



MOLOPO ENERGY LIMITED

ABN 79 003 152 154

June 2020: Mining exploration entity quarterly activities report

31 JULY 2020

ASX: MPO

June 2020 quarterly activities report

Molopo Energy Limited (“**Molopo**” or the “**Company**”) - quarterly activities report for the three-month period ended 30 June 2020. (Definitions are found at the end of this report).

Executive Summary

The Board has advised in previous quarterly reports, and in the December 2019 Annual Report, on the continued investigations into the Orient Transactions and the Drawbridge Transactions which were entered into by former Directors of Molopo without seeking shareholder approval.

The legal proceedings which were brought by the Company in the Supreme Court of Victoria against the Former Directors are proceeding, with the defendants Messrs Baljit Johal, Matthew Cudmore, Richard Matthews, Ronen Rosengart: having filed and served witness statements by 10 July 2020 as ordered by the Court on 27 May 2020. The matter went back before the Court for a Directions Hearing on 17 July 2020 when the following orders were made by consent:

- With respect to defendants Messrs Baljit Johal, Matthew Cudmore, Richard Matthews, Ronen Rosengart:
 1. The Plaintiff (Molopo) file any application to join Chubb Insurance Australia Limited as a party to the proceeding by 7 August 2020.
 2. The matter be listed for further directions on 14 August 2020.
 3. Costs reserved.
 4. Liberty to apply.

- With respect to defendant Alexandre Gabovich;
 1. The matter be listed for further directions on 14 August 2020.
 2. Liberty to apply.

- With respect to defendant Marc de la Bruyere in his capacity as the Executor of the Estate of Samuel Belzberg (Deceased):
 1. The matter be listed for further directions on 9 October 2020.
 2. Liberty to apply.

Molopo has been advised by French authorities that service of the proceedings against Alexandre Gabovich was effected on 20 February 2020, however to date no appearance has been filed.



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Molopo commenced proceedings against the Estate of the Late Samuel Belzberg who was a director of the Company during the relevant period to preserve its position before the limitation period for bringing a claim against the Estate expired. Service of those proceedings has not yet been effected on the Estate.

The Current Directors remain firmly of the view that the litigation proceedings against the Former Directors provides the best opportunity for Molopo shareholders to recover any value from the actions undertaken by Former Directors entering the Orient Transactions and the Drawbridge Transactions.

Suspension from trading on ASX

Molopo's shares have been suspended from trading since 27 July 2017 as a result of failing to satisfy ASX's requirement for a sufficient level of operations.

As previously reported, the Company is not pursuing any new oil and gas activities (outside of those which it indirectly holds via its 30% interest in Drawbridge) at the present time.

Whilst the Current Directors recognise that this is extremely frustrating for shareholders, the Current Directors are committed to recover the maximum amount of value possible for shareholders and believe the best way to do so is through the litigation proceedings against the Former Directors. The Current Directors will address the Company's listing on ASX once the litigation proceedings against the Former Directors are completed. Trading in the Company's shares will therefore remain suspended for the foreseeable future.

The Board is aware of ASX Guidance Note 33 which deals with the removal of a Company from the Official List if its shares have remained suspended for a period of two years. Given the Company's present circumstances, the Board has addressed this issue with ASX, and the ASX have agreed to extend the Company's status on ASX until 1 September 2020. The Board will consider and address the issue further before that date.

Drawbridge Operations

Molopo has received Financial Statements and an Operations Report for 4Qtr-2019 which Drawbridge was required to provide within 60 days of the end of that quarter as ordered by the Court. Molopo has also received Financial Statements and an Operations Report for 1Qtr-2020. The Directors are unable to rely on these Financial Statements and Operations Reports with any confidence as they provide no financial detail and do not disclose any significant update on project operations.



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Capital, Operating Expenses and Financial Reporting

Molopo held AU\$9.984 Million in cash reserves at the end of the June 2020 quarter, which excludes any interest in cash remaining in Drawbridge, as this cannot be verified.

Operating expenses during the quarter were AU\$252,000 which mainly comprised of legal fees associated with the legal proceedings undertaken by Molopo against the Former Directors in Australia, and legal fees in respect of proceedings against parties associated with Drawbridge entities in the USA.

Legal actions

Molopo Energy Canada Limited - Molopo has not been advised of any material changes to the status of the action brought by the plaintiff which is proceeding.

Drawbridge – the Company’s legal action in the USA against the Drawbridge group of companies was amended to a reduced claim for breach of the Contribution Agreement with the remaining claims discontinued without prejudice, after the Drawbridge parties filed for Summary Judgment in the proceedings. The remaining claim by Orient against Drawbridge for breach of the Contribution Agreement has been set down for hearing on 5 August 2020.

Former Directors – as stated above the Company continues to vigorously pursue its claims in the Supreme Court of Victoria against the Former Directors of the Company (which now includes the Estate of the Late Samuel Belzberg) and remains confident that this will result in a successful recovery against the Former Directors.

The Company will continue to provide updates in accordance with its continuous disclosure obligations in relation to the timetable and progress as the litigation proceeds.

DEFINITIONS:

Contribution Agreement

Agreement between Orient and Drawbridge that required Orient to provide US\$18 million to Drawbridge to fund exploration activities on oil & gas assets acquired or to be acquired by Drawbridge and which included obligations on Drawbridge to provide quarterly financial and operations reports to Orient under the agreement.



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Current Directors	Messrs Roger Corbett, Tony Hartnell, Ralph Curton jr. and William Johnson.
Drawbridge	Drawbridge Energy Holdings Limited, a British Virgin Islands entity and its subsidiaries and associated entities.
Drawbridge Transactions	The transactions entered into pursuant to the Contribution Agreement between Orient and Drawbridge pursuant to which Orient agreed to (i) assign Orient's interest in the Orient Project and (ii) transfer its 100% interest in Orient US to Drawbridge, in consideration for receipt of a 30% non-voting interest in Drawbridge.
Former Directors	Messrs Baljit Johal, Matthew Cudmore, Richard Matthews, Ronen Rosengart and Alexandre Gabovich and the Estate of the Late Samuel Belzberg.
Orient	Orient FRC Ltd, a British Virgin Islands entity.
Orient / Drawbridge Transactions	The Orient Transactions and the Drawbridge Transactions.
Orient Project	Orient's 50% working interest to explore for oil and gas in a mature oil province in South Florida, U.S.A.
Orient Transactions	The acquisition by Molopo of 50% of Orient from Dr Gil Feiler, the redemption by Orient of 50% of Orient from ESGM being an entity associated with Dr Gil Feiler, including any loans advanced by Molopo (or any of Molopo's subsidiaries) to Orient (or any of Orient's subsidiaries) or otherwise made in connection with the Orient Project.

Approved for release by the Board of Molopo Energy Limited

MOLOPO ENERGY LIMITED

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or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect the Company's current views with respect to certain events, and are subject to a number of risks, uncertainties and assumptions. Many factors could cause Molopo's actual results, performance, or achievements to materially differ from those described in this media release. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in other public disclosures made by the Company or this media release as intended, planned, anticipated, believed, estimated, or expected. Furthermore, statements relating to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described can be produced profitably in the future. The forward-looking statements contained in this media release are expressly qualified in their entirety by this cautionary declaration. These statements speak only as of the date of this media release. The Company does not intend and does not assume any obligation, to update these forward-looking statements to reflect new information, subsequent events or otherwise, except as required by law.