

MAGNUS ENERGY GROUP LTD.

(Incorporated in Singapore)

(Registration No. 198301375M)

TRANSFER OF PRL173 & PRL174 (formerly known as PEL101)

*Capitalised terms used herein shall have the definitions ascribed to them in the announcements dated 16 May 2013, 27 November 2014, 22 February 2016 and 16 March 2016 (the “**Previous Announcements**”), unless otherwise stated or the context otherwise requires.*

The Board of Directors (the “**Board**”) of Magnus Energy Group Ltd. (the “**Company**”) wishes to announce that Mid-Continent Equipment Group Pte Ltd (“**Midcon**”), a 55.89% subsidiary of the Company, has transferred its 20% working interest (the “**Disposal**”) in drilling program under the Petroleum Retention Licence 173 & 174 granted under the Petroleum Act 2000 of South Australia (“**PRL173 & PRL174**”) which was fully impaired via Midcon’s wholly owned subsidiary, Mid-Continent Equipment (Australia) Pty Ltd (“**MEA**”) to Acer Energy Pty Limited (“**ACER**”), a wholly owned subsidiary of Beach Energy Limited by a deed of assignment and assumption where ACER will assume all of the liabilities and obligations incurred under the Joint Operation Agreement (“**JOA**”) for which MEA would otherwise be liable, and undertakes to discharge and perform those liabilities and obligations as and when required under the JOA. The effective date of the transfer is 31 July 2018. The JOA allows ACER and MEA to undertake a common task to explore and exploit PEL101, where ACER is the operator and Midcon is the non-operator.

As each of the relative figures computed on the applicable bases as set out in Rule 1006 of the Singapore Exchange Securities Trading Limited (SGX-ST) Listing Manual is less than 5.0%, the Disposal is a “Non-discloseable Transaction” for the purposes of Chapter 10 of the SGX-ST Listing Manual.

As a result of the transfer, MEA will withdraw from the JOA with ACER and MEA will settle by payment of full and final cash settlement of AUD514,000 for the restoration cost of surface and subsurface of the well and infield road network cost. No valuation was commissioned in respect of the Disposal.

This will allow Midcon to cease its obligation to contribute 20% towards the monthly operating and administrative cost of maintaining the drilling program under PRL173 & PRL174. The drilling program has ceased and suspended for further testing since FY2016.

Save for their interest in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Disposal.

BY ORDER OF THE BOARD

Magnus Energy Group Ltd.

Luke Ho Khee Yong
Chief Executive Officer
1 August 2018

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, 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.

The contact person for the Sponsor is Mr Bernard Lui.

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