

MAGNUS ENERGY GROUP LTD.

(Incorporated in Singapore)

(Registration No. 198301375M)

RESPONSE TO QUERIES - PROPERTIES HELD FOR SALE

The Board of Directors of Magnus Energy Group Ltd (the “**Company**” and, together with its subsidiaries, the “**Group**”) wishes to respond to the following queries from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) with regards to the properties held for sale stated in the Annual Report 2019 as follows:

Query	Response
1. In the FY2019 AR, it was disclosed that “As at 30 June 2019, the Group is seeking to dispose of certain properties of the Group and has reclassified the carrying amount for the properties of S\$4,724,088 (Note 14) as assets classified as held for sale. The directors are actively seeking for potential buyers for its properties through property agents and advertisements and the sale is expected to be completed within 12 months from the date of financial statements.”	
(a) Please provide a list of such properties and the current use of these properties (e.g. operations / storage warehouse / office), and the new location of these functions if the sale is completed.	Please refer to the table name “ Asset Classified As Held For Sale ” below and page 134 of the Annual Report 2019.
(b) What is the current progress of these proposed sale?	These properties are currently being marketed. No sale has been confirmed yet.
(c) Will the company’s operations be affected by the sale?	No, the businesses in these jurisdictions have ceased. The only property of the Group which is still being used for its USA operations is in Houston.
(d) Apart from the list of properties referred to in the FY2019 AR, are there other properties which the company is looking to sell?	No.
2. Can the company and sponsor please provide your views as to whether the sale of such buildings would trigger shareholders’ approval, and why?	<p>Company: The preliminary relative figures computed on the bases pursuant to Rule 1006 of the SGX Catalist Rules (“Preliminary Relative Figures”) do not cross the threshold of 50% under Rule 1014 of the SGX Catalist Rules, and therefore, we do not think any individual sale of a property would trigger a need for shareholders’ approval. In the event of a confirmed sale that would result in any of the abovementioned relative figures crossing the 50% threshold in Rule 1014 of the SGX Catalist Rules, the Company will proceed to obtain the shareholders’ approval in a general meeting prior to executing and completing such a sale.</p> <p>However, as certain Preliminary Relative Figures are negative, the Company must consult the Sponsor</p>

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	<p>and the SGX-ST under Rule 1007(1) of the Catalyst Rules in respect of any sale of properties.</p> <p>Sponsor: Based on the Preliminary Relative Figures provided to us by the Company, we note that the Preliminary Relative Figures do not cross the threshold of 50% under Rule 1014 of the SGX Catalyst Rules (for any individual sale of the properties), shareholders' approval is not required under Chapter 10 of the Catalyst Rules. In the event that any of the Preliminary Relative Figures crosses the threshold of 50% under Rule 1014 of the SGX Catalyst Rules (for any individual or collective sale of the properties), such sale(s) will be subject to shareholders' approval at a general meeting.</p> <p>Notwithstanding, we note that certain Preliminary Relative Figures are negative and as required under Rule 1007(1) of the SGX Catalyst Rules, we will consult the SGX-ST on the applicability of Chapter 10 in respect of any sale of properties.</p>
3. In addition please elaborate and disclose whether the Company will be seeking shareholders' approval for the sale of the properties.	Refer to Query 2 above.

Asset Classified As Held For Sale

Location	Description	Area (sqm)	Title	The Group's interest	Carrying amount
				%	S\$
<i>Held by Mid-continent Equipment Australia</i>					
130 Mills Street, Welshpool Western Australia, Australia	Office/Warehouse facility	Land: 2,521 Building: 300	Freehold	55.89	293,610
8 Industrial Road, Gatton, Queensland, Australia	Office and warehouse building	Land: 6,000 Building: 720	Freehold	55.89	613,051
<i>Held by Mid-continent Equipment Group Pte. Ltd.</i>					
32 Loyang Crescent, Singapore 508992 Singapore	Office and warehouse building	Land: 4,222 Building: 3,428	Leasehold (expiring in 2051)	55.89	3,817,427
					Total Carrying Amount: 4,724,088

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Shareholders are advised to exercise caution when dealing with the Company's securities. Shareholders should seek advice from their stockbrokers, bankers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt about the actions that they should take.

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 information constitutes full and true disclosure of all material facts relating to the properties held for sale that are stated in the Annual Report 2019.

BY ORDER OF THE BOARD

Magnus Energy Group Ltd.

Luke Ho Khee Yong
Chief Executive Officer
6 November 2019

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 and gas equipment distribution, renewable energy and property and infrastructure development.

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 reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (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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