

MAGNUS ENERGY GROUP LTD.

(Incorporated in Singapore)

(Registration No. 198301375M)

GENERAL UPDATE

The Board of Directors ("**Board**") of Magnus Energy Group Ltd (the "**Company**" and, together with its subsidiaries, the "**Group**") refers to the announcements dated 6 August 2018, 12 October 2018, 12 November 2018, 6 March 2019, 4 April 2019, 28 June 2019, 23 August 2019, 30 September 2019, 31 December 2019, 31 March 2020, 30 June 2020, 30 September 2020, 30 December 2020, 31 March 2021, 29 April 2021, 30 June 2021 and 30 September 2021 (the "**Previous Announcements**") and wishes to provide a general update on the ongoing affairs of the Group.

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

GENERAL UPDATE (October 2021 – December 2021)

WITHDRAWAL OF REVISED PROPOSAL FOR RESUMPTION OF TRADING

The Company had on 30 September 2021 withdrawn its Revised Resumption Proposal which was submitted to the SGX-ST on 27 May 2021. In this regard, the Company intends to submit an application for an extension of time (the "**EOT Application**") in relation to the submission of a new resumption proposal (the "**New Resumption Proposal**") to the SGX-ST upon the receipt of JTC's formal approval for the sale of the Loyang Property (the "**JTC Approval**").

As the JTC Approval is still pending, the Company does not have any clear visibility yet on the timeframe for the receipt of its share of the proceeds from the sale of the Loyang Property (the "**Sale Proceeds**"). Once the JTC Approval has been obtained and the Sale Proceeds have been received by the Company, the Company will be in the position to negotiate, fund and execute new projects and business ventures with the Company's existing business partners. Accordingly, the Sale Proceeds will provide the Company with the necessary capital and financial resources to secure and support new projects and business ventures, and to demonstrate the commercial viability thereof to the SGX-ST for the purposes of the New Resumption Proposal. Therefore, the Company intends to submit the EOT Application to the SGX-ST through its continuing sponsor once it has obtained the JTC Approval, as it will then be in a better position to enumerate a specific timeframe for the submission of the New Resumption Proposal in the EOT Application. Please refer to the section entitled "Property in Loyang (Singapore)" of this announcement for the latest development with JTC on the Loyang Property.

Notwithstanding the foregoing, on the basis that the JTC Approval is obtained, the Company is targeting to submit the New Resumption Proposal by the end of the first half of 2022.

The Company will keep the shareholders of the Company ("**Shareholders**") updated on any further material developments in respect of the above matter.

POTENTIAL BUSINESS VENTURES

As mentioned above, the Company is waiting for the JTC Approval in order to finalize the sale of the Loyang Property. Once the Company receives the Sale Proceeds, the Company will be in the position to continue negotiating new projects and business ventures with its business partners as it will have the requisite capital and financial resources to fund and execute such projects and business ventures.

As such, there are no material updates on the potential business ventures listed below for now. Please refer to the Previous Announcements for more details on these business ventures:

(1) Heads of agreement signed on 24 May 2021, with Area Energy Inc.

GENERAL UPDATE

- (2) Letter of offer from the Indonesian chemical plant operator (the “**Client**”) for the refurbishment and reactivation of the Client’s chemical plant.
- (3) Heads of agreement between PT OMEI and the state-owned enterprise (the “**SOE**”) on 8 December 2020.
- (4) Cooperation agreement entered between OMEI and the SOE on 25 November 2020.

ASSET DISPOSALS

- (1) MEG Management Sdn Bhd (“**MMSB**”)

As set out in the Previous Announcements, the Company will continue to retain MMSB until a settlement is reached with respect to the Company’s writ of summons in the High Court of Singapore (the “**Court**”) against the former directors and/or officers of the Company. As of the date of this announcement, there are no material updates on MMSB.

- (2) Flagship Ecosystems Pte. Ltd. (“**FES**”)

The Company had on 14 June 2021 applied to ACRA to strike off FES. A notice dated 4 August 2021 has been published in the Government Gazette for this purpose. As there was no objection received within 60 days from the date of the notice (i.e. 3 October 2021), FES was struck off on 4 October 2021.

- (3) Property in Loyang (Singapore)

Further to the issue on barium contamination in the groundwaters of the Loyang Property, Mid-Continent Equipment Group Pte. Ltd. (“**Midcon**”) submitted a detailed technical report and resampling results of the ground water on 10 and 23 November 2021 (the “**Resampling Results**”) to JTC.

JTC has accepted the results of the Resampling Results dated 23 November 2021 and requested a revised Environmental Base Study (“**EBS**”) report based on the Resampling Results. Midcon had submitted the revised EBS report on 23 November 2021 and is currently awaiting the JTC Approval. Midcon is endeavoring to make all reasonable efforts to follow-up with JTC about the receipt of the JTC Approval on an urgent basis. Barring any unforeseen circumstances, the Company reasonably expects that Midcon should receive the JTC Approval sometime in the first quarter of 2022.

Midcon will continue to follow up with JTC on the matter and the Company will keep the Shareholders updated on any further material developments in respect of the aforementioned.

ACCOUNTABILITY AND LEGAL PROCESSES

- (1) LEGAL DISPUTES ON INDONESIAN CONTRACTOR, PT HANJUNGIN

There are no material updates to this matter.

- (2) THAMES CAPITAL

There are no material updates to this matter.

- (3) HC/S 202/2020 (“**Suit 202**”) – Action by the Company against its former directors and former CEO

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GENERAL UPDATE

The Company had on 3 March 2020 commenced Suit 202 against its following former directors and/or officers of the Company:

- (a) Luke Ho Khee Yong (“**Luke Ho**”) (former chief executive officer);
- (b) Seet Chor Hoon (former independent director);
- (c) Kushairi bin Zaidel (former chairman and independent director);
- (d) Ong Sing Huat (former non-independent non-executive director);
- (e) Ong Chin Chuan (former independent director);
- (f) Lim Kuan Yew (former managing director); and
- (g) Koh Teng Kiat (former chief operating officer and executive director),

(collectively, the “**Defendants**”).

The Court has directed for the Affidavits of Evidence-in-Chief (“**AEICs**”) of the parties’ respective witnesses to be filed and served by 3 January 2022 after the parties had sought an extension of time from the Court to allow sufficient time to conclude settlement negotiations. The Company has reached an in-principle agreement on the terms of settlement with Luke Ho, Seet Chor Hoon, Kushairi bin Zaidel, Ong Sing Huat and Ong Chin Chuan, against whom the material allegations were made in Suit 202 and is in the midst of finalising the terms of the settlement agreement and related matters.

(4) HC/S 1075/2020 (“**Suit 1075**”) – Action by Thong Soon Seng against the Company and Third Party Proceedings commenced by Company against Luke Ho (the “**Third Party**”)

On 29 February 2020, the Board received a letter of demand from a Mr. Thong Soon Seng regarding certain loan agreements allegedly entered into by the Company’s former CEO, Luke Ho, for and on behalf of the Company. The Company has no records of the alleged loan, as announced on 3 March 2020.

On 10 November 2020, the Company was served with the Writ of Summons and Statement of Claim in respect of Mr. Thong’s claim against the Company for the alleged loans purportedly provided to the Company. The Company in turn commenced third-party proceedings against Luke Ho in Suit 1075.

On 16 September 2021, Mr Thong Soon Seng amended his Statement of Claim (“**Amended Statement of Claim**”). Arising from the Amended Statement of Claim, the Company amended its Defence in the main suit as well as its pleadings in the third-party proceedings against Luke Ho. The Company was awarded costs by the Court to be paid by Mr Thong Soon Seng in respect of the Company’s consequential amendments to its pleadings in Suit 1075.

The parties have been directed by the Court to file and exchange the AEICs of their respective witnesses of fact by 4 January 2022, 4 pm.

The Company will keep Shareholders updated when there are material developments in respect of all matters above.

BY ORDER OF THE BOARD

Magnus Energy Group Ltd.

Charles Madhavan
Executive Director and
Chief Executive Officer
30 December 2021

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*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.

The contact person for the Sponsor is Mr Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.
