

MAGNUS ENERGY GROUP LTD.

Company Registration No. 198301375M

(Incorporated in Singapore)

(the “**Company**”)

MINUTES OF THE ANNUAL GENERAL MEETING (THE “AGM”) AND EXTRAORDINARY GENERAL MEETING (THE “EGM”) OF THE COMPANY HELD AT 10 CHANGI COAST WALK, SINGAPORE 499739, ON TUESDAY, 30 OCTOBER 2018 AT 10.00 A.M.

PRESENT: Please refer to the Attendance Sheet

1. INTRODUCTION AND QUORUM

There being a quorum present, the Chairman, Mr Kushairi Bin Zaidel, called the meeting to order at 10.00 a.m.

2. NOTICE

With the permission of the meeting, the notice of AGM dated 15 October 2018 (the “**Notice**”), having been duly circulated to all members within the required statutory period, was taken as read.

3. POLLING

The Chairman informed the shareholders that he had been appointed as proxy by some shareholders in his capacity as Chairman of the AGM and he would be voting in accordance with their instructions. The shareholders were also informed that the voting on all resolutions to be tabled at the AGM would be conducted by way of a poll in accordance with Rule 730A(2) of the Catalist Rules.

It was noted that there would be a move away from seeking seconders and the Chairman would move all motions. As the polling procedures would take some time to complete, the Chairman directed the poll on each resolution to be conducted and put to vote at the conclusion of all businesses as set out in the Notice. The Chairman then announced that Tricor Evatthouse Corporate Services had been appointed as the Polling Agent and Entrust Advisory Pte. Ltd. been appointed as Scrutineers for the AGM, before handing over conduct of the meeting to the Company Secretary, Mr Ong Sing Huat (the “**Secretary**”), who then proceeded to give a brief overview of the polling process.

The Secretary informed the shareholders that the questions from the shareholders would be left until the end of the reading of the resolutions to be tabled at the AGM.

The meeting then proceeded with the formal business on the agenda for the AGM.

4. AGM BUSINESS

ORDINARY BUSINESS

4.1 ORDINARY RESOLUTION 1:

TO RECEIVE AND ADOPT THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018, DIRECTORS' STATEMENT AND AUDITORS' REPORT THEREON

The Secretary noted that the shareholders had been provided with the Audited Financial Statements for the financial year ended 30 June 2018, the Directors' Statement and Auditors' Report.

The Secretary moved that Ordinary Resolution 1 as set out in the Notice be tabled for approval.

4.2 ORDINARY RESOLUTION 2:

TO RE-ELECT MR CHARLES MADHAVAN, WHO IS RETIRING PURSUANT TO REGULATION 83 OF THE COMPANY'S CONSTITUTION

The next item on the AGM agenda pertained to the re-election of Mr Charles Madhavan as Director of the Company under Regulation 83 of the Company's Constitution, and who, being eligible, offers himself for re-election.

The Secretary moved that Ordinary Resolution 2 as set out in the Notice be tabled for approval.

4.3 ORDINARY RESOLUTION 3:

TO APPROVE DIRECTOR'S FEE OF S\$11,530 FOR MR CHARLES MADHAVAN FOR THE PERIOD FROM 27 MAY 2018 TO 30 OCTOBER 2018.

The next item on the AGM agenda was to approve the payment of director's fee of S\$11,530 for Mr Charles Madhavan for the period from 27 May 2018 to 30 October 2018.

The Secretary moved that Ordinary Resolution 3 as set out in the Notice be tabled for approval.

4.4 ORDINARY RESOLUTION 4:

TO APPROVE DIRECTOR'S FEE OF S\$17,295 FOR MR CHARLES MADHAVAN FOR THE PERIOD FROM 31 OCTOBER 2018 TO 30 JUNE 2019.

The next item on the AGM agenda was to approve the payment of director's fee of S\$17,295 for Mr Charles Madhavan for the period from 31 October 2018 to 30 June 2019.

The Secretary noted that Ordinary Resolution 4 would only be tabled and put to a vote on the condition that Ordinary Resolution 2 for the re-election of Mr Charles Madhavan was first passed, and moved that Ordinary Resolution 4 as set out in the Notice be tabled for approval.

4.5 **ORDINARY RESOLUTION 5:
TO RE-ELECT MR ONG CHIN CHUAN, WHO IS RETIRING PURSUANT TO
REGULATION 101(1) OF THE COMPANY'S CONSTITUTION**

The next item on the AGM agenda pertained to the re-election of Mr Ong Chin Chuan as Director of the Company under Regulation 101(1) of the Company's Constitution. The Secretary informed the meeting that Mr Ong had consented to remain in office.

The Secretary informed the meeting that Mr Ong Chin Chuan would, upon re-election, remain as Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees, and he will be considered as Independent.

The Secretary moved that Ordinary Resolution 5 as set out in the Notice be tabled for approval.

4.6 **ORDINARY RESOLUTION 6:
TO APPROVE DIRECTORS' FEES OF S\$134,175 FOR THE FINANCIAL YEAR ENDING
30 JUNE 2018**

The next item on the AGM agenda was to approve the payment of directors' fees of S\$134,175 for the financial year ending 30 June 2018, which do not include the fees stated in Ordinary Resolution 3.

The Secretary informed the meeting that the directors' fees of S\$129,275 for the financial year ended 30 June 2018 were approved in advance at the last annual general meeting held on 30 October 2017, and that the additional directors' fees arose from fees payable to the directors for additional meetings and work carried out between 31 October 2017 to 30 June 2018.

The Secretary moved that Ordinary Resolution 6 as set out in the Notice be tabled for approval.

4.7 **ORDINARY RESOLUTION 7:
TO APPROVE DIRECTORS' FEES OF S\$135,175 FOR THE FINANCIAL YEAR ENDING
30 JUNE 2019**

The next item on the AGM agenda was to approve the payment of directors' fees of S\$135,175 for the financial year ending 30 June 2019, which do not include the fees stated in Ordinary Resolution 4, to be paid quarterly in arrears.

The Secretary moved that Ordinary Resolution 7 as set out in the Notice be tabled for approval.

4.8 **ORDINARY RESOLUTION 8:
TO RE-APPOINT MOORE STEPHENS LLP AS AUDITORS OF THE COMPANY**

The next item on the AGM agenda addressed the re-appointment of Moore Stephens LLP as auditors of the Company for the ensuing year at a fee and on such terms to be agreed between the Directors and Moore Stephens LLP. The Secretary informed the meeting that

Moore Stephens LLP had expressed their willingness to accept re-appointment as auditors of the Company.

The Secretary moved that Ordinary Resolution 8 as set out in the Notice be tabled for approval.

SPECIAL BUSINESS

4.9 ORDINARY RESOLUTION 9: AUTHORITY OF DIRECTORS TO ALLOT AND ISSUE SHARES

The first item on the AGM agenda under Special Business was Ordinary Resolution 9, which sought shareholders' approval to empower the Directors of the Company to allot and issue shares in the capital of the Company.

The Secretary referred the meeting to item 9 of the Notice for the full text of the resolution. There being no objection from the shareholders present at the meeting, the resolution was taken as read.

The Secretary moved that Ordinary Resolution 9 as set out in the Notice be tabled for approval.

4.10 ORDINARY RESOLUTION 10: AUTHORITY OF DIRECTORS TO ISSUE SHARES UNDER THE MAGNUS ENERGY EMPLOYEE SHARE OPTION PLAN

The next item on the AGM agenda pertained to Ordinary Resolution 10, which sought shareholders' approval to empower the Directors of the Company to offer and grant options under the Magnus Energy Employee Share Option Plan and to issue from time to time such number of shares in the capital of the Company as may be required pursuant to the exercise of options.

The Secretary referred the meeting to item 10 of the Notice for the full text of the resolution. There being no objection from the shareholders present at the meeting, the resolution was taken as read.

The Secretary moved that Ordinary Resolution 10 as set out in the Notice be tabled for approval.

4.11 ORDINARY RESOLUTION 11: AUTHORITY OF DIRECTORS TO ISSUE SHARES UNDER THE MAGNUS ENERGY PERFORMANCE SHARE PLAN

The last item on the AGM agenda was Ordinary Resolution 11, which sought shareholders' approval to authorise the Directors to offer and grant awards in accordance with the provisions of the Magnus Energy Performance Share Plan and to allot shares pursuant to the vesting of the awards.

The Secretary referred the meeting to item 11 of the Notice for the full text of the resolution. There being no objection from the shareholders present at the meeting, the resolution was taken as read.

The Secretary moved that Ordinary Resolution 11 as set out in the Notice be tabled for approval.

5. QUESTIONS FROM SHAREHOLDERS

QUERIES IN RESPECT OF THE MICROALGAE PROJECT

- 5.1 Mr Ong Chin Yew (“**OCY**”), a shareholder of the Company, queried on the status of the Company’s microalgae oil cultivation facility in Selangor, Malaysia. He noted that the Company had already been building the facility for more than two years.
- 5.2 Mr Luke Ho (“**Luke**”), the Chief Executive Officer (“**CEO**”) of the Company, informed the shareholders that the Company had to date been unable to bring the plant to full production or commercialisation as they were unable to fully control the rate of growth of the microalgae due to the fact that the equipment was not working optimally as well as the contamination of the microalgae. He referred shareholders to the Company’s announcement dated 12 October 2018, wherein the Company had announced that it was targeting to have a professional certification done on the production of the microalgae by the end of the year.
- 5.3 OCY then queried whether the Company had sufficient money to complete the microalgae oil cultivation facility, to which Luke responded that the Company expected to have sufficient funds for the same towards the second half of 2019. OCY then enquired when the Company expected the facility to become profitable, to which Luke informed the shareholders that he was unable to commit to a specific timeframe at that juncture.
- 5.4 Mr Charles Madhavan (“**CM**”), a director and deemed shareholder of the Company, raised the query as to the recourse available to the Company against the engineering, procurement and construction (“**EPC**”) contractor in the way of, for e.g., bank indemnities or performance guarantees, in the event that the microalgae project were to fail. In this regard, Luke clarified that the Company did not have any direct recourse against the EPC contractor as the arrangement was that of a collaborative partnership, and acknowledged that the Company had taken on a high level of risk in undertaking the project. However, he added that it would be a game changer for the Company in the event that a successful facility was achieved.
- 5.5 CM then opined that the Company had entered into a flawed contract, as it involved a new technology that had not been proven, and it would have been industry practice to provide for recourse against the EPC contractor in the event of failure. He queried the Company’s omission in terms of providing for recourse against the EPC contractor, given that the Company had expended a substantial sum of US\$9.4 million on the project. Luke reiterated that they had embarked on the project on the basis of it being a partnership.
- 5.6 OCY enquired about the capitalisation of the EPC contractor, to which Mr Ong Sing Huat (“**OSH**”), a director of the Company, responded that he did not have the information available at that juncture. Mr Charles then queried the Company’s actions in awarding the EPC contract to a contractor that they did not have any information about.

- 5.7 Mr Wang Liang Toon (“**WLT**”), acting as a proxy for Idola Cakrawala International Pte Ltd (a company in which CM has a direct 50% shareholding interest), a shareholder of the Company, then raised the query as to whether the Board would have made the same decision in undertaking the project in light of the current situation. OSH responded that if WLT was asking whether it was a mistake on hindsight, the results of the project spoke for itself – the Company has not as yet been able to successfully commercialise the microalgae facility.
- 5.8 Ms Seet Chor Hoon (“**SCH**”), a director of the Company, informed the shareholders that when the project was proposed to the Board, the executive management was initially challenged by the independent directors due to the high risk of the project. However, as the directors were eventually satisfied that the EPC contractor was able to show step by step the success of the proposed project on a smaller scale in a similar environment, they decided to proceed with the project. OCY then queried whether the EPC contractor had built any other such facilities, to which SCH responded that the EPC contractor had not built any other similar facilities on such a scale.

QUERIES IN RESPECT OF THE TERMINATION OF MR CHARLES MADHAVAN AS MANAGING DIRECTOR

- 5.9 OCY noted that the board of directors (the “**Board**”) did not have any experience in running such a facility, and queried the Company’s reason for terminating CM as its Managing Director, given that he had more than 40 years of relevant experience in the industry.
- 5.10 OSH responded that for the two months that CM had come on board as the Managing Director of the Company, he had a significant difference in views from the Board, and the Board found that they were unable to work with CM, and that that was the reason for his termination. OSH added that the differences in views leading to his termination were not in relation to his expertise in the industry, and stressed that the two matters should not be conflated.
- 5.11 CM then queried on the exact reasons for his termination, to which OSH reiterated that it was because the Board was unable to work with him, but that they were unable to disclose anything further as the legal dispute between CM and the Company was still ongoing.
- 5.12 Mr Jeffrey Ong, the Company’s appointed legal advisor, informed the shareholders that he acted for the Company in relation to the ongoing legal dispute, and that since the matter was already in court, it would have to be decided by the court process. CM objected to Mr Jeffrey Ong’s presence at the meeting, and queried why he was speaking as he was not a shareholder of the Company. OSH noted CM’s objection, and explained that Mr Jeffrey Ong had attended the meeting at the invitation of the Board.
- 5.13 Mr Ong Chin Yew then queried whether Mr Jeffrey Ong was legally allowed to be present at the meeting, to which Luke answered in the affirmative.

QUERIES IN RESPECT OF THE JOINT INVESTMENT WITH YANGTZE INVESTMENT PARTNERS LIMITED

- 5.14 CM noted that the paid-up capital of Yangtze Investment Partners Limited (“Yangtze”) was HK\$10,000, and queried the Company’s actions in lending money to a company who was unlikely to be able to repay the same. Luke clarified that the Company did not invest in

Yangtze and no funds had been remitted to Yangtze, but rather, the Company had made an investment in a solar power company looking to list on the London Stock Exchange through Yangtze as the direct pre-initial public offering investor and introducer to the investment.

- 5.15 CM queried on the recourse available to the Company due to the unsuccessful public listing of the relevant company, and Luke clarified that one option would be to receive shares in the said company. CM then observed that the value of the shares was unknown.
- 5.16 CM noted that the Company had previously announced that Yangtze would be giving the Company solar panels instead in lieu of the investment, and that the Company had no choice but to take the solar panels as Yangtze was unable to pay the Company. CM then queried whether any bank guarantee had been given by Yangtze, to which Luke answered in the negative.

QUERIES IN RESPECT OF DISPOSAL OF SECURITIES

- 5.17 CM raised the query as to why the Company had transferred the 9 million shares held by the Company in GCM Resources Limited to a third party and had only received a third in payment in relation to the same. Luke explained that the only other options available in respect of the relevant securities at the time were: (1) an offer from a private investor to buy the shares at a substantial discount; (2) a non-recourse loan; and (3) an offer from UBS to trade the shares on the Company's behalf with an upfront payment of S\$5 million as trading funds. As such, in view of the Company's situation at the material time, given that Thames Capital had indicated that they were willing to finance the trading of the shares, the Company had decided to go with them. The arrangement was for the 9 million shares to be held on trust by Thames Capital, with payments to be made to the Company as and when the shares were sold, and trading was still ongoing.
- 5.18 CM then observed that he was unable to find further details on Thames Capital on the internet, and questioned the Company's decision to go with a relatively unknown firm. Luke responded that Thames Capital was a small private firm, and reiterated that if they had proceeded with UBS to trade the shares on their behalf, the Company would have had to pay UBS S\$5 million upfront, whereas Thames Capital was willing to put up the capital.
- 5.19 CM then made reference to a letter addressed to the Company from Mr Clive Darby of Thames Capital, whereupon OSH cautioned that CM had read the letter in his capacity as a director of the Company. CM went on to note that the letter stated that one Mr Patric Lim Hong Koon was to be paid GBP180,000, and queried the nature of this payment. Luke clarified that the entire amount for the first block of shares had been paid to the Company, and as had been agreed with Mr Clive Darby and Thames Capital, the Company was to retain GBP180,000 forming the 10% down payment, and the remaining monies were remitted as instructed in the letter.
- 5.20 CM then noted that Mr Patric Lim Hong Koon was also involved in the Yangtze investment, and queried why this was the case, to which Luke assured the shareholders that there was no connection between the two matters; the arrangement with Thames Capital was very clear – they would pay 10% as down payment for the shares they were to trade, and as they traded these shares out, they would make payment to the Company on an ongoing basis. Luke added that these payments had come in regularly for a number of months until the price of the shares suddenly went down, causing difficulties in trading. Luke further informed shareholder

that in the event the price of the shares continued to fall, and if there was a trading loss, the Company would lose money.

- 5.21 WLT queried whether the reason the Company went with Thames to trade the shares was because the Board felt it was able to get a better price, to which Luke answered in the affirmative. WLT then queried whether the Company would have allowed this to happen knowing what it knew at this juncture. Luke responded that on hindsight, the Company could have continued to sell the shares in the market itself.
- 5.22 WLT then queried why the Board appeared to be unable to admit the mistakes that it had made. SCH responded that the Board has stated in its disclosures that the Company was going to undergo an external review to look at the adequacy of the Company's investment processes in order to address any gaps. SCH added that the said review was expected to be completed by early 2019, and that the Board would disclose the necessary information to the shareholders at that juncture.
- 5.23 WLT clarified that he was enquiring in respect of the past transactions, to which Luke responded that the performance of the past investments was not disputed and the Board had been looking into a succession plan for some time, which was why the Board had invited CM to join the Company as Managing Director. Luke also informed the shareholders that the Board has also been looking to increase the number of directors on the Board and also increase the number of staff on the ground. CM then queried why Luke had not tendered his resignation, to which Luke responded that the Board was still in the process of sourcing for suitable candidates.
- 5.24 CM then noted that Luke's spouse was employed by the Company, and queried the nature of her employment. Luke clarified that his wife is employed by the Company to assist with administrative matters and was also involved in investor relations.

QUERIES IN RESPECT OF THE BAIL MONEY PUT UP FOR THE CEO

- 5.21 WLT noted that Luke was still under investigation by the Commercial Affairs Department, and opined that the nature of the bail arrangement was a little strange. Luke clarified that the bail arrangement was subject to a process mandated by the relevant authority; in particular, the bail money has to be provided by an individual who is a Singaporean. In any event, the circumstances surrounding the bail arrangement had already been announced.
- 5.22 CM and OCY then queried whether shareholder approval was required for the bail arrangement, to which Luke and OSH responded in the negative.

QUERIES IN RESPECT OF THE LOAN TO REVENUE ANCHOR SDN BHD

- 5.23 WLT queried whether the Company would have agreed to extend the loan of GBP510,000 to Revenue Anchor Sdn Bhd ("**Revenue**") on hindsight, to which Luke responded that he would have done it differently. That being said, the Company had already recovered the loan as it had received the share certificate in Revenue's name as well as the duly signed transfer documents.

QUERIES IN RESPECT OF THE PURCHASE OF COMPANY VEHICLE FOR THE CEO

- 5.24 WLT queried the rationale for registering the CEO's vehicle purchased by the Company, which was a Company asset, under the individual name of the CEO. Luke responded that it was due to convenience and cost savings in terms of taxes, but that in any event, the legal rights of the Company to the vehicle were very clear as he had issued a letter of undertaking to the Company.
- 5.25 CM then queried the rationale for purchasing the vehicle to begin with, given that the Company was not doing well. SCH clarified that the provision of a vehicle for the CEO formed part of the CEO's total remuneration package, and that this package had been in place even before the present Board was appointed.

6. CASTING OF VOTES

There being no further questions from the shareholders present, the representative from Entrust Advisory Pte. Ltd. provided a brief overview of the polling process to the shareholders, and briefed the meeting on the procedure in completing the voting slips.

The Chairman requested that the shareholders submit their Poll Voting Slips to the Polling Agent upon completion.

As the counting of the votes by the scrutineers would take some time, the Chairman, with the consent of the shareholders, adjourned the meeting for the counting process to be carried out.

[Adjournment of approximately 30 minutes for the counting of the votes]

7. RESULTS OF POLL:

The Chairman re-convened the meeting at 11.35 a.m. after the Scrutineers had completed counting and verified the votes. The Chairman announced the results of the poll as follows:

Results of the AGM:

Resolution	Total number of shares represented by votes for and against the resolution	For		Against	
		Number of Shares	As percentage of total number of votes for and against the resolution (%)	Number of Shares	As percentage of total number of votes for and against the resolution (%)
As Ordinary Business					
Ordinary Resolution 1 Adoption of Audited Financial Statements for the financial year ended 30 June 2018, together with the Directors' Statement and Auditors' Report thereon.	5,361,231,155	3,720,040,335	69.39	1,641,190,820	30.61
Ordinary Resolution 2 Re-election of Mr Charles Madhavan as Director of the Company.	5,361,231,155	1,773,826,030	33.09	3,587,405,125	66.91

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Resolution	Total number of shares represented by votes for and against the resolution	For		Against	
		Number of Shares	As percentage of total number of votes for and against the resolution (%)	Number of Shares	As percentage of total number of votes for and against the resolution (%)
Ordinary Resolution 3 Payment of Mr Charles Madhavan's Directors' fees of S\$11,530 for period from 27 May 2018 to 30 October 2018.	5,361,231,155	1,773,826,030	33.09	3,587,405,125	66.91
Ordinary Resolution 4 Payment of Mr Charles Madhavan's Directors' fees of S\$17,295 for period from 31 October 2018 to 30 June 2019.	5,361,231,155	1,773,826,020	33.09	3,587,405,135	66.91

Resolution	Total number of shares represented by votes for and against the resolution	For		Against	
		Number of Shares	As percentage of total number of votes for and against the resolution (%)	Number of Shares	As percentage of total number of votes for and against the resolution (%)
Ordinary Resolution 5 Re-election of Mr Ong Chin Chuan as Director of the Company.	5,306,280,355	3,563,058,135	67.15	1,743,222,220	32.85
Ordinary Resolution 6 Payment of Directors' fees of S\$134,175 for the financial year ending 30 June 2018.	4,990,211,235	3,336,994,405	66.87	1,653,216,830	33.13
Ordinary Resolution 7 Payment of Directors' fees of S\$135,175 for the financial year ending 30 June 2019.	4,964,931,635	3,336,994,405	67.21	1,627,937,230	32.79
Ordinary Resolution 8 Re-appointment of Moore Stephens LLP as Auditors of the Company and to authorise the Directors to fix their	5,085,951,555	3,720,040,335	73.14	1,365,911,220	26.86

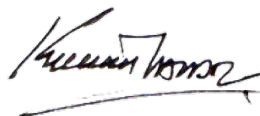
Resolution	Total number of shares represented by votes for and against the resolution	For		Against	
		Number of Shares	As percentage of total number of votes for and against the resolution (%)	Number of Shares	As percentage of total number of votes for and against the resolution (%)
remuneration.					
As Special Business					
Ordinary Resolution 9 Authority to allot and issue shares in the capital of the Company.	5,361,231,155	3,717,813,925	69.35	1,643,417,230	30.65
Ordinary Resolution 10 Authority to issue shares under the Magnus Energy Employee Share Option Plan.	4,950,211,153	3,306,799,933	66.80	1,643,411,220	33.20
Ordinary Resolution 11 Authority to issue shares under the Magnus Energy Performance Share Plan.	4,950,211,153	3,306,799,933	66.80	1,643,411,220	33.20

The Chairman thus declared Ordinary Resolutions 1, 5, 6, 7, 8, 9, 10 and 11 **carried**, and Ordinary Resolutions 2, 3 and 4 not carried.

8. CONCLUSION

As no notice was received in respect of any other ordinary business that may properly be transacted at the meeting, the Chairman declared the meeting closed at 12:10 p.m.

Confirmed as a true record of minutes.

A handwritten signature in black ink, appearing to read 'Kushairi Bin Zaidel', with a horizontal line underneath it.

Mr Kushairi Bin Zaidel
Chairman