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If you have sold or otherwise transferred all of your Ordinary Shares in Magnolia Petroleum plc, please forward this document, together with the accompanying Form of Proxy, as soon as possible, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

**This document does not constitute an offer to buy, acquire or subscribe for, or the solicitation of an offer to buy, acquire or subscribe for, any securities of the Company, or an invitation to buy, acquire or subscribe for securities of the Company, nor does it constitute an admission document drawn up in accordance with the AIM Rules. This document does not constitute a prospectus and a copy has not been delivered to the Financial Conduct Authority.**

The Directors, whose names appear on page 4 of this document accept responsibility for all the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Cairn Financial Advisers LLP, authorised and regulated in the United Kingdom by the Financial Conduct Authority and a member of the London Stock Exchange, is acting as the Company's nominated adviser. They are acting exclusively for the Company and no one else in connection with the matters described herein and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Cairn Financial Advisers LLP. The responsibilities of Cairn Financial Advisers LLP, as nominated adviser under the AIM Rules, are owed solely to the London Stock Exchange and are not owed to the Company or any Director or to any other person in reliance on any part of this document. No representation or warranty, express or implied, is made by Cairn Financial Advisers LLP as to any of the contents of this document. Cairn Financial Advisers LLP has not authorised the contents of any part of this document for any purpose and no liability whatsoever is accepted by Cairn Financial Advisers LLP for the accuracy of any information or opinions contained in this document.

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# Magnolia Petroleum plc

*(Incorporated and registered in England and Wales with registered number 5566066)*

## **Proposed Cancellation of Admission of Ordinary Shares to Trading on AIM**

### **Notice of General Meeting**

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No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised.

**This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 5 to 7 of this document and in which the Directors recommend that Shareholders vote in favour of the resolution.**

Notice of the Company's General Meeting to be held at 15:30 p.m. (BST) on 7 June 2018 is set out on page 9 of this document. The meeting will be held at the offices of Pray Walker P.C., 100 West Fifth Street, Suite 900, Tulsa, OK 74103, USA. You will find enclosed with this document form of proxy for use at the General Meeting. The form of proxy for the General Meeting should be returned, together with the power of attorney or other authority (if any) under which they are signed, or a certified copy of such power or authority, to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, by hand or by post so as to be received not later than 15:30 p.m. (BST) on 5 June 2018 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a working day)). Completion and return of forms of proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they wish to do so.

The distribution of this document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. Subject to certain exceptions, this document is not for release, publication or distribution, directly or indirectly, in or into the United States, Australia, Canada, the Republic of South Africa, Japan and their respective territories or any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

Copies of this document will be available for collection, free of charge, for a period of one month from the date of this document, at the Company's registered office during normal business hours (Saturdays, Sundays and public holidays excepted) and on the Company's website: [www.magnoliapetroleum.com](http://www.magnoliapetroleum.com).

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## FORWARD-LOOKING STATEMENTS

This document includes “forward-looking statements” which includes all statements other than statements of historical fact, including, without limitation, those regarding the Group’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “could” or similar expressions or negative versions of them. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Group’s control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements and therefore undue reliance should not be placed on such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements are made only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this document to reflect any change in the Group’s expectations with regard to such statements or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

## 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

## DIRECTORS, SECRETARY AND ADVISERS

**Directors**  
Leonard Wallace (*Non-executive Chairman*)  
Rita Whittington (*Chief Executive Director*)  
Derec Norman (*Chief Financial Officer*)  
Lanny Woods (*Non-executive Director*)

**Registered Office**  
Suite 321  
19-21 Crawford Street  
London  
W1H 1PJ

**Company Secretary**  
Stanley Salter

**Nominated Adviser**  
**Cairn Financial Advisers LLP**  
Cheyne House, Crown Court  
62-63 Cheapside  
London  
EC2V 6AX

**Broker**  
**Cornhill Capital Limited**  
18 St. Swithins Lane  
London  
EC4N 8AD

**Solicitors to the Company  
in respect of US Law**  
**Pray Walker, P.C.**  
100 West 5<sup>th</sup> Street  
Suite 900  
Tulsa OK 74103  
United States of America

**Solicitors to the Company  
in respect of UK Law**  
**Hill Dickinson**  
The Broadgate Tower  
20 Primrose Street  
London  
EC2A 2EW

**Auditors**  
**PKF Littlejohn LLP**  
1 Westferry Circus  
Canary Wharf  
London  
E14 4HD

**Financial PR**  
**St Brides Partners Limited**  
3 St Michael's Alley  
London  
EC3V 9DS

**Registrars**  
**Neville Registrars Limited**  
Neville House  
18 Laurel Lane, Halesowen  
West Midlands  
B63 3DA

## LETTER FROM THE CHAIRMAN OF MAGNOLIA PETROLEUM PLC

# Magnolia Petroleum plc

*(Registered in England and Wales with company number 5566066)*

### *Directors*

Leonard Wallace (*Non-executive Chairman*)  
Rita Whittington (*Chief Executive Director*)  
Derec Norman (*Chief Financial Officer*)  
Lanny Woods (*Non-executive Director*)

### *Registered Office*

Suite 321  
19-21 Crawford Street  
London  
W1H 1PJ

23 May 2018

### **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.

Yours faithfully

**Leonard Wallace**  
*Non-executive Chairman*

## DEFINITIONS

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

<b>“Act”</b>	the Companies Act 2006 (as amended)
<b>“AIM Rules”</b>	the AIM Rules for Companies and the AIM Rules for Nominated Advisers, as issued by the London Stock Exchange from time to time
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange
<b>“Cairn”</b>	Cairn Financial Advisers LLP, the Company’s Nominated adviser as at the date of this document
<b>“Cancellation”</b>	cancellation from trading of the Company’s Ordinary Shares from trading on the AIM market of the London Stock Exchange
<b>“certificated” or “in certificated form”</b>	a share or security which is not in uncertificated form (that is, not in CREST)
<b>“CREST”</b>	a relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time
<b>“Directors” or “Board”</b>	the existing directors of the Company whose names are set out on page 4 of this document
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited
<b>“Ordinary Shares”</b>	the 34,906,992 Ordinary Shares in issue at the date of this document
<b>“General Meeting”</b>	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
<b>“Group”</b>	the Company and its subsidiary undertakings
<b>“Magnolia” or “the Company”</b>	Magnolia Petroleum plc
<b>“Notice of General Meeting”</b>	the notice convening the General Meeting which is set out at the end of this document
<b>“Ordinary Shares”</b>	ordinary shares of 0.1 pence each in the share capital of the Company
<b>“Resolution”</b>	the resolution to be proposed at the General Meeting, details of which are set out in the Notice of General Meeting
<b>“Shareholder”</b>	a holder of Ordinary Shares from time to time
<b>“United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland.
<b>“United States” or “US”</b>	United States of America and its territories

## NOTICE OF GENERAL MEETING

# Magnolia Petroleum plc

*(Registered in England and Wales with company number 5566066)*

**NOTICE IS GIVEN** that a general meeting of Magnolia Petroleum plc (the “**Company**”) will be held at the offices of Pray Walker P.C., 100 West Fifth Street, Suite 900, Tulsa, OK 74103 USA at 15:30 p.m. BST (09:30 a.m. local time), or any adjournment thereof, on 7 June 2018 (the “**General Meeting**”) to consider the following resolution which is proposed as special resolution.

### **Resolution**

1. **THAT** the cancellation of the admission of the Company’s Ordinary Shares to trading on the AIM market of the London Stock Exchange plc be and is hereby approved and that the directors of the Company be and are hereby authorised to take all steps which are necessary or desirable in order to effect such cancellation.

**By order of the Board**  
**Stanley Salter**  
**Company Secretary**

**23 May 2018**

*Registered Office*  
Suite 321  
19-21 Crawford Street  
London  
W1H 1PJ

### **Notes**

1. A member of the Company entitled to attend, speak and vote at the General Meeting (“**GM**”) may appoint one or more proxies to attend, speak and vote instead of him/her. A proxy need not be a member of the Company.
2. Completion and return of a form of proxy does not preclude a member from attending, speaking and voting at the GM in person should he/she so wish.
3. A form of proxy is enclosed and to be valid must be completed, signed and returned so as to reach the Company’s registrar, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA (together with a letter or power of attorney or other written authority, if any, under which it is signed or a notarially certified or office copy of such power or written authority) not later than 15.30 p.m. BST on 5 June 2018 being 48 hours (excluding any part of a day that is not a working day) before the time fixed for holding the GM or any adjournment thereof.
4. Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001, only those members registered in the Register of Members of the Company as at close of business on 5 June 2018 are entitled to attend, speak or vote at this GM in respect of the number of shares registered in their name as at close of business on 5 June 2018. Changes to entries in the register after close of business on 5 June 2018 shall be disregarded in determining the right to attend, speak or vote at the GM.