

MAGNUS ENERGY GROUP LTD.

(Incorporated in Singapore)

(Registration No. 198301375M)

FULL REPAYMENT OF LOAN TO PHILLIP SECURITIES PTE LTD & BUSINESS UPDATE

Full Repayment

*Capitalised terms used herein shall have the definitions ascribed to them in the Company's announcements dated 23 July 2014, 29 July 2014, 5 August 2014, 6 August 2014, 28 August 2014 and 8 October 2014 (the "**Previous Announcements**"), unless otherwise stated or the context otherwise requires.*

The Board of Directors (the "**Board**") of Magnus Energy Group Ltd. ("the **Company**") refers to the Previous Announcements and wishes to announce that the remaining amount of the Loan from Phillip Securities Pte Ltd has been fully repaid by cash on 13 March 2015.

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 Repayment Shares, the Company and its subsidiaries, 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 this announcement in its proper form and context.

Business Update

1. General Review & New Business

With the Notes Issue approved by our shareholders in the Extraordinary General Meeting on 29 October 2014, the Company has been able to fulfil its obligations and is able to utilise the funds from the Notes Issue to fund our growth strategy.

Financial Snapshot as at 31 December 2014:

- Strong group cash position of approximately S\$19 million
- Positive working capital of approximately S\$26 million
- Group Net Asset Value per share: S\$0.014
- Unissued Notes valued at S\$32.5 million (as at the date of this announcement)

The Company's management will actively monitor and manage its cash flow positions and working capital.

Further, the Company is in the final stages of discussion to participate in the physical trading of energy and natural resources. The Company is looking forward to the realisation of this new business which will be expected to contribute positively to the Group.

The Company shall continue to actively engage in discussions and appraisals of new businesses and shall keep our shareholders informed when any new businesses materialise.

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2. Oil & Gas Business

Having increased our stake in Mid-Continent Equipment Group Pte Ltd to 55.89% as announced on 2 March 2015, the Company looks forward to greater participation in the oil and gas equipment business as well as the Northern Cooper Wet Gas drilling campaign for five wells in PEL101 of which Mid-Con Equipment Group has a 20% participation interest. The remaining 80% participation interest is held by a company listed on the Australian Stock Exchange.

With an estimated drilling budget of approximately A\$40 million (20% - A\$8 million), the said drilling campaign is estimated to kick off in FY2016. With the current net asset value of Mid-Continent Equipment Group at approximately US\$29.3 million as at 31 December 2014, the Company is looking forward to an enhanced net asset value of Mid-Con Equipment Group from the said drilling campaign.

3. Coal Mining

APAC Coal Limited ("**APAC**"), a subsidiary listed on the Australian Stock Exchange, has engaged A. Setiadi Attorneys-at-Law to engage the Government of Republic of Indonesia through consultations and negotiations on the claim on our interests in PT Batubara Selaras Sapta, the subsidiary that holds the mining rights to the coal mine in East Kalimantan. APAC reserves its right to pursue our claim via arbitration at the International Centre for Settlement of Investment Disputes against the Government of Indonesia in the event of a non-conclusive settlement through the consultations and negotiations.

Shareholders are advised to exercise caution when dealing with the shares of the Company in relation to this announcement.

The Board of the Company have 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.

BY ORDER OF THE BOARD

Magnus Energy Group Ltd.

Luke Ho Khee Yong

Company Secretary

13 March 2015

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Continuing 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.*

This 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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