

MAGNUS ENERGY GROUP LTD.

(Incorporated in Singapore)

(Registration No. 198301375M)

JOINT INVESTMENT WITH YANGTZE INVESTMENT PARTNERS LIMITED

Capitalised terms used herein shall have the definitions ascribed to them in the Company's announcements dated 20 August 2015, 9 November 2015, 19 February 2016, 14 June 2016 and 30 November 2016 (the "Previous Announcements"), unless otherwise stated or the context otherwise requires.

1. TERMINATION OF AGREEMENT

The Board of Directors (the "**Board**" or the "**Directors**") of Magnus Energy Group Ltd. (the "**Company**") refers to the Previous Announcements. The Company had on 20 August 2015 entered into a joint investment agreement (the "**Agreement**") with Yangtze Investment Partners Limited ("**Yangtze**") to invest US\$1.0 million (approximately S\$1.4 million based on the exchange rate of US\$1:S\$1.40) (the "**Investment Amount**").

The Board wishes to announce that the Company has mutually agreed with Yangtze on 31 May 2017 to terminate the Agreement. Yangtze shall repay US\$1.2 million to the Company, being the aggregate of the principal sum and the 20% profit guarantee.

2. BOARD RATIONALE

The Board is of the opinion that the termination of the Agreement provides an opportunity for the Company to recover the Investment Amount together with the 20% profit guarantee and allows the Company to redirect the funds for its working capital purposes and towards its current projects.

3. RESPONSIBILITY STATEMENT FOR DIRECTORS

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Investment, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

BY ORDER OF THE BOARD

Magnus Energy Group Ltd.

Luke Ho Khee Yong

Chief Executive Officer

31 May 2017

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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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