

MAGNUS ENERGY GROUP LTD.

(Incorporated in Singapore)

(Registration No. 198301375M)

COMPANY'S UPDATE ON EXIT PROPOSAL

Unless otherwise specified, all capitalised terms shall have the same meaning ascribed to them in the Previous Announcements (as defined below).

1. Introduction

The board of directors (the “**Board**” or “**Directors**”) of Magnus Energy Group Ltd (the “**Company**” and, together with its subsidiaries, the “**Group**”) refers to the announcements dated 22 February 2023, 8 March 2023, 21 March 2023 and 31 March 2023 (the “**Previous Announcements**”) with regards to the notification of delisting from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (the “**Delisting Notice**”) and wishes to provide the following updates.

2. Status of Exit Proposal

- 2.1 Following the receipt of the Delisting Notice, the Board had written to the top 20 shareholders (based on the shareholding percentage as at 30 December 2022) to invite them to make an exit offer for the shares. The Board had only received a single non-binding indicative expression of interest from a shareholder (the “**Shareholder**”) on 6 March 2023 with a specific request for an extension of “*a few months to do proper due diligence*” (the “**Potential Exit Offer**”).

The Board is of the view that the Potential Exit Offer may not be viable as the Shareholder has not provided any update or follow-up to the Company as at the date of this announcement. The Shareholder may also decide not to provide the exit offer after the completion of his due diligence on the Company.

As at the date of this announcement, there has been no alternative offer for the Shares received from any other shareholders or third parties by the Company.

- 2.2 The Company itself is not able to make any exit offer, which involves cash as a default, to shareholders. As at 31 December 2022, the Group had cash and bank balances of approximately S\$1.1 million (the “**December Cash Reserves**”), with most of it being held by the Company’s 80%-owned subsidiary, Mid-continental Equipment, Inc. (USA). As of same date, the Group’s net asset position was \$1.1 million. Meanwhile and having regard to the Appeal Letter which was previously submitted by the Company to the SGX-ST on 6 March 2023, the Group has had to utilise its available cash resources for working capital purposes and the Group’s cash and bank balances has depleted as compared to the December Cash Reserves, the details of which will be disclosed by the Group when it announces its unaudited interim financial results for the three months financial period ended 31 March 2023. As a result, the limited available cash resources that the Group has on hand are needed to maintain and fund the Company’s working capital mainly at the Company level, its business operations in the USA under Mid-Continent Equipment, Inc. (USA) and in Indonesia under PT Meg Harta Indonesia (“**PT MHI**”); in particular as PT MHI has yet to resume operations and is still waiting for approval of the new RKAB quota in respect of the Kolaka Nickel Project as at the date of this announcement.

While the Group holds certain divestible assets, largely being industrial land and building in the US, however, these are deemed as less-liquid assets which would need time to dispose and there is uncertainty that a buyer can be found at a price acceptable to the Company. In the

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instance that an asset can be sold, the funds realized from such sale would be needed for growing the existing and new businesses in Indonesia.

- 2.3 As a result of the abovementioned, the Board wishes to update the shareholders that there will be no exit offer proposal to be made to shareholders pursuant to the Delisting Notice.

3. Further Announcements

The Company, through its Sponsor, has informed the SGX-ST of the above and will make further announcements as and when there are any further developments and/or updates from the SGX-ST in relation to the Delisting Notice.

BY ORDER OF THE BOARD

Magnus Energy Group Ltd.

Charles Madhavan

Executive Director and Chief Executive Officer

10 April 2023

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.