

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

ENTRY INTO HEADS OF AGREEMENT WITH AREA ENERGY INC, TAIWAN

1. INTRODUCTION

The Board of Directors (“**Board**”) of Magnus Energy Group Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has entered into a non-binding Heads of Agreement (“**HOA**”) dated 10 June 2020 with AREA Energy Inc (“**AEI**”) in relation to a possible collaboration between the Company, Oriental EPC Private Limited (“**Oriental EPC**”) or a designated subsidiary / entity of Oriental as a joint venture partner of the Company, and AEI (collectively, the “**Parties**”) for their respective resources to jointly pursue the Australasian region for engineering, procurement, installation and commissioning type projects (“**Projects**”) (the “**Proposed Collaboration**”). The HOA is subject to the execution of a formal consortium agreement (“**Consortium Agreement**”), which is targeted to be executed within 45 days from the date of HOA. It is the intent of the Parties of the HOA to engage in further negotiations regarding the detailed terms, provisions and conditions of the Consortium Agreement.

2. OBJECTIVE OF THE HOA

The Parties of the HOA intend to pursue mutually selected potential projects on an exclusive joint venture / consortium basis. However, amongst themselves they shall be each responsible for their own scope of supply. The agreed scope of supply of the Parties for the Projects is set out in the HOA. The Parties agreed that they will share all formal and informal information on the Projects.

3. INFORMATION ON THE ORIENTAL EPC GROUP

Oriental and its subsidiaries (collectively, the “**Oriental EPC Group**”) is one of the top engineering, procurement and construction (“**EPC**”) companies in India and primarily provides EPC services to major organisations in the chemical processing plant, effluent treatment plant, metallurgical, mini refinery, thermal and nuclear power, oil terminal operations, organic and inorganic chemicals and basic infrastructure sectors. More information on the Oriental EPC Group can be found in its company profile which has been attached as a separate appendix to this announcement (the “**Oriental Company Profile**”) or on the Oriental EPC Group’s website at <http://orientalepc.com/> .

The information on the Oriental EPC Group above and the Oriental Company Profile were prepared and provided to the Company by the Oriental EPC Group. The Directors have not conducted an independent review or verification of the accuracy of the statements and information above and/or contained in the Oriental Company Profile.

3. INFORMATION ON AEI

Founded in October 1989, AEI is a professional provider of EPC services for projects such as nuclear power plants, thermal power plants, pharmaceutical factories and civil/structural/architectural/piping construction in Taiwan. More information on AEI can be found in its company profile which has been attached as a separate appendix to this announcement (the “**AEI Company Profile**”) or on AEI’s website at <http://www.areagroup.com.tw>.

The information on AEI above and the AEI Company Profile were prepared and provided to the Company by AEI. The Directors have not conducted an independent review or verification of the accuracy of the statements and information above and/or contained in the AEI Company Profile.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or the controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Collaboration, other than through their respective shareholdings in the Company.

5. DURATION OF THE HOA

The HOA shall terminate upon the earliest of any of the following events:-

- a) Execution of the Consortium Agreement by the Parties;
- b) By mutual consent of the Parties; or
- c) On 31 December 2021.

6. FURTHER ANNOUNCEMENTS

The Company will make further announcement(s) to disclose the details of the collaboration upon the execution of the Consortium Agreement and/or appropriate update announcement(s) when there is any further material development on the Proposed Collaboration or the HOA in compliance with the relevant provisions of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist. Subject to the final terms of the Collaboration Agreement, the Company may seek such approvals as may be required, including approval from shareholders of the Company (the “Shareholders”) and/or regulatory approvals.

7. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should note that the HOA is non-binding and there is no certainty or assurance that (i) the Consortium Agreement will be executed by the Parties; or (ii) the Proposed Collaboration will be completed or be proceeded with. As such, Shareholders and potential investors are advised to exercise caution when dealing or trading in the shares of the Company. When in doubt as to the action they should take, Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Charles Madhavan
Executive Director and Chief Executive Officer
11 June 2020

This announcement has been prepared by the Company and reviewed by the sponsor, Novus Corporate Finance Pte. Ltd. (the “Sponsor”), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist.

This 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 Pong Chen Yih, Chief Operating Officer, at 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.