

**MAGNUS ENERGY GROUP LTD.**

(Incorporated in Singapore)

(Registration No. 198301375M)

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**ISSUE OF UP TO S\$35,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF REDEEMABLE CONVERTIBLE NOTES**  
**- ISSUE OF 17,857,142 CONVERSION SHARES**

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*Capitalised terms used herein shall have the definitions ascribed to them in the Company's Circular to shareholders dated 13 October 2014 and the announcements dated 3 September 2014 and 11 October 2014 in respect of the Notes Issue, unless otherwise stated or the context otherwise requires.*

**1. Issuance of the Tranche 2 Notes**

The Board of the Company wishes to announce that an aggregate amount of S\$3,500,000 of the Tranche 2 Notes (Certificate Nos. 201 to 270) has been duly issued to the Subscriber as at 28 October 2015 in accordance with the terms and conditions of the Notes Issue.

The Company will make further announcements on the utilisation of the net proceeds from the Notes Issue as and when the proceeds are materially disbursed.

**2. Allotment and issue of Shares pursuant to the conversion of the Tranche 2 Notes**

The Board wishes to announce that the Subscriber has, on 28 October 2015, exercised its rights to convert two (2) Notes (Certificate Nos. 241 and 242) in respect of the Tranche 2 Notes. The converted Notes, with an aggregate principal value of S\$100,000 will be converted into 17,857,142 Conversion Shares at the Floating Conversion Price of S\$0.0056 for each Conversion Share on 28 October 2015. An aggregate amount of S\$2,100,000 of the Tranche 2 Notes has been converted as of 28 October 2015.

The Floating Conversion Price of S\$0.0056 was determined by taking 90% of the of the average of the traded volume weighted average prices per share for any three (3) consecutive Trading Days as selected by the Subscriber during the 30 Trading Days immediately preceding the relevant Conversion Notices dated, 28 October 2015. The three (3) consecutive Closing Prices per Share selected are as follows:

	<b>VWAP</b>	<b>Date</b>
X	S\$0.0066	23 Oct 2015
Y	S\$0.0061	26 Oct 2015
Z	S\$0.0060	27 Oct 2015

$$\text{Floating Conversion Price} = \frac{X + Y + Z}{3} \times 0.9 = \text{S\$0.0056}$$

Pursuant to the aforesaid issue and allotment of 17,857,142 new ordinary shares of the Company, the number of issued share capital of the company shall increase from 568,792,182 shares to 586,649,324 shares.

None of the Directors and substantial Shareholders has any interests, direct or indirect, in the above Notes Issue, other than through each of their respective shareholding interests, direct and/or indirect, in the Company.

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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 announcement constitutes full and true disclosure of all material facts about the Notes Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

**BY ORDER OF THE BOARD**

Magnus Energy Group Ltd.

Luke Ho Khee Yong  
Chief Executive Officer  
28 October 2015

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**About Magnus Energy Group Ltd. ([www.magnusenergy.com.sg](http://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.

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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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