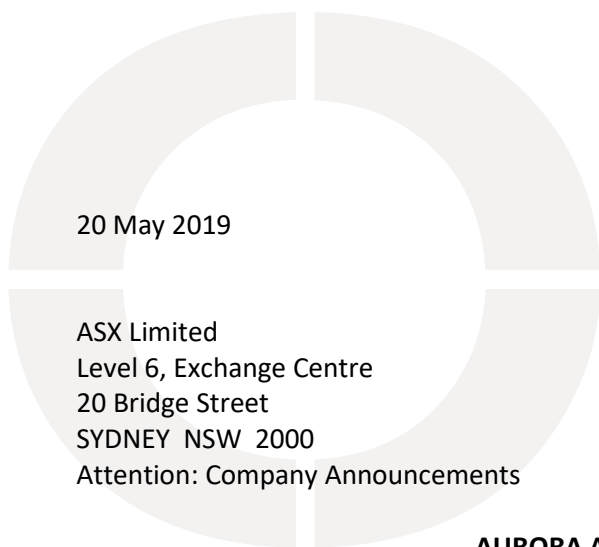




20 May 2019

ASX Limited
Level 6, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000
Attention: Company Announcements

AURORA
FUNDS MANAGEMENT

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AURORA ABSOLUTE RETURN FUND (FUND)

The estimated Net Asset Value (**NAV**) per Unit of the Fund including franking credits as at 17 May 2019 was \$0.2950.

The Fund has an indirect exposure to Molopo Energy Limited (**MPO**) through its investment in Aurora Fortitude Absolute Return Fund ("AFARF"). MPO was suspended from trading on the Australian Stock Exchange (ASX) on 27 July 2017 and remains suspended as at the date of this update.

On 10 August 2018, Aurora made an ASX Announcement advising of its decision to not declare Aurora Fortitude Absolute Return Fund's (AFARF) takeover bid free from its defeating conditions and therefore to withdraw the AFARF takeover bid.

Following the withdrawal of the AFARF takeover bid, Aurora reassessed its valuation of Molopo from \$0.135 per share (take-over bid price) to \$0.036 per share, based on information released by Molopo at that time. As part of the year-end audit process, Aurora further reassessed its valuation of Molopo from \$0.036 to \$0.026 per share.

On 31 January 2019, Molopo released its Quarterly Cash Flow Statement for the quarter ended 31 December 2018. Based on the information contained in that Quarterly Cash Flow Statement, Aurora has further reassessed the carrying value of its investment in Molopo and has decided to write it down from 2.6 cents to 1.9 cents per share.

As more information is released by Molopo on the Drawbridge shareholding as well as the Canadian litigation, it may be appropriate for Aurora to revisit the carrying value of its Molopo investment.

The fair value of Aurora's investment in Molopo contains significant estimates and judgements adopted by management of Aurora based on all publicly available information about Molopo as at 31 December 2018.

The valuation of Molopo represent approximately 10% of the value of the assets of the Trust.

About the Aurora Absolute Return Fund

The Fund aims to produce positive returns irrespective of the direction of the share market, by investing in predominantly Australian listed securities and derivatives through the unlisted Aurora Fortitude Absolute Return Fund (ARSN 145 894 800).