

ASX MARKET ANNOUNCEMENT

Friday, 15 September 2017

ASX Codes : KBC; KBCPA

COMMENCEMENT OF FURTHER LEGAL PROCEEDINGS AGAINST MOLOPO ENERGY LIMITED AND RONNEN ROSENGART

Keybridge Capital Limited (ASX:[KBC](#)) (**Keybridge**) refers to its ASX announcement dated 11 September 2017¹ advising that it had commenced legal proceedings against Molopo Energy Limited (ASX:[MPO](#)) (**Molopo**) seeking further information in relation to a number of matters including Molopo's recent acquisition of shares in Orient FRC Ltd (the **Orient Transaction**²) and the conduct of the current Board in the management and administration of Molopo. Keybridge is concerned that the Directors of Molopo responsible for approving the Orient Transaction are in breach of their fiduciary duties as directors under sections [180\(1\)](#) and [181\(1\)\(a\)](#) of the Corporations Act.

Keybridge confirms that it has commenced further legal proceedings in the Supreme Court of Western Australia against Molopo and the sole director of Molopo resident in Australia, Ronnen Rosengart.

These proceedings seek a number of orders against Molopo and Mr Rosengart on the basis of oppression by Molopo of its shareholders, breaches by Molopo of the ASX Listing Rules and breaches by Molopo of the Corporations Act requirement to have two resident Australian directors, including the following:

- (1) An injunction against Molopo expending any further funds in relation to the Orient Transaction;
- (2) An injunction restraining Molopo entering into any transaction that represents a significant change to the nature or scale of its activities without shareholder approval;
- (3) An order that Molopo institute proceedings against the Directors responsible for Molopo entering into the Orient Transaction;
- (4) An order that a Receiver and Manager be appointed by the Court over all of Molopo's property; and
- (5) An order that Molopo appoint a second Director who resides in Australia to rectify the current breach of [section 201A\(2\)](#) of the Corporations Act.

The legal actions commenced by Keybridge have been commenced as a consequence of the extraordinary actions and inactions of the current Molopo Board both with respect to the Orient Transaction and their general management of Molopo, with the suspension of Molopo's shares on ASX continuing and Molopo's Board continuing to be non-compliant with the ASX Listing Rules.

1 Refer Keybridge's ASX announcement dated [11 September 2017: Commencement of Legal Action Against Molopo Energy Limited to Access Information](#)

2 Refer Molopo's ASX announcement dated [22 August 2017: Molopo Acquires Interest in US Oil and Gas Project](#)

After many months of attempting to engage with the Molopo Board, in light of the Orient Transaction, Keybridge has taken urgent steps to protect the interests of all shareholders of Molopo and to preserve the remaining value of Molopo from the inappropriate actions of these Directors.

Keybridge will inform the market of its progress in this matter and the other proceedings as they arise.

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

Keybridge is an investment and financial services group with a diversified portfolio of listed and unlisted investments/loan assets including in the solar sector (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](#)) and Metgasco Limited (ASX: [MEL](#)). Keybridge is also the Investment Manager of HHY.