

MAGNUS ENERGY GROUP LTD.
(Incorporated in Singapore)
(Registration No. 198301375M)

COMPANY'S PROGRESS IN ITS SUBMISSION OF THE RESUMPTION PROPOSAL (NOVEMBER 2020)

The Board of Directors ("**Board**") of Magnus Energy Group Ltd (the "**Company**" and, together with its subsidiaries, the "**Group**") refers to the announcements dated 28 July 2020, 7 October 2020, 15 October 2020 and 29 October 2020 (the "**Previous Announcements**") and wishes to provide a general update on the Company's progress in its submission of the Resumption Proposal as part of the Extension Conditions by the SGX-ST.

Save as otherwise defined, all capitalised terms shall have the same meaning as the Previous Announcements.

UPDATE ON THE PROGRESS OF THE RESUMPTION PROPOSAL (NOVEMBER 2020)

1. Business viability and going concern

The Company had entered into an agreement on 2 November 2020 for the extension of time of the heads of agreement with AREA Energy Inc ("**AEI**") for a further six (6) months from 2 November 2020 (the "**Extension**") to execute the Consortium Agreement. The Extension is due to the Covid-19 situation which has made it difficult for the Company and AEI to travel to the project sites to conduct the necessary due diligence and for the workers to start work and operations safely. Please refer to the Company's announcement on 2 November 2020 for more information. Save as disclosed above to-date, there are no material updates on the other potential business ventures listed in the Company's general update announcement dated 30 September 2020.

The Company's wholly owned subsidiary, Magnus Energy (SEA) Pte Ltd, had entered into a shareholders' agreements on 3 November 2020 with H.E. Eng. Salah Salem Bin Omair Al Shamsi and Douglas Valley Limited for the purpose of, among others, establishing a joint venture vehicle. Please refer to the Company's announcements on 9 November 2020 and 12 November 2020 for more information.

The Company's indirect subsidiary, PT Oriental Magnus Engineering Indonesia had also entered into a cooperation agreement on 24 November 2020 directly with a state-owned Client. Please refer to the Company's announcement on 25 November 2020 for more information.

The Company is in the midst of finalising the Forecast with its external auditors. The Forecast is prepared with a view to substantiate the Company's assessment in respect of the business viability and going concern issues.

2. Adequacy and effectiveness of Internal Controls

Nexia has presented the Company with its assessment and recommendations pursuant to its review of the findings in the Provenance Report, and is working with the Company and Sponsor to finalize its control assessment and policies review report.

In the meantime, the Company has engaged an external consultancy firm to assist it in, among others, the review of and to make recommendations on improvements to certain of its existing policies to address the issues highlighted by Nexia on its control assessment and policies review report.

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The Board will make further updates if there are any further material developments with regards to the Resumption Proposal or where necessary.

BY ORDER OF THE BOARD

Magnus Energy Group Ltd.

Charles Madhavan
Executive Director and
Chief Executive Officer
30 November 2020

This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

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 Pong Chen Yih, Chief Operating Officer, at 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.
