

MAGNUS ENERGY GROUP LTD.

(Incorporated in Singapore)

(Registration No. 198301375M)

ANNOUNCEMENT PURSUANT TO RULE 706A OF THE CATALIST RULES

The Board of Directors (“**Board**”) of Magnus Energy Group Ltd (the “**Company**” and, together with its subsidiaries, the “**Group**”) wishes to provide an update on the following transactions that occurred during the three-month financial period ended 30 June 2022, pursuant to Rule 706A of the Singapore Exchange Securities Trading Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”).

(1) DIVESTMENT

The Company had, on 27 May 2022, transferred 20% of its shareholdings (totaling 25,000 ordinary shares) (“**PT MHI Shares**”) in PT MEG Harta Indonesia (“**PT MHI**”) to the following two (2) individuals at a nominal consideration of Indonesian Rupiah (“**IDR**”) 1 per person which was satisfied in cash. PT MHI had recorded a net liability value of approximately IDR 86 million as at 31 May 2022.

	Name of Individual	No. of shares	Total consideration (IDR)
1.	Debrifian Yusrika Taruna Domi (Mr.)	2,250	1.00
2.	Sami Astro Yacob (Mr.)	2,250	1.00

The abovementioned persons are directors of PT MHI. The consideration was arrived at after taking into account, among others, the two (2) individuals’ positive contributions in terms of marketing to and introducing new customers as well as significantly enhancing revenues generated for PT MHI.

The Company holds 70% of the shares of PT MHI, after the abovementioned share transfer. MEG Global Resources Limited, a 100%-owned subsidiary of the Company, holds 10% of the shares of PT MHI. In total, the Group holds an aggregate 80% of the shares of PT MHI.

(2) ACQUISITION

PT MHI had, on 16 May 2022, acquired 6,000 shares (“**PT MKL Shares**”) in the capital of PT Megah Kharisma Lestari (“**PT MKL**”), representing 60% of the shareholding interest of PT MKL, from three (3) individual third-party shareholders of PT MKL, being Mr. Muhammad Saleh, Ms. Martina Nasution and Ms. Eva Marina, who previously owned 100% of the total ordinary shares of PT MKL. The net asset value of PT MKL as at 31 December 2021 was IDR 600 million. The remaining 40% shareholding interest of PT MKL is held by individual third-party shareholders.

The consideration paid for the acquired shares was a nominal sum of IDR1 and was satisfied in cash. The consideration was arrived at after taking into account, among others, PT MKL’s role in the finance, supply and sale of nickel ore from another nickel mine in Kolaka, Sulawesi that the Group had earlier identified. PT MKL had previously negotiated and signed a Joint Operations Agreement with certain parties in respect of the nickel mine, which is now part of the Group’s nickel ore business in Indonesia pursuant to this acquisition.

Pursuant to this acquisition, PT MKL has become an indirectly owned subsidiary of the Company.

(3) MEMBERS' VOLUNTARY LIQUIDATION OF SUBSIDIARY

As per the announcements dated 23 June 2022 and 25 July 2022, the Company's 55.89%-owned subsidiary, Mid-Continent Equipment Group Pte. Ltd. ("**MidCon**") has applied for a voluntary liquidation.

For more information, please refer to the announcements dated 23 June 2022 and 25 July 2022.

BY ORDER OF THE BOARD

Charles Madhavan
Executive Director and Chief Executive Officer
12 August 2022

*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.