

NSW GOVERNMENT PEL BUYBACK SCHEME ACCEPTED

16 March 2015

Magnum Gas & Power Limited (ASX: MPE) ('Magnum' or 'the Company') is focused on bringing cleaner energy to the people of Botswana, who wish to have domestic gas and power generation for the ongoing development of their country and people. While Gas is a cleaner and flexible energy source, Magnum is also working to integrate Solar power generation projects to provide an even cleaner, practical and cost effective solution for industry and communities.

Focussing on these opportunities and due to the current and ongoing issues in NSW, Magnum has consented to the return of Petroleum Exploration Licences ('PELs') 442, 444 and 454 to the NSW Government, at a loss to the Company and its shareholders.

The ongoing changes in the NSW regulatory environment and lack of a defined path forward to develop NSWs' domestic gas resource, even after all the technical reviews and studies conclude that CSG can be developed safely, has driven APEX and Magnum to reconsider the ongoing investment in these assets and to return the PELs to the NSW government.

Magnum is a minority partner undertaking a farm in to the acreage held by APEX. The farm-in and exploration have been at standstill for a number of years due to a government moratorium and subsequent reviews and changes in regulatory requirements. Magnum shareholders have been disadvantaged by these ongoing delays and changes.

Magnum was working to bring domestic gas to the NSW domestic energy market, farming into an existing reserve, close to infrastructure, in order to bring gas and power to a needing energy market. Development would have seen domestic gas production and power generation supporting and growing local industry, jobs and communities.

APEX recently took the view that the projects were no longer viable in the current situation, Magnum has co-operated with APEX in returning the PELs to the NSW Government.

Magnum is very disappointed that its shareholders have been disadvantaged, having suffered the loss of a viable proven resource due to the inability to progress the PELs as anticipated.

However, Magnum is now enabled to focus all resources into the current Botswana projects which are progressing well and where Magnum can supply cleaner energy.

For more information please visit our website www.magnumgpl.com or contact: The Managing Director, Trent Wheeler on +61 (0)8 9380 6755

About Magnum Gas & Power Ltd

Magnum Gas & Power Ltd (ASX:MPE) is a ASX and BSE listed energy exploration and development company with an exploration portfolio including Coal Bed Methane and Petroleum exploration in Botswana, Africa and Coal Seam Gas exploration in New South Wales, Australia. The Company's Board of Directors and management team has extensive experience in the exploration, development and capital markets for energy and resources projects.