

MAGNUS ENERGY GROUP LTD.

(Incorporated in Singapore)

(Registration No. 198301375M)

BOARD ASSESSMENT OF THE APPOINTMENT OF CHIEF EXECUTIVE OFFICER

*Capitalised terms used herein shall have the definitions ascribed to them in the announcements made on 30 June 2014, 16 September 2014, 2 June 2015, 16 July 2015 and 20 July 2015, relating to appointment of Mr. Luke Ho Khee Yong (“**Luke**”) as the Chief Executive Officer (“**CEO**”) of the Company (the “**Previous Announcements**”), unless otherwise stated or the context otherwise requires.*

Further to the Previous Announcements, the Board of Directors (the “**Board**”), of Magnus Energy Group Ltd. (“**Magnus**” or the “**Company**”) and its subsidiaries (collectively, the “**Group**”), and the Nominating Committee (the “**NC**”) have made several assessments on the appointment and role of the CEO, the management structure, the segregation of duties of the management and the corporate governance of the Group.

The Board has taken Luke’s qualifications, work contributions and experience into account in its approval of his appointment as CEO. Luke has been with the Company for close to 9 years and is part of the key management of the Company for the past 5 years, and hence is not only very familiar with the business of the Company, but also experienced in managing the Company as well. Luke is very actively involved in the day-to-day management and operations of the Company and possesses the competence for the role.

In addition, Luke, has also been instrumental in the arrangement and raising of funds for the Group through the Notes Issue, which has not only enabled the Group to repay its debt fully, but also further stabilised the Group and strengthened its ability to invest in the investments and businesses as stated under “Business Update” in the Chairman’s Letter as announced on 24 July 2015.

With the resignation of two executive directors in May 2014 and September 2014, Luke was able to double up as interim chief operating officer from his original role as chief financial officer, and subsequently as interim CEO. Luke ultimately assumed the role of CEO with the recommendation of the NC and the approval of the Board.

In a bid to effectively segregate the duties between the CEO, the financial controller (the “**FC**”) and the company secretary, Luke has advocated the appointment of Mr. Tan Yew Meng as FC and Mr. Ong Sing Huat and Ms. Chow Yin Nei Angeline as company secretary as announced on 2 June 2015.

In the past twelve months, Luke has also sought the active participation and support of the Board in matters of the Group. As CEO, Luke has invited the non-executive independent directors of the Company to be concurrently appointed as non-executive directors of the major and operating subsidiaries (namely, Mr. Kushairi Bin Zaidel who is appointed as a non-executive director of MEG Global Resource Limited and Ms. Seet Chor Hoon who is appointed as non-executive director of Mid-continent Equipment Group Pte Ltd), so as to enable the independent board to have first-hand, unfettered access and direct contact with the top management and board of the respective major subsidiaries so that they have a strong understanding of the relevant businesses.

With the Board and management working closely together as a team, the Company has stabilised its cash flow and operations, and is now preparing itself for growth.

As the Investigations have not been concluded, Luke shall remain as CEO of the Company. The Board will continue to assess Luke’s suitability for his role as CEO and will also look into succession planning in the Company and identify potential executives and management as well.

The Board has taken all reasonable care to ensure that the facts contained in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

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By Order of the Board
Magnus Energy Group Ltd.

Kushairi Bin Zaidel
Chairman
24 July 2015

About Magnus Energy Group Ltd. (www.magnusenergy.com.sg)

Listed since 04 August 1999

Magnus Energy Group Ltd. is listed on the Catalist Board of the Singapore Securities Exchange Trading Limited. While started its businesses as the integrated mechanical and engineering specialist, the Group swiftly added the property development, construction and related businesses into its diversified portfolio. The acquisition of a controlling stake in Mid-Continent Equipment Group Pte Ltd in April 2004 has enabled the Group to establish new business opportunities in the oil and gas as well as alternative energies industries.

The Group seeks to achieve a diversified portfolio and will selectively invest in profitable projects. This will be an ongoing process for the Group as it looks to broaden its earnings base and at the same time re-engineer itself to explore new acquisition and investment opportunities across the Asia Pacific region.

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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