

MAGNUS ENERGY GROUP LTD.

(Incorporated in Singapore)

(Registration No. 198301375M)

RESPONSE TO QUERY REGARDING TRADING ACTIVITY

Capitalised terms used herein shall have the definitions ascribed to them in the Company's circular to shareholders dated 13 October 2014 in respect of the Notes Issue and the announcement dated 22 May 2015 in respect of the Redeemable Convertible Loan Agreement, unless otherwise stated or the context otherwise requires.

The Board of Directors (the "**Board**") of Magnus Energy Group Ltd. (the "**Company**") refers to the queries from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 18 June 2015 regarding the unusual price movements in the Company's shares on 18 June 2015 and wishes to respond to the queries as follows:

Question 1: Are you (the issuer) aware of any information not previously announced concerning you, your subsidiaries or associated companies which, if known, might explain the trading? Such information may include events that are potentially material and price sensitive, such as discussions and negotiations that may lead to joint ventures, mergers, acquisitions or purchase or sale of a significant asset. You may refer to paragraph 9 in Appendix 7A of the Catalist Rules for further examples. If yes, the information shall be announced immediately.

Other than the issuance of shares due to the conversion of the Notes, the entering into a 9.0% Redeemable Convertible Loan Agreement by the Company's wholly-owned subsidiary, MEG Global Resources Limited, with PT Hanjungin for an aggregate amount of up to S\$5 million and other corporate actions as previously announced, the Company is not aware of any information not previously announced concerning the Company or the Group which, if known, may explain the unusual volume movements in the shares of the Company.

Question 2: Are you aware of any other possible explanation for the trading?

Save as aforesaid, the Company is not aware of any other possible explanation for the trading.

Question 3: Can you confirm your compliance with the listing rules and, in particular, Catalist Rule 703?

The Company confirms that it is in compliance with the Listing Rules and, in particular, Catalist Rule 703.

The Board of Directors shall collectively and individually take responsibility for the accuracy of the response to the SGX-ST queries and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this response constitutes full and true disclosure of all material facts about the unusual price movements in the Company's shares on 18 June 2015, and the directors are not aware of any facts the omission of which would make this response misleading.

BY ORDER OF THE BOARD

Magnus Energy Group Ltd.

Luke Ho Khee Yong
Chief Executive Officer
18 June 2015

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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.

The contact person for the Sponsor is Mr Bernard Lui.

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