

MAGNUS ENERGY GROUP LTD.

(Incorporated in Singapore)

(Registration No. 198301375M)

RESPONSE TO SGX QUERIES DATED 18 MAY 2016

Unless otherwise defined herein or the context otherwise requires, all capitalised terms herein shall bear the same meanings as ascribed to them in the Company's circular to shareholders of the Company dated 13 October 2014.

The Board of Directors (the "**Board**" or each, a "**Director**") of Magnus Energy Group Ltd. ("the **Company**", together with its subsidiaries, the "**Group**") refers to the queries from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**SGX-ST queries**") in connection with the recent unusual volume movements in the shares of the Company ("**Shares**") and wishes to respond to the SGX-ST queries as follows:

SGX-ST Query 1

Are you (the issuer) aware of any information not previously announced concerning you, your subsidiaries or associated companies which, if known, might explain the trading? Such information may include events that are potentially material and price-sensitive, such as discussions and negotiations that may lead to joint ventures, mergers, acquisitions or purchase or sale of a significant asset. You may refer to paragraph 9 in Appendix 7A of the Catalist Rules for further examples. - If yes, the information shall be announced immediately.

Company's response:

Save as disclosed below, the Board is not aware of any information not previously announced concerning the Company, its subsidiaries or associated companies which, if known, might explain the recent unusual volume movements in the Shares today.

SGX-ST Query 2

Are you aware of any other possible explanation for the trading? Such information may include public circulation of information by rumours or reports.

Company's response:

The Subscriber has today given the Company a notice to exercise its rights to convert fifteen (15) Notes with an aggregate principal value of S\$750,000 in accordance with the terms and conditions of the Subscription Agreement. The Company has released the announcement relating to the aforesaid earlier today. Save for the above, the Company is not aware of any other possible explanation for the recent unusual volume movements in the Shares today.

SGX-ST Query 3

Can you confirm your compliance with the listing rules and, in particular, Catalist Rule 703?

Company's response:

The Board confirms that the Company is in compliance with the listing rules and, in particular, Catalist Rule 703. The Board collectively and individually takes responsibility for the accuracy of the aforesaid responses to the SGX-ST queries and confirms after making all reasonable enquiries that, to the best of its knowledge and belief, these responses constitute full and true disclosure of all material facts about the recent unusual volume movements in the Shares and the Board is not aware of any facts, the omission of which would make these responses misleading.

BY ORDER OF THE BOARD

Magnus Energy Group Ltd.

Luke Ho Khee Yong
Chief Executive Officer
18 May 2016

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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.

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