

MAGNUS ENERGY GROUP LTD.

(Incorporated in Singapore)

(Registration No. 198301375M)

RECTIFICATION OF NOTES TO THE FINANCIAL STATEMENTS IN ANNUAL REPORT 2011

The Board of Directors of Magnus Energy Group Ltd. (“the Company”) refers to its Annual Report 2011 for the financial year ended 30 June 2011 (the “Annual Report 2011”) and wishes to announce the following in relation to the rectification of Notes to the Financial Statements in Annual Report 2011:

In page 64, it reads:

“Coal Concession Rights

The coal concession rights, included in the statement of financial position of the Group, at a carrying value of S\$27.7 million (2010: S\$25.6 million) with a corresponding deferred tax liability of approximately S\$8.0 million (2010: S\$7.2 million) included in intangible assets as disclosed in Note 10 to the financial statements, are held in the name of PT Batubara Selaras Sapta (“PT BSS”). **In February 2008, the Indonesian Ministry of Law and Human Rights had informed the Group that another party is also registered as the legal owners of PT BSS.** In 2009, the Group had filed a case against the Ministry of Law and Human Rights to confirm the Group’s legal rights as to the ownership of PT BSS. In November 2009, the Supreme Court upheld an earlier judgement of the High Court, which was not to suspend the registration of the other party as the legal owner of PT BSS.”

The above highlighted sentence should be read as:

“In August 2008, the Indonesian Ministry of Law and Human Rights had informed the Group that another party is also registered as the legal owners of PT BSS.”

The above entire statement shall supersede the Bold sentence and forms part of the whole paragraph.

BY ORDER OF THE BOARD
Magnus Energy Group Ltd.

Koh Teng Kiat
Company Secretary
21 October 2011

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor (“Sponsor”), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“Exchange”). The Company’s Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.

This announcement has not been examined or approved by the Exchange and the Exchange 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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