
RESPONSE TO QUERIES FROM SGX-ST IN RELATION TO NOTICE RECEIVED BY THE COMPANY FROM ELKAN LAW LLP ON 25 OCTOBER 2019

The Board of Directors of Magnus Energy Group Ltd (the "**Company**" and, together with its subsidiaries, the "**Group**") wishes to refer to the advertisement, purportedly on the Company's own letterhead (the "**Advertisement**"), in the Straits Times Business Section on 29 October 2019. The Company wishes to confirm that the Company has neither authorised nor initiated the said Advertisement. The Company has no knowledge of the person(s) who have taken out the Advertisement. For the avoidance of doubt, the Company's view is that the Advertisement does not in any way constitute a notice, or derogate from, the procedure prescribed under Section 216A of the Companies Act.

Notwithstanding the above, the Company confirms that it has indeed received a notice from Eldan Law LLP via email on the afternoon of 25 October 2019 as referenced in the Advertisement.

The Company has also received queries from the Singapore Exchange Securities Trading Limited ("**SGX**") following the publication of the Advertisement. The Company has responded to SGX's queries and is announcing its responses as follows:

Question	Response
When did the company receive the notice and who sent the notice? What is in the notice?	<p>The Company received the notice via email from Eldan Law LLC on the afternoon of 25 October 2019, who represents Mr Ong Chin Yew, Blue Water Engineering Pte Ltd, Idola Cakrawala International (Pte Ltd) and Mdm Sng Lee Leng, who are the shareholders of the Company (the "Represented Shareholders").</p> <p>The notice gives the current directors of the Company 14 days' notice of the Represented Shareholders intention to apply to the Court under section 216A(2) of the Companies Act for leave to bring an action in the name and on behalf of the Company against certain past and present directors and officers of the Company in respect of, <i>inter alia</i>, alleged breaches of fiduciary duties stemming from the findings in the Report on the Review of Selected Transactions undertaken by the Company prepared by Provenance Capital Pte. Ltd. ("Provenance Report") as published in the Company's announcement on 23 August 2019.</p>
What did the company do in response to the notice? What are the Board's considerations in determining whether the receipt of the notice is announceable?	<p>Immediately following receipt of the notice, the Company began sourcing for legal representation. The Company can confirm that it has today conducted a preliminary meeting with a potential legal counsel.</p> <p>The Board is of the preliminary view that the receipt of the notice is announceable. However, the Board is keen to seek legal advice, and in light of the fact that the Company's shares has been suspended since on or around 22 August 2019, to determine whether the allegations against current</p>

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	<p>and past directors and officers in their personal capacity <i>vide</i> a derivative action under Section 216A of the Companies Act will either (i) establish a false market in its securities; or (ii) have a material effect on the price and value of the Company's securities; with a view to engaging the legal counsel to prepare the announcement thenceforth. Notwithstanding that the Company has yet to appoint any legal counsel, it is making this announcement to (i) publicly announce its responses to the SGX's queries; (ii) provide shareholders with an update ahead of the Company's Annual General Meeting to be held tomorrow morning (ie. 30 October 2019) at 10am.</p>
<p>When did the Sponsor find out about the notice? What are the Sponsor's considerations in determining whether the receipt of the notice is announceable?</p>	<p>The Sponsor was notified that the Company had received the notice from Eldan Law LLP by an email from the Company at 6.02 pm on 25 October 2019. In the same correspondence, the Sponsor was notified that the Company was looking for a suitable lawyer to advise the Board on this matter and to prepare the respective announcement in due course.</p> <p>The Sponsor agrees with the Board's preliminary view, pending receipt of legal advice, that the matter is announceable. The Sponsor has followed up with the Company and its directors on both the appointment of counsel, as well as the SGX's queries responded to herein.</p> <p>The Sponsor has been informed by the Company that it has met with potential legal counsels in relation to the notice.</p>
<p>What are the Company's plans and next steps?</p>	<p>The Company is presently seeking to appoint a legal counsel to receive substantive legal advice on the purported proceeding contemplated by the Represented Shareholders as stated in the notice.</p> <p>The Board is committed to updating shareholders timeously and on an ongoing basis whenever there are further developments in relation to this matter.</p>

Shareholders are advised to exercise caution when dealing with the Company's securities. Shareholders should seek advice from their stockbrokers, bankers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt about the actions that they should take.

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

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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 information constitutes full and true disclosure of all material facts relating to the notice received from Eldan Law LLP on 25 October 2019.

BY ORDER OF THE BOARD
Magnus Energy Group Ltd.

Luke Ho Khee Yong
Chief Executive Officer
29 October 2019

About Magnus Energy Group Ltd. (www.magnusenergy.com.sg)
Listed since 04 August 1999

Incorporated in 1983, SGX Catalist Board-listed Magnus Energy Group Ltd. ("**Magnus**") is an investment holding company with a diversified portfolio comprising oil and gas equipment distribution, renewable energy and property and infrastructure development.

Magnus aims to maximise shareholder value through strategic investments in profitable projects and acquisitions globally with the goal of broadening the Group's earnings base and shareholder value.

*This announcement has been reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (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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