

22 May 2018

Magnolia Petroleum plc ('Magnolia' or 'the Company')

Proposed cancellation of admission to trading on AIM

Magnolia Petroleum plc, the AIM quoted US focused oil and gas exploration and production company, announces that it is proposing to cancel the admission to trading on AIM of its Ordinary Shares ("Cancellation").

A circular will be posted to Shareholders today setting out the background to and reasons for the Cancellation, the reasons why the Directors believe that this is in the best interests of the Company and its Shareholders as a whole and their recommendation to Shareholders to vote in favour of the proposals. The circular will also contain a notice convening a general meeting for 15:30 p.m. BST (09:30 a.m. local time) on 7 June 2018 to be held at the offices of Pray Walker P.C., 100 West Fifth Street, Suite 900, Tulsa, OK 74103, USA.

Attached below is an extract from the circular which will also be available on the Company's website www.magnoliapetroleum.com and which should be read in full.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

For further information on Magnolia Petroleum Plc visit www.magnoliapetroleum.com or contact the following:

Rita Whittington	Magnolia Petroleum Plc	+01918449 8750
Jo Turner / James Caithie	Cairn Financial Advisers LLP	+44207213 0880
Daniel Gee	Cornhill Capital Limited	+44207710 9610
Lottie Brocklehurst	St Brides Partners Ltd	+44207236 1177
Frank Buhagiar	St Brides Partners Ltd	+44207236 1177

**Proposed Cancellation from Trading on AIM
Notice of General Meeting**

Dear Shareholder,

1. Introduction

The Company is proposing to seek Shareholder consent to cancel admission of its Ordinary Shares to trading on AIM ("Cancellation"). The Directors consider the Cancellation to be in the best interests of Shareholders having taken into account the Company's ability to raise further funds and the costs of maintaining its AIM quotation.

This Circular sets out the background to and reasons for the Cancellation, additional information on the implications of the Cancellation for the Company and its Shareholders and why the Board believes the Cancellation to be in the best interests of the Company and of the Shareholders as a whole. Having disclosed their interests in the Company and their intentions with regard to their

individual holdings, the Directors unanimously recommend the Cancellation.

Pursuant to Rule 41 of the AIM Rules for Companies the Company is required to obtain the consent of not less than 75 per cent. of the votes cast by Shareholders at a general meeting in order to request that the Company's Ordinary Shares are cancelled from trading on AIM. A notice of a general meeting is included at the end of this document convening a general meeting to be held at the offices of Pray Walker, P.C. at 100 West Fifth Street, Suite 900, Tulsa, OK 74103, USA at 15:30 p.m. BST (to be held at 09:30 a.m. local time) on 7 June 2018.

2. Reasons for the Cancellation

The Company is an oil and gas exploration and production company that was founded on 2 July 2008 to engage in the acquisition, exploitation and development of oil and gas properties primarily located onshore in the United States. The Company was admitted to trading on AIM on 25 November 2011.

The Company's business model revolves around its ability to invest funds in maintaining and expanding its portfolio of working interests in wells. In the last few years, the Company has found it increasingly difficult to raise sufficient funds through the AIM market to provide the business with the scale it requires. Despite the recent rise in oil prices, the Company's share price remains depressed which further adds to the difficulty of raising funds through the AIM market. To this extent, the Directors consider that any future investment is likely to need to come from internally generated revenue or from other sources other than placing of new shares.

In the Company's operations update of 16 April 2018, it provided a current overview of its reserves and portfolio of interests in 119 producing well. The Company further stated its intention to continue with its debt reduction programme. With the backdrop of rising oil prices and asset prices, the Directors are of the view that it is an favourable time to consider the disposal of certain interests in order to allow the Company to significantly reduce, if not eliminate, debt whilst maintaining a portfolio of revenue producing working interests. The effect of these future disposals will not only reduce net debt, but also reduce the company's revenue generating asset base and scale of the business placing further emphasis on the costs and benefits of maintaining the Company's AIM quotation. The Directors estimate that the recurring administrative costs savings of Cancellation will be approximately £100,000 per annum.

The Directors have conducted a review of the benefits and costs of maintaining the Company's quotation on AIM and, after careful consideration of the matters laid out above, the Board considers the costs of maintaining the Company's AIM quotation to exceed the benefits and opportunities of the Company remaining quoted on AIM. Accordingly, the Board has convened the General Meeting as it believes the Cancellation to be in the best interests of Shareholders and the Company as a whole.

The Company will consider putting in place a matched bargain facility as a mechanism to assist shareholders buy and sell ordinary shares should Cancellation become effective.

3. Effects of Cancellation

Should the Cancellation take place, Shareholders are reminded, *inter alia*, that there will no longer be a formal market mechanism for Shareholders to trade in the Ordinary Shares and no price will be publicly quoted for the Ordinary Shares. In the absence of another trading mechanism being put in place, there will be no liquidity and marketability of the Ordinary Shares and the value of such Ordinary Shares may be consequently adversely affected. It will be very difficult for Shareholders to realise value from their Ordinary Shares. The Ordinary Shares will remain transferable through CREST.

Further, the AIM Rules will no longer apply to the Company and levels of corporate governance and transparency will no longer be dictated by those rules. Shareholders will no longer be afforded

the protections given by the AIM Rules, such as the requirement to be notified of certain events, including substantial transactions, financing transactions, related party transactions and fundamental changes in the Company's business, including certain acquisitions and disposals.

In addition, the Company will no longer be required to retain a nominated adviser or broker.

Shareholders should note that that Takeover Code will continue to apply to the Company following the Cancellation

4. Process for Cancellation

In accordance with Rule 41 of the AIM Rules, the Company has notified the London Stock Exchange plc of its proposed Cancellation from trading on AIM.

Under the AIM Rules, it is a requirement that the Cancellation is approved by the requisite majority of Shareholders voting at a general meeting (being not less than 75 per cent. of the votes cast). Accordingly, a resolution set out in the Notice of General Meeting seeks Shareholders' approval for the Cancellation. Subject to the resolution approving the Cancellation being passed at the General Meeting, it is anticipated that trading in the Ordinary Shares on AIM will cease at close of business on 21 June 2018 with the Cancellation taking effect at 07:00 a.m. on 22 June 2018.

Upon the Cancellation becoming effective, Cairn Financial Advisers LLP will cease to be nominated adviser to the Company and the Company will no longer be required to comply with the rules and corporate governance requirements to which companies admitted to trading on AIM are subject, including the AIM Rules.

5. General Meeting

You will find set out at the end of this document a notice convening the General Meeting to be held at the offices of Pray Walker, P.C. at 100 West Fifth Street, Suite 900, Tulsa, OK 74103, USA at 15:30 p.m. BST (to be held at 09:30 a.m. local time) on 7 June 2018 to consider the resolution seeking approval for the Cancellation.

6. Action to be taken

Holders of Existing Ordinary Shares will find enclosed with this document a Form of Proxy for use by them at the General Meeting.

Whether or not you are able to attend the General Meeting, you are requested to complete the enclosed Form of Proxy and return it to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible and, in any event, so as to arrive by 15:30 p.m. on 5 June 2018. The completion and return of a Form of Proxy will not prevent you from attending the General Meeting and voting in person if you subsequently wish to do so.

Shareholders are reminded that, if their Ordinary Shares are held in the name of a nominee, only that nominee or its duly appointed proxy can be counted in the quorum at the General Meeting.

If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice from your broker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser, immediately.

7. Recommendation

The Directors consider the Cancellation to be in the best interests of the Company and Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the resolution to be proposed at the General Meeting as they intend to do in respect of their aggregate interests.

DEFINITIONS

The following definitions apply throughout this document (including the Notice of General Meeting) and the form of proxy unless the context requires otherwise:

“Act”	the Companies Act 2006 (as amended)
“AIM Rules”	the AIM Rules for Companies and the AIM Rules for Nominated Advisers, as issued by the London Stock Exchange from time to time
“AIM”	the market of that name operated by the London Stock Exchange
“Cairn”	Cairn Financial Advisers LLP, the Company’s Nominated adviser as at the date of this document
“Cancellation”	cancellation from trading of the Company’s Ordinary Shares from trading on the AIM market of the London Stock Exchange
“certificated” or “in certificated form”	a share or security which is not in uncertificated form (that is, not in CREST)
“CREST”	a relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time
“Directors” or “Board”	the existing directors of the Company whose names are set out on page 4 of this document
“Euroclear”	Euroclear UK & Ireland Limited
“Ordinary Shares”	the 34,906,992 Ordinary Shares in issue at the date of this document
“General Meeting”	a general meeting of the Company to be held at 15:30 p.m. BST (09:30 a.m. local time) on 7 June 2018 at the offices of Pray Walker P.C., 100 West Fifth Street, Suite 900, Tulsa, OK 74103, USA or any adjournment thereof, notice of which is set out in the Notice of General Meeting
“Group”	the Company and its subsidiary undertakings
“Magnolia” or “the Company”	Magnolia Petroleum plc

“Notice of General Meeting”	the notice convening the General Meeting which is set out at the end of this document
“Ordinary Shares”	ordinary shares of 0.1 pence each in the share capital of the Company
“Resolution”	the resolution to be proposed at the General Meeting, details of which are set out in the Notice of General Meeting
“Shareholder”	a holder of Ordinary Shares from time to time
“United Kingdom”	the United Kingdom of Great Britain and Northern Ireland.
“United States” or “US”	United States of America and its territories

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2018

Notice given to London Stock Exchange notifying it of the proposed Cancellation	22 May
Publication of this document	23 May
Latest time and date for receipt of Form of Proxy	15:30 p.m. on 5 June
General Meeting (to be held at the offices of Pray Walker P.C., 100 West Fifth Street, Suite 900, Tulsa, OK 74103, USA – BST-6)	15:30 p.m. on 7 June
Announcements of result of the General Meeting	7 June
Expected last day of dealings in Ordinary Shares on AIM	21 June
Expected time and date that the admission to trading of the Ordinary Shares on AIM will be cancelled	With effect from 07:00 a.m. on 22 June

Notes:

1. References to times in this document are to London time (unless otherwise stated).
2. The General Meeting is being held in the United States and will take place at 09:30 a.m. local time (BST -6)
3. The times are subject to change by the Company, in which case details of the new times and dates will be notified to the London Stock Exchange and the Company will make an appropriate announcement through a Regulatory Information Service.

EQUITY STATISTICS

Issued Share Capital of the Company as at the date of this document	34,906,992
ISIN code for the Ordinary Shares	GB00B63QSF76
SEDOL for the Ordinary Shares	B63QSF7
TIDM Code	MAGP