
COMPANY'S PROGRESS IN ITS SUBMISSION OF THE RESUMPTION PROPOSAL

The Board of Directors ("**Board**") of Magnus Energy Group Ltd (the "**Company**" and, together with its subsidiaries, the "**Group**") refers to the announcements dated 28 July 2020, 7 October 2020 and 15 October 2020 (the "**Previous Announcements**") and wishes to provide a general update on the Company's progress in its submission of the Resumption Proposal as part of the Extension Conditions by the SGX-ST.

Save as otherwise defined, all capitalised terms shall have the same meaning as the Previous Announcements.

UPDATE ON THE PROGRESS OF THE RESUMPTION PROPOSAL (OCTOBER 2020)

1. Business viability and going concern

The Company had previously provided an update on the potential business ventures that it is contemplating to embark on in its general update announcement dated 30 September 2020 ("**General Update Announcement**"). As of to-date, there have been no material updates on the potential business ventures listed on the General Update Announcement.

The Company is also in the midst of preparing the cashflow projections for the next 12 months, for the period from 1 October 2020 to 30 September 2021 (the "**Forecast**"), including assumptions used and the reasonableness for such assumptions. The Forecast is prepared with a view to substantiate the Company's assessment in respect of the business viability and going concern issues.

2. Adequacy and effectiveness of Internal Controls

Nexia's team was on-site at the Company's office from 12 to 23 October 2020 and had conducted the following items as part of its fieldwork:

- (a) conducted interviews with certain of the Company's personnel including, amongst others, the finance manager, accounts executives of the Company as well as its subsidiary, Mid-Continent Equipment Group Pte. Ltd., and the corporate administrative executive to understand the existing business processes/work-flow relating to the scope of work;
- (b) reviewed the adequacy of the existing group policies and procedures that was provided by management;
- (c) reviewed certain payments made by the Company to check that supporting documents were verified before payments were made;
- (d) reviewed supporting documents of certain selected announcements made by the Company to check for accuracy; and
- (e) reviewed certain selected transactions by the Company to check if due diligence was performed.

The Company will continue to work closely with Nexia to address the issues raised in the Provenance Report and to fully implement all relevant recommendations by Nexia pursuant to its review of the findings in the Provenance Report.

The Board will make further updates if there are any further material developments with regards to the Resumption Proposal or where necessary.

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

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BY ORDER OF THE BOARD

Magnus Energy Group Ltd.

Charles Madhavan
Executive Director and
Chief Executive Officer
29 October 2020

This announcement has been prepared by the Company and reviewed by the Company's 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 Catalyst.

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.

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