

MAGNUS ENERGY GROUP LTD.

(Incorporated in Singapore)

(Registration No. 198301375M)

RECEIPT BY THE BOARD OF DIRECTORS OF AN ANONYMOUS LETTER

Unless otherwise defined or the context otherwise requires, all capitalised terms herein shall bear the same meaning as used in the circular dated 13 October 2014 (the “Circular”) issued by Magnus Energy Group Ltd. (the “Company”) to its shareholders (“Shareholders”).

The Board of Directors (“Board”, or “Directors”) of the Company wishes to announce that the Board has received an anonymous letter (“Letter”) addressed to the Company’s Chief Executive Officer, Mr. Luke Ho Khee Yong.

The Letter contains threats to submit a complaint to the Commercial Affairs Department of the Singapore Police Force if the Company does not cease the allotment and issuance of the Notes and/or the Conversion Shares. The allotment and issuance of the Notes and Conversion Shares was previously approved by the shareholders of the Company (“Shareholders”) at an extraordinary general meeting held on 29 October 2014 (“29 October 2014 EGM”) and the terms of the Notes Issue were set out in the Circular.

The Company is currently seeking legal advice on whether the threats contained in the Letter constitute an offence under the Penal Code (Chapter 224 of Singapore) or any other laws. If appropriate, the Company will lodge a police report and make an announcement if such a police report is made.

The Directors wish to express their disappointment at the turn of events. The manner in which the Notes were issued have been strictly in accordance with the terms of the subscription agreement (the “Subscription Agreement”) entered into by the Company on 3 September 2014 as well as the terms and conditions of the Notes (“Terms and Conditions”), details of which were set out in the Circular. The Company reiterates that the terms of the Notes Issue, including the terms of the Subscription Agreement and the Terms and Conditions, were approved by the Shareholders at the 29 October 2014 EGM.

The Directors welcome an open dialogue on any issues that concerns Shareholders, subject to compliance with the rules by the Singapore Exchange Securities Trading Limited on disclosure requirements and the Directors are of the view that there is no necessity to resort to threats to resolve any differences of views.

The Board will continue to update Shareholders of any material developments.

BY ORDER OF THE BOARD

Magnus Energy Group Ltd.

Luke Ho Khee Yong
Chief Executive Officer
28 April 2016

MAGNUS ENERGY GROUP LTD.

(Incorporated in Singapore)

(Registration No. 198301375M)

RECEIPT BY THE BOARD OF DIRECTORS OF AN ANONYMOUS LETTER

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.

The contact person for the Sponsor is Mr Bernard Lui.

Tel: 6389 3000 Email: bernard.lui@morganlewis.com