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**PROPOSED ACQUISITION OF 500,000 SHARES IN MID-CONTINENT EQUIPMENT TUBULAR PTE LTD.**

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**1. INTRODUCTION**

The Board of Directors (“**Board**”) of Magnus Energy Group Ltd. (the “**Company**” and with its subsidiaries, the “**Group**”) wishes to announce that Mid-Continent Equipment Group Pte Ltd. (the “**Mid-con**” or “**Purchaser**”) (Company Registration No. 198903584W), a 55.89% subsidiary of the company in Singapore, has entered into a Sale & Purchase Agreement on 27 February 2015 (the “**SPA**”) with Metal One Corporation (Identification No. T03UF1040G), a company incorporated in Japan (“**Metal One**” or “**Vendor**”) to acquire the entire stake of 500,000 ordinary shares from Metal One, representing 50.00% in the issued and paid-up share capital (the “**Sale Shares**”) of Mid-Continent Equipment Tubular Pte Ltd (“**MTS**”) (Company Registration No. 199406543M), of which Mid-con currently has a 50.00% equity interest (the “**Proposed Acquisition**”).

Following the completion of the Proposed Acquisition, MTS shall be a wholly-owned subsidiary of Mid-con. The Company has an equity interest of 55.89% in Mid-con. MTS is involved in the business of trading in oilfield tubular products and the provision of related services.

**2. PURCHASE CONSIDERATION**

The purchase consideration of US\$400,000.00 (approximately S\$0.54 million based on an exchange rate of US\$1.00/S\$1.35) (“**Consideration**”) has been arrived at after arms' length negotiations, on a “willing buyer and willing seller” basis after taking into account the unaudited net asset value of MTS as at 31 December 2014 (“**NAV**”).

The Consideration represents a discount of approximately 50% from the NAV of MTS as at 31 December 2014 and shall be fully satisfied by cash on the date of SPA.

The Proposed Acquisition shall be funded internally using Mid-con’s existing funds and is not expected to have any material impact on the Group’s earnings per share or net tangible assets for the current financial year ending 30 June 2015.

**3. RULE 1010(5) OF THE SGX-ST LISTING MANUAL: RULES OF CATALIST (“CATALIST RULES”)**

Based on the audited financial statements of MTS, the audited NAV of MTS is US\$1,598,640 (approximately S\$2.16 million based on an exchange rate of US\$1.00/S\$1.35) as at 31 December 2014. 50.0% of the NAV of MTS is approximately S\$1.08 million based on an exchange rate of US\$1.00/S\$1.35.

**4. APPLICATION OF RULE 1006 OF THE CATALIST RULES**

All the relative figures computed on the basis of Rule 1006 in respect of the Proposed Acquisition of MTS are below 5%. As such the Proposed Acquisition would remain as a non-discloseable transaction under Rule 1008 of the Catalist Rules.

**MAGNUS ENERGY GROUP LTD.**

(Incorporated in Singapore)

(Registration No. 198301375M)

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**5. RATIONALE**

The Proposed Acquisition marks the closure of the joint venture with Metal One. This shall enable the Group to realign its focus on the tubular business and is in the best interests of the Company.

**6. DIRECTORS AND CONTROLLING SHAREHOLDERS' INTERESTS IN THE PROPOSED TRANSACTIONS**

None of the directors or Controlling Shareholders (as defined in the Catalist Rules) or their respective Associates (as defined in the Catalist Rules) of the Company has any interest, direct or indirect, in the Proposed Acquisition, save for their respective shareholdings in the Company.

**7. 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 Proposed Acquisition, 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.

**8. DOCUMENTS FOR INSPECTION**

Copies of the SPA are available for inspection during normal business hours at the registered office of the Company at 400 Orchard Road, #19-06, Orchard Towers, Singapore 238875 for a period of three (3) months commencing from the date of this announcement.

**BY ORDER OF THE BOARD**

Magnus Energy Group Ltd.

Luke Ho Khee Yong  
Company Secretary  
2 March 2015

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*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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