of the issued share capital in Drawbridge Holdings; and

b. Discounts to Gross Production were applied for the royalties payable to landowners (to arrive at the 72.5% net revenue interest) which assumption is based on the terms of the deal inclusive of royalties commonly found to be paid in this region of the United States.

4. The following assumptions were applied in the estimates in Table 1:
   a. Forecasted oil and gas prices applied are published forward pricing (Nymex Strip Prices) as of April 2017 and result in average annual prices utilized over the life of the project of \$3.03/mmbtu of natural gas and \$52.18/barrel of oil.
   b. Forecasted drilling and operating costs for individual wells are based on market rates including data reported to the Texas Railroad Commission and as noted in the DUEPC report "deemed reasonable."
   c. Applicable Production and Ad Valorem taxes applied according to published rates.

5. Additional information in relation to the estimates in Table 1, which is required to be disclosed pursuant to ASX Listing Rules Chapter 5 is set out in Appendix 1 of this announcement.

Appendix 1

Additional information required under Listing Rule 5.35 in relation to estimates of prospective resources

Listing Rule 5.35.1 - Types of permits held by Molopo in respect of the reported estimates of prospective resources

Molopo does not hold, and will not, hold any permits and understands that the relevant permits will be filed and held by Drawbridge Energy and such permits are likely to consist of permits issued by the Texas Railroad Commission for the upstream oil and gas activities (e.g., drilling, completing, producing, abandoning (plugging), etc.) that Drawbridge Energy will be engaging in.

At present, Drawbridge Energy holds leases with rights to explore, develop, operate and prepare the prospects for drilling. Drawbridge Energy does not hold, nor has yet applied for, any drilling permits from the Texas Railroad Commission as the spudding of the first well will likely only begin in January 2019. Drawbridge Energy intends to apply for drilling permits to engage in its planned exploration drilling activities in the fall of 2018. It is likely that Drawbridge Energy will apply for well drilling permits involving wells at the Addax, Bongo, and Leopard Prospects on or around the same time.

In relation to the application process for the relevant permits, Molopo understands that Drawbridge Energy intends to have all of the relevant surface well locations surveyed, prior to filing a letter of credit and the relevant permit applications with the Texas Railroad Commission to drill and produce the wells. Molopo further understands that the approval of permit applications by the Texas Railroad Commission is a routine process and does not anticipate that Drawbridge Energy will have an issue obtaining the relevant permits. By way of example, it is noted that the Texas Railroad Commission issued (approved) 1,188 drilling permits in January 2018 (see http://www.rrc.state.tx.us/all-news/020918a/).

Listing Rule 5.35.2 - Brief description of (a) the basis on which the prospective resources are estimated; and (b) any further exploration activities, including studies, further data acquisition and evaluation work, and exploration drilling to be undertaken and the expected timing of those exploration activities.

The prospective resources were estimated by review of technical work done by Drawbridge Energy staff using their proprietary data and public domain data by a team of experienced upstream professionals (see Section 2 **"Methodology"** for more details). As the project area has been heavily explored and produced (see further discussion on this at Section 3 **"Industry Activity Analysis"**), there are many nearby analogs to use. For example, the AVO anomaly at the Addax Prospect could be compared to AVO anomalies on the same 3D-seismic survey where successful wells (producing or logged pay was encountered) versus unsuccessful (dry holes) wells were present.

No new data is expected unless some other operator drills a well nearby. DUEPC expects this to be highly unlikely as there is a lack of industry activity in the project area (see further discussion on this at Section 3 **"Industry Activity Analysis"**).

Further exploration activity for each well at the Addax, Bongo, and Leopard Prospects will involve the following:

1. deciding on the surface and bottom hole well location and its depth;
2. surveying the surface location;
3. filing the well drilling permit with the Texas Railroad Commission;
4. engineering the design of the well – casing sizes and depths, mud weights, evaluation program, etc;
5. placing bids for well construction services – drilling rig, wireline logs, muds, etc; and
6. spudding of well.

Items 1 to 5 of the exploration activities detailed above are expected to occur between July 2018 to December 2018 and the spudding of the first well is expected to take place in January 2019.

Listing Rule 5.35.3 - Molopo's assessment of the chance of discovery and the chance of development associated with the reported estimates of prospective resources

DUEPC has evaluated the 11-prospect portfolio using DUEPC's average geologic risk of the three evaluated Addax, Bongo and Leopard Prospects (see section 5 **"Prospect Evaluations - Other Yegua Trend Prospects and Cook Mountain Prospect"** and section 6 **"Prospective Resources Estimates"** for more details).

DUEPC considers the Addax, Bongo and Leopard Prospects to be low-risk (high probability of occurring) opportunities. The probability of geologic success (P_g), i.e., the chance of finding moveable hydrocarbons (getting on the hydrocarbon distribution at the P99 volume), is probable to most probable (see sub-section **"Geologic Risks of Addax, Bongo and Leopard Prospects"** under section 4 **"Prospect Evaluations - Addax, Bongo And Leopard Prospects"** for more details). There is however a risk that exploration will not result in sufficient volumes of oil and/or for commercial development.

Listing Rule 5.35.4 - If risked estimates of prospective resources are reported, an explanation of how the estimates were adjusted for risk

The estimates of prospective resources includes the assessed 11-prospect portfolio only (i.e. the Addax, Bongo and Leopard Prospects and the Other Yegua Trend Prospects) and excludes the Cook Mountain Prospect which has been given no value.

For the Addax, Bongo and Leopard Prospects that could be fully evaluated as seismic data has been licensed, risked prospective resources were estimated by applying a geologic risk assessed for each prospect.

For the other eight Other Yegua Trend Prospects that do not have seismic date licensed yet, DUEPC applied the average geologic risk of the three evaluated prospects on a pro forma basis as from the available information, these other prospects are very similar geologically and depth-wise and very nearby.

(See section 6 **"Prospective Resources Estimates"** for more details.)

Appendix 2

Qualified Petroleum Resources Evaluator Statement

The Prospective Resources in this presentation are based on and fairly represent information and supporting documentation prepared by and under the supervision of a qualified petroleum reserves and resource evaluator. Mr. Joseph Studlick is a member of the American Association of Petroleum Geologists (AAPG Certified Geologist No. 3309), a member of the Society of Petroleum Engineers (SPE), and a member of the American Institute of Professional Geologists (Certified No. 6233). Mr. Kurt Mire is a qualified petroleum reserves and resources evaluator that complies with Australian JORC SPE-PRMS reporting requirements, and is a member of the Society of Petroleum Engineers (SPE) and Texas Board of Professional Engineers (TBPE) licensed member 115886. The other study members include a geologist who is a member of AAPG (Certified Petroleum Geologist No. 6763) and a geophysicist who is a member of the Society of Exploration Geophysicists (SEG) and AAPG.

DUEPC is a consultancy formed in 2012 to bring together veteran oil and gas professionals from geoscience and engineering disciplines with wide-ranging experience in all facets of the upstream petroleum industry. Between 2007 and 2012, DUEPC was doing business as Dynamic Global Advisors.

DUEPC's services include exploration, field studies, resource and reserve estimates, M&A evaluations, and economic evaluations. Projects have been completed in many oil and gas basins around the world including the United States, Canada, Mexico, Australia, Brazil, Colombia, Eastern Mediterranean, Europe, West Africa, East Africa, the Middle East, North Sea and Venezuela.

In accordance with ASX Listing Rules, any hydrocarbon reserves/resources and/or drilling information and/or other technical information in relation to the Prospect and all references to DUEPC and Messrs Studlick and Mire in this Announcement have been reviewed and signed off by DUEPC. Messrs Studlick and Mire have 39 years' and 34 years' experience in the sector respectively. Messrs Studlick and Mire and DUEPC each consent to the inclusion of the information in the form and context in which it appears in this Announcement.

DUEPC declares:

Neither we nor any of our employees have any ownership interest in the subject properties and neither the engagement to make this study nor the compensation is contingent upon our evaluation conclusions concerning this Project.

Forward Looking Statements

This document has been prepared by Molopo Energy Ltd ("**Molopo**"). This document contains certain statements which may constitute "forward-looking statements". It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including, but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve and resource estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delays or advancements, approvals and cost estimates.

Molopo's operations and activities are subject to regulatory and other approvals and their timing and order may also be affected by weather, availability of equipment and materials and land access arrangements, including native title arrangements.

Although Molopo believes that the expectations raised in this document are reasonable there can be no certainty that the events or operations described in this document will occur in the timeframe or order presented or at all.

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All dates in this document are for calendar years. All references to $ are in USD, unless stated otherwise.