

**MAGNUS ENERGY GROUP LTD.**

(Incorporated in Singapore)

(Registration No. 198301375M)

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**LEGAL DISPUTE INVOLVING THIRD PARTIES**

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*Capitalised terms used herein shall have the definitions ascribed to them in the Company's announcements dated 22 May 2015, 1 February 2016, 23 March 2016, 21 September 2016, 31 August 2017 and 28 May 2018 (the "Previous Announcements"), unless otherwise stated or the context otherwise requires.*

The Board of Directors (the "**Board**" or the "**Directors**") of Magnus Energy Group Ltd. ("the **Company**", and together with its subsidiaries, the "**Group**") refers to Previous Announcements and wishes to announce that the Company has received a legal opinion from our Indonesian legal advisor on 3 August 2018 in relation to the land which encompasses the development site in Kupang, which is currently subject to a dispute between third parties, to which PT Hanjungin has become a party to this dispute in a latest case filed on 25 June 2018. Two groups of parties are disputing the rights to the 75 hectares land of which PT Hanjungin has bought a plot of 15 hectares land from the defendants for its property development project. PT Hanjungin is currently developing this 15 hectares of land. In addition, the Company has been informed that the plaintiffs has also filed an earlier case that is currently under appeal by the plaintiffs, of which PT Hanjungin is not a party to. For the avoidance of doubt, the Company is not a party to the dispute.

Our Indonesian legal advisor has advised that there is risk on the part of PT Hanjungin if the claim by the plaintiffs is successful. The latest case filed on 25 June 2018 may pose significant difficulties for the Company to recover the amount owing of S\$7.4 million as PT Hanjungin may encounter significant difficulties in marketing its property development or disposing the 15 hectares of land entirely, as any potential buyers will be wary of the potential risks involved. After discussions with our auditor, the Company shall be making a full provision of the amount of approximately S7.4 million in the financial year ended 30 June 2018.

The Company shall continue to take steps and efforts to recover the amount owed and shall concurrently seek additional information on the said dispute to provide updates to our shareholders accordingly.

This shall negatively affect the financial statements of the Group materially for the financial year ended 30 June 2018. Shareholders and potential investors should exercise caution when trading in the shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other professional adviser immediately.

**BY ORDER OF THE BOARD**

Magnus Energy Group Ltd.

Luke Ho Khee Yong  
Chief Executive Officer  
6 August 2018

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**About Magnus Energy Group Ltd. ([www.magnusenergy.com.sg](http://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, coal and gas assets, oil and gas equipment distribution, renewable energy and natural resources trading, property and infrastructure development, and industrial waste water treatment.

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.

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

*The 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.*

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*The contact person for the Sponsor is Mr Bernard Lui.*  
Tel: 6389 3000 Email: [bernard.lui@morganlewis.com](mailto:bernard.lui@morganlewis.com)