

MAGNUS ENERGY GROUP LTD.

(Incorporated in Singapore)

(Registration No. 198301375M)

APAC UPDATE

The Board of Directors (the “**Board**”) of Magnus Energy Group Ltd. (“the **Company**”) wishes to announce that our subsidiary APAC Coal Limited (“**APAC**”) has entered into a sales and purchase agreement to acquire 100% of the shares in Goyes Agri-Food Investment Limited from Sharp Year Ventures Limited (the “**Proposed Acquisition**”). The consideration for the Proposed Acquisition shall be fully funded by the issue of consideration shares by APAC. The Proposed Acquisition shall be subject to the approval of the shareholders of APAC at a general meeting. Further details on the Proposed Acquisition can be found in the copy of the announcement released by APAC on 30 June 2016, which is attached with this announcement as Appendix I.

APAC is a company listed on the Australian Securities Exchange (ASX), with an independent Board. The Company presently holds a direct shareholding interest of 55.79% in APAC and shall cease to be the majority and controlling shareholder of APAC upon the completion of the Proposed Acquisition. There would be no change in the number of shares held by the Company in APAC upon the completion of the Proposed Acquisition.

The Proposed Acquisition presents an excellent opportunity for the Company to enhance the value of its shareholdings in APAC and also to rationalize its loss making coal division that currently has a protracted legal dispute.

The Board is of the opinion that the Proposed Acquisition is in the interest of the Company and the success of the Proposed Transaction is expected to have a positive effect on the net tangible assets per share and earnings per share of the Group for the financial year ending 30 June 2017.

The Company will make further announcement(s) as and when there are material developments in relation to the aforesaid matter.

BY ORDER OF THE BOARD

Magnus Energy Group Ltd.

Luke Ho Khee Yong
Chief Executive Officer
1 July 2016

About Magnus Energy Group Ltd. (www.magnusenergy.com.sg)

Listed since 04 August 1999

Incorporated in 1983, SGX Catalist Board-listed Magnus Energy Group Ltd. (“Magnus”) is an investment holding company with a diversified portfolio comprising oil, coal and gas assets, oil and gas equipment distribution, renewable energy and natural resources trading, property and infrastructure development, and industrial waste water treatment.

Magnus aims to maximise shareholder value through strategic investments in profitable projects and acquisitions globally with the goal of broadening the Group’s earnings base and shareholder value.

*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, Stamford Corporate Services Pte. Ltd. (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Sponsor has not independently verified the contents of this announcement.*

The announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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