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**ENTRY INTO COOPERATION AGREEMENT**

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**1. INTRODUCTION AND BACKGROUND**

The Board of Directors (“**Board**”) of Magnus Energy Group Ltd (the “**Company**” and, together with its subsidiaries, the “**Group**”) refers to the announcements dated 20 July 2020, 22 July 2020 and 30 September 2020 (the “**Previous Announcements**”).

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

The Company had previously announced that, through a third-party agent (the “**Agent**”) appointed by Oriental EPC Private Limited (“**Oriental EPC**”), the Company and Oriental EPC had received a letter of offer (the “**LOO**”) from a state-owned enterprise in Indonesia (the “**SOE**”) on 2 July 2020 to assist with the construction of liquefied petroleum gas (“**LPG**”) terminals in various parts of Indonesia. The Company and Oriental EPC had accepted the LOO via the Agent on 16 July 2020. The Company’s indirect subsidiary, PT Oriental Magnus Engineering Indonesia (“**OMEI**”) had subsequently entered into a Heads of Agreement with the SOE, via the Agent on 15 September 2020. On 24 November 2020, the Company’s indirect subsidiary, PT Oriental Magnus Engineering Indonesia (“**OMEI**”), had entered into a cooperation agreement (the “**CA**”) directly with the SOE.

The Company is unable to disclose the identity of the SOE as the Company does not have the relevant consent from the SOE. Furthermore, the Company is of the view that such information is commercially sensitive and should not be made available to the Group’s competitors or third parties.

**2. OBJECTIVE OF THE CA**

Under the CA, OMEI and the SOE will cooperate by utilising the potential and expertise of each party for the purpose of accelerating completion of the following projects, which the SOE is currently engaged in for its clients:-

- a) Construction work of a power plant in Luwak, Indonesia.
- b) Construction work of the LPG Tanks in several locations

(collectively as the “**Work**”)

The scope of cooperation set out in the CA is completion of implementation of procurement of goods in respect of the Work.

**3. INFORMATION ON THE SOE**

The SOE is a limited liability company established under the laws of the Republic of Indonesia and is engaged in, among other things, the sectors of foundry, heavy industrial equipment manufacturing, agro-industrial equipment manufacturing, crane manufacturing, EPC.

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**4. COMPENSATION AND PAYMENT TERMS**

The OMEI and the SOE agree that under the terms of the CA, the SOE and OMEI will jointly collaborate in completing the Work appropriately and managing the costs efficiently which cooperation will be for a maximum value of Rp.45,000,000,000 (Forty Five Billion Rupiah) excluding Cost of Money and Profit.

As the party in charge of the scope of financial management, the SOE agrees to provide OMEI the following compensation:-

- a) A percentage of the money expended by OMEI to pay the SOE's subcontractors and vendors in the Work as "Cost of Money".
- b) A percentage of the money expended by OMEI to pay the SOE's subcontractors and vendors in in the work mentioned above as Profit from the work completion.
- c) The parties agree that the outcome of the negotiation with the SOE's subcontractors and vendors will become OMEI's rights.

**5. DURATION OF CA**

The CA shall expire upon any of the following events:-

- a) All rights and obligations of each party under the CA have been fulfilled.
- b) The parties agree to terminate the CA.
- c) The construction contracts between the SOE and its clients are unilaterally terminated.
- d) The CA cannot be implemented due to the change of the prevailing laws and regulations.

**6. INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS AND SUBSTANTIAL SHAREHOLDERS**

None of the directors, controlling shareholders or substantial shareholders of the Company has any interest, direct or indirect, in the CA (other than through their respective shareholdings in the Company).

**7. RESPONSIBILITY STATEMENT**

The Board accepts full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of the Board's knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the SOE and the CA, and the Board is not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Board 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.

**MAGNUS ENERGY GROUP LTD.**

(Incorporated in Singapore)

(Registration No. 198301375M)

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**8. CAUTIONARY STATEMENT**

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should note that there is no certainty or assurance that the collaboration and/or the Work pursuant to the CA will be completed or be proceeded with. As such, shareholders and potential investors are advised to exercise caution when dealing or trading in the shares of the Company. When in doubt as to the action they should take, shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers

**9. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the CA will be available for inspection during normal business hours at the registered office of the Company at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712 for a period of 3 months from the date of this announcement.

Shareholders who wish to inspect the CA at the Company's registered office are required to send an email request to [info@magnusenergy.com.sg](mailto:info@magnusenergy.com.sg) to make an appointment in advance. The inspection of documents will be arranged with each Shareholder to limit the number of people who are present at the registered office at any one time and such arrangements are subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time.

**BY ORDER OF THE BOARD**

Magnus Energy Group Ltd

Charles Madhavan  
Executive Director and Chief Executive Officer  
25 November 2020

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*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.*

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