

Media Release

Magnus Board of Directors Receives Positive Endorsement from Shareholders at EGM

70 percent of Shareholders Show Strong Support for Current Board and Management

Singapore, 29 April 2016 - Magnus Energy Group Ltd. (the “Company” or “Magnus”) announced today that its current Board of Directors (the “Board”) has received strong support from its shareholders at an Extraordinary General Meeting (“EGM”) held earlier today following a requisition from a group of shareholders (collectively, the “Requisitioning Members”) that all current directors of the Company be removed and replaced by their nominated individuals.

70 percent of shareholders voted in favour for the current Board. Magnus received this positive endorsement from shareholders such that even if the support that it had received from the Company’s new substantial shareholder, Mr. Lee Chin Cheh was not included, the votes casted by the shareholders would still be in favour of the Board to remain. Mr. Lee had previously indicated his confidence and support for the current Board and Management.

“We are pleased that shareholders understand and approve our strategic direction for the Company, and have overwhelmingly demonstrated their faith in the current Board. We are committed to the restructuring of the Company and in generating long-term value for our shareholders. We are glad that our shareholders appreciate this, and this is something that needs time to pan out, and they are fully behind us supporting the new direction we are adopting,” said Mr. Luke Ho, Chief Executive Officer of Magnus.

Mr. Ho added that while Requisitioning Members had raised concerns over the Company’s issuance of convertible notes (“Notes”), Magnus has always acted with full transparency towards its disclosures and communications with shareholders regarding the issuance of the Notes.

“The terms and conditions of the Notes were fully disclosed to shareholders at the EGM held on 29 October 2014. Among all those who were present and who voted, the Company received 90 percent of their endorsements,” said Mr. Ho.

He further noted that over the past four months, the majority of shares acquired in the market were by the Requisitioning Members.

“As a small-cap company, we are constantly on the lookout for viable sources of funding. Convertible notes are not a novelty, and they are not an uncommon means for companies to raise funds. On the same note, we understand the related concerns voiced by certain shareholders. We want to reassure all parties that we are fully committed to acting in the best long-term interests of the Company,” said Mr. Ho.

He added that funds raised will be utilised as working capital and for capital investments.

As part of Magnus’ rebuilding and diversification efforts, the Company had invested in water treatment specialist Flagship Ecosystems Pte Ltd. Earlier in May 2015, Magnus’ wholly-owned subsidiary MEG Global Resources Limited entered into an ongoing property development project in Kupang, Indonesia. Ensuing this, the Company invested in road projects in Central and West Java, Indonesia, and a dam construction project in Banten, West Java, Indonesia.

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About Magnus Energy Group Ltd.

Incorporated in 1983, and listed since 4 August 1999, 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.

Please visit www.magnusenergy.com.sg for more information on Magnus.

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