

BOTSWANA CBM EXPLORATION CORE DRILLING UPDATE

12th September 2013

HIGHLIGHTS

- **Magnum has successfully completed coring operations on its CBM exploration borehole in the Company's Central CBM project area in Botswana.**
- **The total depth of the vertical exploration borehole is 452m, with 119m having been cored. The borehole penetrated a 90m carbonaceous interval, including 16m of clean coal.**
- **14 samples were taken for gas desorption and analysis.**

Magnum Gas & Power Limited (ASX: MPE, "Magnum") is successfully progressing its Botswana CBM exploration programme, having just completed coring operations on its CBM exploration borehole in the Central CBM project area in Botswana. The results will provide Magnum with significant data to support prospectivity and basin models, including information on gas properties such as gas content and composition.

Magnum has completed coring operations on PL352/2008 Block 1. Coring of the pre-collared borehole commenced at the top of the Serowe Formation at 333m (below ground level), utilising a DWD Atlas Copco CS14 drill rig, and progressed through the targeted Moropule Formation. The total depth drilled was 452m.

The carbonaceous package includes coal, carbonaceous mudstone and shale. The total carbonaceous intersection was 90m, with a clean coal thickness of 16m.

A total of 14 HQ core samples are being desorbed and gas samples taken for analysis. Results from the testing and analysis will be completed and released over the coming months.

Magnum utilised the experienced services of DeWet drilling ("DWD") who has been operating in Botswana for over 60 years and has completed numerous CBM exploration drilling operations for various major operators. Core and gas samples are being tested and analysed by Weatherford, an international expert in CBM analysis.

Magnum's CBM acreage is located in the Central region of Botswana and is held 100% by Magnum. Major CBM exploration programmes are underway in the basin by significant peers, including Kubu Energy (Sasol and Origin Energy), Exxaro and Tlou Energy. Existing power generation facilities in Botswana's critical power market are currently awaiting CBM gas supply.

For further information please contact:



Trent Wheeler, Managing Director

About Magnum Gas & Power

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.

