

MAGNUS ENERGY GROUP LTD.

(Incorporated in Singapore)

(Registration No. 198301375M)

COMPLETION OF SUBSCRIPTION OF 2,700,000 SHARES IN FLAGSHIP ECOSYSTEMS PTE LTD

Capitalised terms used herein shall have the definitions ascribed to them in the Company's announcement dated 3 September 2015, 22 September 2015 (the "Announcements") and the circular to shareholders of the Company ("Shareholders") dated 14 October 2015 (the "Circular") in respect of the Proposed Subscription, unless otherwise stated or the context otherwise requires.

1. INTRODUCTION

Further to the Announcements, the Board of Directors (the "Directors" or the "Board") of Magnus Energy Group Ltd. (the "Company", and together with its subsidiaries, the "Group") is pleased to announce that, following the Shareholders' approval of the Proposed Subscription at the extraordinary general meeting of the Company held on 29 October 2015, and that all conditions precedent of the Proposed Subscription have been fulfilled, completion of the Proposed Subscription has taken place on 1 December 2015 ("Completion Date").

Accordingly, an aggregate of 2,700,000 new ordinary shares in the capital of Flagship Ecosystems Pte Ltd ("Flagship") (the "Subscription Shares") were issued and allotted to the Company at the Subscription Price of S\$0.37037037 per Subscription Share, for the aggregate cash consideration of S\$1,000,000.00 (the "Consideration"). The Subscription Shares will rank *pari passu* in all respects with the existing issued shares of Flagship.

Upon issuance of the Subscription Shares on Completion Date, the issued and paid-up share capital of Flagship has increased from 1,800,000 ordinary shares to 4,500,000 ordinary shares, pursuant to which, the Company will hold 60% of the enlarged share capital in Flagship.

Following the completion, Flagship is accordingly now a subsidiary of the Company.

2. SHAREHOLDERS' AGREEMENT

The Company has on 1 December 2015 entered into a shareholders' agreement with Flagship and the other ordinary shareholders of Flagship, to set out and regulate their relationship inter se as shareholders of Flagship and their rights and obligations thereof.

3. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS

None of the directors or controlling shareholders (as defined in Section B: Rules of Catalist of the listing manual of the Singapore Securities Exchange Trading Limited (the "Rules of Catalist")) or their respective associates (as defined in the Rules of Catalist) of the Company has any interest, direct or indirect, in the Proposed Subscription, save for their respective shareholdings in the Company.

BY ORDER OF THE BOARD

Magnus Energy Group Ltd.

Luke Ho Khee Yong
Chief Executive Officer
1 December 2015

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About Magnus Energy Group Ltd. (www.magnusenergy.com.sg)

Listed since 04 August 1999

Magnus Energy Group Ltd is listed on the Catalist Board of the Singapore Securities Exchange Trading Limited. While started its businesses as the integrated mechanical and engineering specialist, the Group swiftly added the property development, construction and related businesses into its diversified portfolio. The acquisition of a controlling stake in Mid-Continent Equipment Group Pte Ltd in April 2004 has enabled the Group to establish new business opportunities in the oil and gas as well as alternative energies industries.

The Group seeks to achieve a diversified portfolio and will selectively invest in profitable projects. This will be an ongoing process for the Group as it looks to broaden its earnings base and at the same time re-engineer itself to explore new acquisition and investment opportunities across the Asia Pacific region.

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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