

**NOTICE LETTERS TO SECURITY HOLDERS**

14 May 2014

Magnum Gas & Power Limited) (ASX: MPE) (**Magnum** or the **Company**) advises the attached letters were sent to shareholders on 13<sup>th</sup> May 2014 in accordance with the notice requirements for the recently announced non renounceable entitlement issue.

**Key dates**

Key dates for the Issue are set out in the following table. The dates are indicative only and the Company reserves the right to vary them, subject to the Corporations Act 2001 (Act) and the ASX Listing Rules.

Announcement of Entitlement Issue and Cleansing Statement given to ASX	12 May 2014
Record date for determining entitlements to New Shares	19 May 2014
Invitation to participate in Entitlement Issue and Entitlement Acceptance Forms dispatched to Eligible Shareholders	21 May 2014
Closing Date and final time for receipt of Entitlement and Acceptance Forms and payment in full for New Shares	13 June 2014
Issue of New Shares and Holding Statements dispatched to Shareholders	20 June 2014

Yours faithfully,



Mark Pitts  
Company Secretary

13 May 2014

Dear Shareholder,

**Magnum Gas & Power Limited (MPE) Entitlement Issue – Notification Details**

On 12 May 2014 Magnum Gas & Power Limited (the Company) announced a one for six Non Renounceable Entitlement Issue (the Offer) of up to 134,402,282 new shares at an issue price of \$0.01 per share. The Offer will raise a maximum of \$1,344,023 if all of the entitlements are taken up.

The Offer Document setting out all offer details and including an Entitlement and Acceptance form will be sent to all eligible shareholders shortly.

**Eligible Shareholders**

Shareholders with registered addresses inside Australia, New Zealand, Botswana and Mauritius, who hold ordinary shares in the Company (Existing Shares) as at 5.00pm AWST on the Record Date will be entitled to participate in the Offer.

The Company is concerned to ensure that its Shareholders resident in other overseas countries have the opportunity to accept their entitlements under the Offer. Whilst the securities laws of most foreign jurisdictions impose restrictions on foreign entities making offers in their jurisdiction, those securities laws often provide exceptions which enable wholesale-type investors to participate in foreign issues.

All overseas Shareholders should review the country-specific exceptions described in the Offer Document, to be sent, to determine whether they can accept their entitlements.

**Summary of Key Information**

A summary of key information is set out below:

Type of Offer	Non Renounceable Entitlement Issue of up to 134,402,282 new ordinary fully paid shares
Offer Price	1.0 cents per share
Offer Ratio	1 new share for every 6 held at the record date

### Proposed Timetable

The current proposed timetable for the Offer is set out below. The dates are indicative only and the Company reserves the right to vary the dates subject to the Corporations Act 2001, the ASX Listing Rules and other applicable law.

Announcement of Offer and Appendix 3b lodged with ASX	12 May 2014
Record Date (date for determining entitlements of Eligible Shareholders to participate in the Offer)	19 May 2014
Offer Document Despatched to Eligible Shareholders (expected date of despatch of Offer Document) Entitlement and Acceptance Forms)	21 May 2014
Opening Date	21 May 2014
Closing Date *	13 June 2014
Securities quoted on a deferred settlement basis	16 June 2014
Company to notify ASX of under subscriptions (if any) **	18 June 2014
Dispatch date	20 June 2014
Trading commences for New Shares on ASX **	20 June 2014

- Subject to the Listing Rules and the Underwriters, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.
- \*\* These dates are indicative only.

### Dealing with Entitlements

The Entitlement Issue is Non Renounceable, which means shareholders cannot sell their Entitlements on the Australian Stock Exchange.

The Directors reserve the right to place sufficient of the shortfall at their absolute discretion (subject to the ASX Listing Rules) to meet the minimum requirements of the Company. For further information on the issue or how to deal with your entitlement please contact your stockbroker or the Company's share registrar:

Computershare Investor Services Pty Limited

Telephone: 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia)

Yours faithfully



MARK PITTS  
*Company Secretary*

13 May 2014

Dear Option Holder,

On 12 May 2014 the Company announced a non renounceable entitlement issue (Rights Issue) to holders of Magnum Gas & Power Limited ordinary fully paid shares on the basis of one New Shares each for every six existing shares, at an issue price of 1.0 cents per share to raise approximately \$1.3 million before costs.

The offer document and an Appendix 3B relating to this Rights Issue was lodged with ASX and is available on the ASX website [www.asx.com.au](http://www.asx.com.au).

The Rights Issue is based on the number of Shares held by an eligible shareholder on the Record Date of 19 May 2014. **The Rights Issue will not apply to your option holding in the Company.**

To be eligible to participate in the Rights Issue, you will need to exercise your options in the Company and be registered (with a registered address in Australia, New Zealand or other eligible jurisdiction) as the holder of the underlying share as at the Record Date.

If you do not wish to participate in the Rights Issue (in respect of your Company options), you do not need to take any action.

To exercise some or all of your Company options, you will need to give notice in writing to the Company in accordance with the terms and conditions of the issue of your Company options together with payment of the exercise price for each Company option exercised.

You are encouraged to consult your stockbroker or other professional adviser before exercising any of your Company options. If you have any queries in relation to the exercise of your Company options and the Rights Issue, please do not hesitate to contact me on +61 89316 9100.

Securities issued as a result of exercising Options should be considered speculative. If you do not understand this letter, the Option Exercise Notice and/or the terms of the renounceable rights issue you should consult your stockbroker, solicitor, accountant, bank manager or professional advisor.

Yours sincerely,



Mark Pitts  
Company Secretary