

## ASX MARKET ANNOUNCEMENT

Thursday, 13 April 2017

ASX Codes : KBC; KBCPA

### MOLOPO ENERGY MATTERS - s249D REQUEST AND s249E MEETING

Keybridge Capital Limited (ASX:[KBC](#)) (**Keybridge**) provides the following update on matters relating to the forthcoming general meeting of Molopo Energy Limited (ASX:[MPO](#)) (**Molopo**).

#### Update on Section 249D Request

Keybridge refers to its ASX announcement ([Composition of Board of MPO](#)) and Media Release<sup>1</sup> of 14 March 2017 in relation to a [section 249D](#) requisition served on Molopo requesting the Molopo Directors to call and hold a general meeting to consider resolutions concerning the composition of the Molopo Board (**Section 249D Request**).

On 13 March 2017, Molopo announced ([Requisition for meeting to replace Board of Directors with nominees of KBC](#)) receipt of the Section 249D Request and confirmed Molopo's statutory obligations to call the requisitioned meeting within 21 days (i.e. on or before 3 April 2017) and to hold the meeting no later than 2 months after receipt of the requisition. On 24 March 2017, Molopo announced ([Annual General Meeting](#)) it would hold its AGM on 15 May 2017 (the last day of the statutory period) and that the business of the AGM would include the resolutions the subject of the Section 249D Request.

On 7 April 2017, Molopo released an ASX announcement ([Important Information Regarding Board Spill](#)) which made several allegations regarding Keybridge and its purported intentions regarding Molopo, including an assertion of association with another Molopo shareholder, Aurora Funds Management Limited. In that announcement, Molopo also advised that its Board had decided to postpone the AGM until 30 May 2017.

Keybridge refutes these allegations and notes that Molopo has not complied with [section 249D](#) of the Corporations Act because:

- It has not convened a general meeting of shareholders to deal with the Section 249D Request within the statutory timeframe of 21 days; and
- It will not hold the meeting to deal with the Section 249D Request within the two month statutory limit.

As a result, under [section 249E](#) of the Corporations Act, Keybridge now has the right to call and arrange to hold the meeting itself at Molopo's expense.

Keybridge has written to Molopo confirming it reserves its rights regarding these breaches of the Corporations Act and awaits receipt of documentation confirming that Molopo will in fact hold a general meeting where the composition of the Board can be determined by all shareholders in a fair and transparent manner.

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<sup>1</sup> 14 March 2017: Keybridge Media Release - Composition of Board of MPO; available on the Keybridge website: [www.keybridge.com.au](http://www.keybridge.com.au)

## Keybridge's Reasons for the Section 249D Request

The purpose of Keybridge's Section 249D Request was, and remains, for all shareholders, at a general meeting of Molopo (**Meeting**), to have the opportunity to choose a Board of Directors from the widest pool of candidates, including the incumbent Directors and the three new candidates nominated by Keybridge

Keybridge decided to request that Molopo call the Meeting because, as a major shareholder in Molopo with 19.34% (as at 12 March 2017), it had serious concerns regarding Molopo.

These concerns can be broken into four major areas:

- Failure in operational and corporate governance
- Failure to enunciate or undertake a coherent investment strategy and rejection of Keybridge initiatives
- Incurring of significant administrative and operational costs
- Rejection of Keybridge's request for Board representation

Further details of these concerns can be found in Keybridge's 14 March 2017 Media Release (Composition of Board of MPO), which is available on: [www.keybridge.com.au](http://www.keybridge.com.au)

## Molopo's Characterisation of Section 249D Request as a 'Board-Spill' Attempt

In its 7 April 2017 ASX announcement ([Important Information Regarding Board Spill](#)), Molopo characterised Keybridge's Section 249D Request as a 'Board spill'; that is, an attempt to remove all incumbent Directors of Molopo and appoint its own nominees. This is simply incorrect because:

- Keybridge specifically wrote to Molopo to advise Molopo that Keybridge is not singling out any one or more of the current Board members for removal.
- Keybridge has not made any recommendation to other Molopo shareholders regarding the incumbent Directors.
- Keybridge is simply seeking to create an opportunity for all shareholders, properly informed, to determine for themselves the future composition of the Board of Molopo.
- Keybridge may well support the re-appointment of one or more existing Board members, depending upon its view as to the merits of their remaining Directors of Molopo.
- At present, Keybridge intends to support the appointment of at least one of the current Board members of Molopo and, subject to meeting the other current Directors, may well support the retention of other Board members.

## Keybridge's Right to Call a Section 249E Meeting

In its Section 249D Request, Keybridge suggested that in order to save Molopo costs, it would consider merging the Keybridge initiated Meeting with the upcoming AGM of Molopo. However, it was clearly stated that it would only do so if each current Molopo Director **voluntarily agreed to put themselves up for re-election** at the AGM alongside the new nominees proposed by Keybridge.

In its ASX announcement of 24 March 2017 ([Annual General Meeting](#)), Molopo stated that the business of Molopo's AGM will include resolutions "for the removal of all existing directors" and the appointment of new directors. This was repeated in Molopo's ASX announcement of 27 March 2017 ([Molopo Energy Board focused on Corporate Strategy](#)) which stated that the "Requisition Resolutions" (to remove all existing directors and replace them with Keybridge's nominated candidates) will be considered at the company's forthcoming AGM.

On 31 March 2017, Molopo wrote to Keybridge stating that it considered Keybridge's Section 249D Request withdrawn because it had agreed to table resolutions relating to the election of current Directors as well as the election of the Keybridge nominees at the upcoming AGM.

Keybridge has not withdrawn its Section 249D Request. In light of Molopo's continued mis-characterisation of Keybridge's intentions as a 'Board spill', Keybridge reserves its rights to call the meeting itself, at Molopo's expense, under section 249E of the Corporations Act.

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#### ABOUT [KEYBRIDGE CAPITAL LIMITED](#) (ASX: [KBC](#))

KBC is an investment and financial services group with a diversified portfolio of listed and unlisted investments/loan assets including in the solar (Spain), private equity (US), life insurance (New Zealand), property and funds management sectors and strategic holdings in HHY Fund (ASX:[HHY](#)), Molopo Energy Limited (ASX:[MPO](#)), Metgasco Limited (ASX: [MEL](#)) and PTB Group Limited (ASX:[PTB](#)).