

23 October 2013**SHARE PURCHASE PLAN**

Magnum Gas & Power Limited (ASX: MPE, Magnum Gas & Power or the Company) is pleased to announce a Share Purchase Plan (SPP), providing shareholders an opportunity to increase their holding in the Company.

Under the SPP, eligible shareholders will be able to purchase up to \$15,000 worth of additional shares in Magnum Gas & Power at 1.2 cents without incurring brokerage or other transaction costs. This represents a 33% discount to the market price at close on the record date of 22 October 2013 and a 15% discount to the volume weighted average price of the past five trading days prior to announcement.

Eligible shareholders include those registered as at 5pm WST on 22 October 2013 with a registered address in Australia and New Zealand.

It is the intention of Directors to raise up to a maximum of \$1,500,000 through the issue of 125,000,000 shares.

Background to the Offer

The SPP funds will principally be directed towards advancing the Company's Botswana and NSW projects and for general working capital.

Botswana

Magnum has recently completed a successful exploration programme in Botswana and is currently engaged in testing and analysis work, the results from which will provide the Company with data to support prospectivity and basin models, including information on gas properties such as gas content and composition. The Company recently announced very positive initial results which confirmed a high percentage of methane in the gas composition, results from the testing and analysis will be completed and released over the coming months.

The next phase of exploration drilling is now being planned with a number of prospective target areas identified. Encouragingly several major CBM exploration programmes are underway in the basin being carried out by significant peers, including Kubu Energy (Sasol and Origin Energy joint venture), Exxaro and Tlou Energy.

New South Wales

Magnum retains a significant interest in a number of licence areas in New South Wales. While these projects have been essentially at standstill for some time due to state and federal politics, Magnum believes in the project fundamentals (the acreage has existing reserves, is near existing infrastructure and sits in a region with a looming energy crisis) and is waiting for a defined process from the government to enable planned operations to be approved and recommence.

The Company is pleased by the recent change in rhetoric from the Federal and NSW Governments and we are particularly encouraged by NSW Resources and Energy Minister Chris Hartcher's invitation to former federal resources minister Martin Ferguson to broker a breakthrough in the crisis in natural gas supply that is threatening the state. Mr Ferguson said he would personally drive the push to remove impediments to gas extraction in NSW.

Share Purchase Plan

Share Purchase Plan (SPP) details and timetable

New shares under the SPP will be offered at 1.2 cents which is a discount to the volume weighted average price of shares traded over the previous 5 days prior to this announcement of 15% and to the market price at close on the record date of 33%.

The issue will be limited to 125,000,000 shares to raise a total of \$1,500,000. However, should demand exceed this amount, the directors reserve the right to accept over subscriptions or to scale back applications in their absolute discretion. The maximum number permitted by the ASX Listing Rules is 30% of the pre offer issued capital (ASX listing rule 7.2)

INDICATIVE TIMETABLE

DATE	EVENT	DESCRIPTION
22 October 2013	Record Date	Eligible shareholders determined
23 October 2013	Announcement Date	Share Purchase Plan announced
25 October 2013	Opening Date	SPP Opens
15 November 2013	Closing Date	SPP Closes
20 November 2013	Issue Date	Shares Issued under SPP
22 November 2013	Despatch Date	Despatch date for holding statements
25 November 2013	Quotation Commences	Shares issued under SPP expected to commence quotation on ASX

This timetable is only indicative and the Directors reserve the right to vary any of the key dates above, including the Issue Date and Closing Date, without further notice.

Details on this offer and how to proceed are enclosed in the accompanying Offer Booklet. To apply for a parcel of shares, shareholders should read all of the offer documents carefully and follow the instructions on the personalised application form. Shareholders may also wish to discuss this investment with their financial advisor. Offer documents and a personalised application form will be despatched to shareholders on Friday 25 October 2013.

The application form should be completed and returned with payment before 15 November 2013. **There is provision for shareholders to make a BPay payment and in this instance the application form does not need to be returned.**

Yours sincerely,



Tom Fontaine
Chairman

For further information on the Company and its projects - visit the website at www.magnumgpl.com

About Magnum Gas & Power Limited

Magnum Gas & Power is an ASX listed energy exploration and development company with a portfolio of projects including Coal Bed Methane (CBM) and Petroleum exploration in Botswana and Coal Seam Gas (CSG) exploration in New South Wales, Australia.

Magnum's priority is exploration drilling in the Central Project Area of its highly prospective CBM projects in Botswana. A combination of exploration wells and desktop studies will seek to add value by defining and converting resources to reserves. Magnum's prospecting licences are strategically placed in the Kalahari Karoo basin which is in the early stages of field development with significant exploration programmes being conducted by neighbouring global energy majors. Existing power generation facilities in Botswana's critical power market are currently awaiting CBM gas supply. Magnum will look to vertical integration by developing partnering opportunities to provide incremental phases of gas off takes to downstream projects as Reserves are booked.

Magnum is also strategically placed with gas reserves in NSW, ready for further definition and development within a state of looming energy crisis.
