

**MAGNUS ENERGY GROUP LTD.**

(Incorporated in Singapore)

(Registration No. 198301375M)

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**RECEIPT OF NOTIFICATION OF DELISTING**

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The board of directors (the “**Board**”) of Magnus Energy Group Ltd (the “**Company**” and, together with its subsidiaries, the “**Group**”) wishes to inform that Company had on 21 February 2023 received a notification of delisting from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (the “**Delisting Notice**”).

In the Delisting Notice, it was stated that:-

1. With reference to the Company’s letter dated 30 September 2022 seeking further extension of time to submit a trading resumption proposal (the “**Resumption Proposal**”) (“**Extension Application**”), the SGX-ST regrets to inform that there are no extenuating reasons to grant the Company further extension of time to submit a Resumption Proposal. There is no certainty that the Company will be able to satisfactorily address issues on its ability to operate as a going concern, and demonstrate financial and business viability to support the submission of the Resumption Proposal by the proposed extended deadline requested for. In view of the SGX-ST’s rejection of the Extension Application, the Company will be delisted.
2. The Company was suspended on 22 August 2019 pending resolution of issues highlighted in a special audit report by Provenance Capital Pte. Ltd. as part of an independent review of past transactions by the Company (the “**Special Audit Report**”). In addition, the Company’s statutory auditors issued a disclaimer of audit opinion on the financial statements for the period ended 31 December 2021, due to concerns on the Group’s and Company’s ability to remain as going concerns. The Company is thus required to submit a trading Resumption Proposal which addresses all the above issues.
3. SGX RegCo has granted the Company multiple extensions of time to submit its Resumption Proposal, having considered, amongst others, time needed for the Company to address findings from the Special Audit Report as well as demonstrate financial and business viability via diversification into new businesses (the “**New Businesses**”).

The SGX-ST further noted the following:

4. The Company has been suspended for more than three (3) years and has been given sufficient time to submit its Resumption Proposal. However, there has not been much progress made by the Company in meeting milestones and deadlines proposed by the Company in support of the previously granted extensions of time to submit the Resumption Proposal.
5. The Company’s internal auditors identified major control weakness in the Company’s Indonesian subsidiary, in which the New Businesses are being conducted. This causes concerns on the overall governance and control environment within the Group.
6. The Company’s only agreement in relation to the New Businesses has expired. In its announcement of 20 January 2023, the Company disclosed that the production quota for the

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nickel ore mining sites for the year 2022 has been exhausted and the relevant permits for 2023 has not been obtained from the Indonesian authorities. The Company's subsidiary in Indonesia is thus restricted from completing the shipments in accordance with its agreements. The Company also stated that such a situation is expected to have a material adverse impact on the Company's present financial condition as it is unable to complete shipments to generate new revenues. The Company has not secured any other definitive agreements.

7. The lawsuit taken out against the Company by Mr Thong Soon Seng ("**Mr Thong**"), claiming S\$5 million, resulted in the auditors issuing a disclaimer of audit opinion in the Company's latest audited financial statements for FY2021, as the ability of the Group and the Company to remain as going concerns are dependent on, amongst others, the outcome of the legal case. The Board has been made aware in December 2022 that Mr Thong has filed a notice of appeal against the oral judgement from the Singapore High Court dismissing the lawsuit.
8. The Company has not addressed its going concern issue, nor demonstrated financial and business viability.

In view of the above developments, the Company's shares will be **delisted from the SGX-ST** after it has made an exit offer to shareholders and holders of other classes of listed securities to be delisted in accordance with Rule 1308 of the SGX-ST Listing Manual Section B: Rules of Catalist. The Company is required to inform the SGX-ST of the exit offer proposal as soon as practicable and no later than one (1) month from the date of the Delisting Notice, being 21 February 2023, and to provide updates via SGXNet on the status of the Company's exit offer proposal. The Company must also provide prompt updates in respect of the implementation of its exit offer.

Notwithstanding the delisting, the Company, its directors, executive officers, sponsors and / or registered professional, where relevant, remain subject to disciplinary proceedings in respect of acts, omissions or contraventions which occurred when the Company was listed. Liability or any breaches of the rules and the law will not be affected by the delisting of the Company.

The Board will discuss with the management on whether the Company will be making an appeal and inform the shareholders accordingly once a decision is made.

The Company will make further announcements as and when there are any further developments in relation to the Delisting Notice.

**BY ORDER OF THE BOARD**

Magnus Energy Group Ltd.

Charles Madhavan

Executive Director and Chief Executive Officer

22 February 2023

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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.*