
APPLICATION FOR EXTENSION OF TIME TO ANNOUNCE THE COMPANY'S FINANCIAL RESULTS FOR THE FULL YEAR ENDED 30 JUNE 2020

The Board of Directors of Magnus Energy Group Ltd (the “**Company**” and, together with its subsidiaries, the “**Group**”) wishes to announce that the Company had, on 19 August 2020, made an application to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) through its sponsor, Novus Corporate Finance Pte. Ltd., for an extension of time to comply with Rule 705(1) of the SGX-ST Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) and to announce its unaudited consolidated financial statements for the full financial year ended 30 June 2020 (“**FY2020 Financial Results**”) by no later than 12 September 2020 (the “**Extension Application**”).

Pursuant to Rule 705(2) of the Catalist Rules, the Company must announce its FY2020 Financial Results immediately after the figures are available, but in any event not later than 29 August 2020, being 60 days after the end of the relevant financial year. The Company has requested for an extension of time to announce its FY2020 Financial Results under the Extension Application for the following reasons:

(i) Preparation and Finalisation of FY2020 Financial Results

As at the date of the Extension Application, the Group's remaining oil and gas equipment distribution business (the “**US Business**”) is operated out of its United States (“**US**”) entity, Mid-Continent Equipment, Inc., (“**MEI**”) in which the Company holds an 80% shareholding interest in. With the Group's disposal of its oil and gas equipment business in South East Asia, the Group's operational revenue is solely dependent on the US Business and hence, MEI constitutes a significant subsidiary of the Company for the purposes of preparing the FY2020 Financial Results.

Baker Tilly Virchow Krause, LLP (the “**US Auditors**”) are the auditors of MEI, while Baker Tilly TFW LLP (“**Baker Tilly**”) is the Singapore auditors to the Company responsible for the audit of the Group's consolidated FY2020 Financial Results.

Due to the recent global outbreak of COVID-19 and the deteriorating situation in the US whereby there has been a resurgence of COVID-19 cases, MEI's management have had to implement certain measures to protect its personnel (the “**US Personnel**”). Among others, MEI's management had informed the US Personnel to work from home whenever possible. Hence, access to physical office premises which house relevant documents / records needed for the preparation and finalisation of the FY2020 Financial Results has been limited.

The US Auditors have also encountered difficulties in travelling to the physical office premises and arranging for meetings with the relevant US Personnel in order to perform their audit work / gain access to the aforementioned relevant documents relating to the US operations.

As a result, the US Auditors will require more time to complete their audit work.

Given the significance of the US Business to the Group, the Company is of the view that the FY2020 Financial Results can only be finalized once the US Auditors have completed their work and are able to provide inputs on the financial figures prepared by MEI, so as to avoid any material adjustments being subsequently made to the FY2020 Financial Results by the US Auditors.

MAGNUS ENERGY GROUP LTD.

(Incorporated in Singapore)

(Registration No. 198301375M)

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(ii) Change in Directors of the Board

As announced on 15 June 2020 and 24 June 2020 respectively, Mr. Ong Chin Yew and Mr. Kuek Eng Chye Anthony had ceased to be the Non-Independent Non-Executive Director and Independent Non-Executive Director of the Company. Consequent to these cessations, only Mr. Farooq Ahmad Mann remained as the sole member of the Audit Committee (“**AC**”), the Nominating Committee (“**NC**”) and the Remuneration Committee (“**RC**”) at the time. Accordingly, the Company had announced that it was not in compliance with Rule 704(7) of the Catalist Rules and the Companies Act, Chapter 50 of Singapore, where the AC should consist of a minimum number of three (3) members.

Subsequently on 6 August 2020, Mr. Michael Pixley and Mr. Winston Milner (the “**New Directors**”) were appointed as Independent Non-Executive Directors of the Company (the “**New Appointments**”). Pursuant to the New Appointments to the Board, the AC, NC and RC of the Company were reconstituted with the requisite quorum of members under the Company's constitution.

Given that the Board was only fully reconstituted with the requisite quorum of members on 6 August 2020, the Extension Period would provide the New Directors with sufficient time to familiarise themselves with and understand the financial situation of the Company, and thereafter be better able to review and assess the FY2020 Financial Results.

The Company will announce the outcome of the Extension Application in due course.

Shareholders are advised to exercise caution when dealing with the Company's securities. Shareholders should seek advice from their stockbrokers, bankers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt about the actions that they should take.

BY ORDER OF THE BOARD

Magnus Energy Group Ltd.

Charles Madhavan

Executive Director and Chief Executive Officer

19 August 2020

*This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the “**Sponsor**”), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist.*

This 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.

The contact person for the Sponsor is Mr Pong Chen Yih, Chief Operating Officer, at 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.