

MAGNUS ENERGY GROUP LTD.

(Incorporated in Singapore)

(Registration No. 198301375M)

USE OF PROCEEDS FROM THE NOTES ISSUE

Capitalised terms used herein shall have the definitions ascribed to them in the Company's Circular to shareholders dated 13 October 2014 and announcements dated 3 September 2014 and 11 October 2014 in respect of the Notes Issue as well as the announcements dated 26 January 2015, 22 May 2015, 20 August 2015, 9 November 2015, 16 November 2015, 1 December 2015, 1 February 2016, 23 March 2016 and 28 April 2016 (the "Previous Announcements"), unless otherwise stated or the context otherwise requires.

The Board of Directors (the "**Board**") of Magnus Energy Group Ltd. (the "**Company**") refers to the Previous Announcements and wishes to announce on the use of the proceeds from the Notes Issue as follows:

Notes Issue	S\$'000	Utilisation of Proceeds as at 4 May 2016	S\$'000
Convertible Notes	35,000	<i>Investments and general corporate purposes</i>	
Notes Issued	(19,000)	Increase in stake in Midcon ⁽¹⁾	393
Notes Unissued	16,000	Amount disbursed in relation to the Redeemable Convertible	
		Loan of up to S\$5,000,000 ⁽²⁾	5,000
		Physical trading of renewable energy and natural resource ⁽³⁾	2,407
		Deposit paid for investment in quoted equities ⁽⁴⁾	1,408
		Investment in infrastructure development ⁽⁵⁾	1,900
		Acquisition of subsidiary ⁽⁶⁾	900
		Investment in Dam Project in West Java Indonesia ⁽⁷⁾	1,000
		Deed of assignment ⁽⁸⁾	1,009
		Fixed income investment	200
		<i>General working capital</i>	
		Repayment of convertible loan	798
		General working capital	2,801
			<u>17,816</u>

(1) Please refer to the announcement "Completion of Acquisition in Mid-Continent Equipment Group Pte. Ltd." dated 26 January 2015 for further information.

(2) Please refer to the announcement "Redeemable Convertible Loan of up to S\$5,000,000" dated 22 May 2015 for further information.

(3) This include trading of crude palm oil, coal and raw materials for construction of infrastructure.

(4) Please refer to the announcement "Joint Investment with Yangtze Investment Partners Limited" dated 20 August 2015 and 9 November 2015 for further information.

(5) Please refer to the announcement "Road Project in Central Java Indonesia" dated 16 November 2015 and "Road Project in West and Central Java Indonesia" dated 1 February 2016 for further information.

(6) Please refer to the announcement "Completion of subscription of 2,700,000 shares in Flagship Ecosystems Pte. Ltd." dated 1 December 2015 for further information.

(7) Please refer to the announcement "Dam Project in West Java Indonesia" dated 23 March 2016 for further information.

(8) Please refer to the announcement "MEG Global Ventures Pte Ltd entering into a Deed of Assignment with Revenue Anchor Sdn Bhd" dated 28 April 2016.

The above use of proceeds is in accordance with the intended use as stated in the Previous Announcements.

The Company will continue to make periodic announcements via SGXNET upon utilisation of the remaining proceeds from the Notes Issue as and when the funds are materially disbursed.

BY ORDER OF THE BOARD

Magnus Energy Group Ltd.

Luke Ho Khee Yong
Chief Executive Officer
4 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.

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