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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.

Magnolia Petroleum plc

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

Proposed Disposal of Assets

Notice of General Meeting

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 22 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 20 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.

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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

Publication of this document	7 June
Latest time and date for receipt of forms of proxy	15:30 p.m. on 20 June
General meeting in respect of Disposal (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 22 June
Adjourned general meeting in respect of Cancellation (to be held at the offices of Pray Walker P.C., 100 West Fifth Street, Suite 900, Tulsa, OK 74103, USA – BST-6)	15:45 p.m. on 22 June
Announcements of result of the General Meeting	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 Officer*)
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 5th 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 Officer*)
Derec Norman (*Chief Financial Officer*)
Lanny Woods (*Non-executive Director*)

Registered Office

Suite 321
19-21 Crawford Street
London
W1H 1PJ

7 June 2018

Proposed Disposal of Assets Notice of General Meeting

Dear Shareholder,

1. Introduction

This circular sets out the reasons for seeking Shareholder consent to dispose of certain assets and why the Board believes the proposal is in the best interests of Shareholders.

A notice of a general meeting is included at the end of this document convening a general meeting (“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 22 June 2018.

2. Background to the proposal

On 6 June 2018, the Company announced that, following protracted negotiations with its bank, Simmons Bank (the “Bank”), an Arkansas state bank (successor by merger to bank SNB, an Oklahoma state banking corporation), the Bank would not extend the reserved based lending facility provided to its wholly owned operating subsidiary, Magnolia Petroleum, Inc. (“Magnolia Inc”). The amount outstanding to the Bank is approximately \$2,000,000 and Magnolia Inc has been given until 9 July 2018 to repay or refinance its loan. The Bank has further placed restrictions on Magnolia Inc’s bank account until such time as the loan is satisfied resulting in the Group not being able to manage its working capital effectively.

The Board is extremely disappointed with the Bank’s decision and attributes the reasons for this to the Bank’s recent sale and change of management. The Board has previously stated its intention to reduce the Group’s debt due to its loss of confidence in the long term support of the Bank. Further, the Company recently put a proposal to Shareholders to seek a cancellation from trading on AIM as it considered that it would not be able to raise further funds from the equity market such that the costs of remaining on AIM outweighed the benefits.

As a result of the previously announced planned debt reduction programme, the Board had designated a portfolio of interests in wells (the “Target Assets”) as appropriate for disposal. The Board recognises that the best option available to preserve shareholder value is to accelerate its disposal plan. Due to the nature of its assets, the Board is confident that it can sell a sufficient value of its interests in wells (the “Disposal”) prior to the Bank’s deadline to satisfy the bank loan in full. In the event that the loan cannot be repaid or refinanced, it is likely that the directors would need to commence Chapter 11 bankruptcy proceedings with respect to Magnolia Inc which would lead to a loss of control of the debt reduction programme and reduced value being received by the Company for the Target Assets (and its portfolio of remaining wells). In this scenario it is likely shareholders would receive no value for the Company’s portfolio of wells with all proceeds of sales being used to settle creditors and the costs of the Chapter 11 proceedings.

The portfolio of wells to be sold from the Target Assets is likely to include its interests in wells in North Dakota and certain properties in Oklahoma, however, the specific interests in wells subject to the Disposal may change. The Company's current portfolio comprises interests in 108 wells and further details of the interests in wells and their economics were included in the Company's operations update on 16 April 2018. The Company expects current PDP reserves to be approximately \$3,300,000 and it is anticipated that the Disposal will result in approximately 50 per cent of its wells being sold by number.

Pursuant to Rule 15 of the AIM Rules for Companies, the proposed sale of the Target Assets will exceed 75 per cent. in at least one of the class tests, resulting in a fundamental change of business requiring the Company to obtain the consent of Shareholders at a general meeting prior to completing the Disposal. Accordingly, a notice of the General Meeting is included at the end of this document. Whilst the Disposal is not considered at this stage to have the effect of divesting the Company of substantially all of its trading assets, to the extent that the sale of Target Assets, subject to Shareholder approval, is considered to have this effect then Magnolia will be regarded as a AIM Rule 15 cash shell as defined in the AIM Rules for Companies.

There is likely to be more than one buyer for the wells making up the Target Assets (the market for working interests in wells in North Dakota and Oklahoma is relatively liquid) and it is expected all buyers will be arm's length third party cash buyers (not "connected persons" or "related parties" of the Company or the Directors, as such terms are defined in the Act and the AIM Rules for Companies respectively). At this stage, the identity of the specific wells to be sold, and the profits and/or losses and/or costs attributable to such wells, cannot be confirmed. Further, the identity of buyers of particular wells (or regional portfolios that are likely to be packaged together) is not known, and the final consideration the Company will receive for a particular well or portfolio of wells, and for the Disposal as a whole, is unknown. The Company will endeavour to achieve the best possible price for each well as part of the disposal programme and will make a further announcement after the Disposal has been completed (subject to Shareholder approval) to confirm details of Target Assets sold (and the portfolio of assets retained by Magnolia Inc), buyers (to the extent the same can be publicly disclosed), net consideration received by the Group, and the results of the debt reduction with the Bank.

3. Adjournment of general meeting in respect of the proposed cancellation

On 23 May 2018, the Company sent a circular to all Shareholders to consider a proposal to cancel admission of its Ordinary Shares to trading on AIM and convened a general meeting for 7 June 2018 ("Cancellation General Meeting").

In light of the information contained in this circular, the Disposal and threat of insolvency proceedings for Magnolia Inc, the Board considers that it is appropriate to adjourn the Cancellation General Meeting to allow Shareholders time to better consider the situation as a whole. The Cancellation General Meeting will accordingly be adjourned until 15:45 BST on 22 June 2018, to be reconvened for immediately after the General Meeting.

Shareholders who have submitted forms of proxy for the Cancellation General Meeting but who wish to change their voting instructions may do so by resubmitting a proxy form which is available from the Company's website www.magnoliapetroleum.com. Proxy forms will be accepted for the Cancellation General Meeting up until 20 June 2018 and should be returned to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA to arrive by 15:45 p.m. BST.

Shareholders who have already submitted forms of proxy for the Cancellation General Meeting and who do not wish to change their voting instructions will not need to take any further action.

4. 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 22 June 2018 to consider the resolution seeking approval for the Disposal.

5. 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 20 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.

6. Recommendation

The Directors consider the Disposal to be in the best interests of the Company and Shareholders as a whole. The Board advise that the likely alternative to the Disposal will be the commencement of Chapter 11 proceedings for Magnolia Inc, a loss of control of the debt reduction programme, and reduced value being received by the Company for the Target Assets (and its portfolio of remaining wells) as a result of the insolvency proceedings it will be required to take. The Directors unanimously recommend that Shareholders vote in favour of the resolution as they intend to do in respect of their aggregate interests.

The Directors further encourage Shareholders to resubmit proxy forms in favour of Cancellation at the adjourned Cancellation General Meeting as, in the event the Disposal is approved, the asset base of the Company will be significantly reduced to the extent that maintain admission to trading on AIM is likely to impact the value to all Shareholders.

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:

“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
“Cancellation General Meeting”	the adjourned general meeting of the Company to be held at 15:45 p.m. BST (09:45 a.m. local time) on 22 June 2018 at the offices of Pray Walker P.C., 100 West Fifth Street, Suite 900, Tulsa, OK 74103, USA or any adjournment thereof, to consider the Cancellation
“Directors” or “Board”	the existing directors of the Company whose names are set out on page 4 of this document
“Disposal”	the sale of sufficient assets to repay the Company’s bank loan for which Shareholder consent is required
“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 22 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 undertaking
“Magnolia” or “the Company”	Magnolia Petroleum plc
“Magnolia Inc”	Magnolia Petroleum, Inc. the Company’s wholly owned subsidiary
“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
“PDP reserves”	Classification of proved reserves which stands for proved developing producing reserves
“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

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 22 June 2018 (the “**General Meeting**”) to consider the following resolution which is proposed as special resolution.

Resolution

1. **THAT** the disposal of the assets included within the Target Assets (as defined in the circular of the Company to its shareholders dated 7 June 2018 (the “Circular”)) by the Company, on such commercial terms (including as to consideration) as determined by the Board of Directors of the Company, for the debt reduction programme set out in the Circular, being a disposal resulting in a fundamental change of business for the purposes of Rule 15 the AIM Rules, be and is hereby approved.

By order of the Board
Stanley Salter
Company Secretary

7 June 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 20 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 20 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 20 June 2018. Changes to entries in the register after close of business on 20 June 2018 shall be disregarded in determining the right to attend, speak or vote at the GM.