

**MAGNUS ENERGY GROUP LTD.**

(Incorporated in Singapore)  
(Registration no. 198301375M)

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**ADDITIONAL INFORMATION ON THE DISPOSAL OF A SUBSIDIARY, STRIKE CONSTRUCTION PTE LTD**

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On 20 January 2006, the Board of Directors of Magnus Energy Group Ltd. (the "Company") announced that the Company had entered into a Shares Sale Agreement dated 20 January 2006 (the "Agreement") with Mr Ng Yek Meng (the "Purchaser") to dispose its entire 52% equity interest in Strike Construction Pte Ltd ("Strike Con") for a cash consideration of S\$560,000 ("Disposal").

Further to that announcement, the Company wishes to provide the following additional information:-

**1. Rule 1006 Bases**

In accordance with Rule 1006 of the Listing Manual, the bases of computation of the Disposal is as follows:-

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|-----|--|----------------|
| (a) | The net asset value of the assets to be disposed of, compared with the Group's net asset value   | 2.15%          |
| (b) | The net losses attributable to the assets disposed of, compared with the Group's net losses  | 4.74%          |
| (c) | The aggregate value of the consideration received, compared with the Company's market capitalisation   | 1.22%          |
| (d) | The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue | Not Applicable |

Though the Disposal constitutes a non-discloseable transaction under Rule 1008, the Company wishes to announce it as it is a disposal of a subsidiary under Rule 704(16).

**2. Consideration, its Basis and Terms of Payment**

The consideration for the Disposal is S\$560,000 ("Consideration") and shall be satisfied by the Purchaser in cash in the following manner:-

- (i) a sum of S\$56,000, being 10% of the Consideration, shall be paid upon execution of this Agreement; and
- (ii) a sum of S\$504,000, being 90% of the Consideration, shall be paid within 30 days after the date of this Agreement

The Consideration was arrived at on a willing-buyer and willing-seller basis after taking into consideration the net asset value of the entire 52% equity interest in Strike Con based on the audited financial statements of Strike Con and its subsidiary for the year ended 30 June 2005, which amounted to S\$558,199.

**3. Material conditions attached to Disposal**

None

**4. Net asset value of the entire 52% equity interest in Strike Con to be disposed of**

S\$558,199.

**5. Directors' and Substantial Shareholders' Interest**

Mr Chua Koh Ming and Mr Sim Yew Heng are not related to the Purchaser.

Pursuant to the Articles of Association of the Company, Mr Chua Koh Ming had abstained from approving the Disposal.

By Order of the Board  
MAGNUS ENERGY GROUP LTD.

Submitted by Wong Siew Chuan, Company Secretary on 24/01/2006 to the SGX