

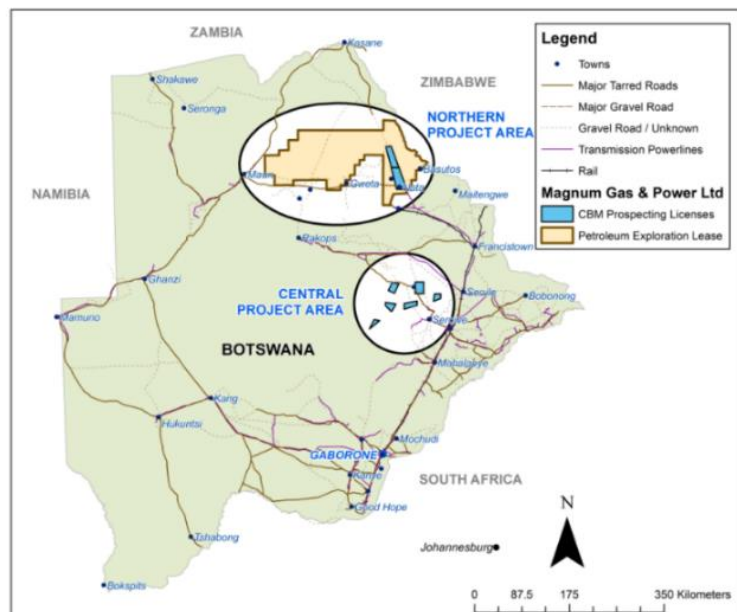
**QUARTERLY ACTIVITY REPORT
FOR THE PERIOD TO 31 MARCH 2015**



30th April 2015

HIGHLIGHTS

- Magnum accepted the NSW Government Petroleum Exploration Licence Buyback Scheme and is focused on progressing the Company Energy projects in Botswana.
- Magnum has been progressing partnering and investigating opportunities for integrated hybrid Solar/Gas fired power generation facilities. Magnum is working to become more vertically integrated in the Energy market, providing a more robust portfolio of projects and paths to revenue streams from clean energy. Magnum is looking to incorporate power generation projects to help provide much needed energy in Botswana and help facilitate offtakes for Magnums gas projects (and the basin as a whole).
- Magnum is listed on both the ASX and the BSE (Botswana Stock Exchange) to enable local Botswana participation.



Botswana

Magnum 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 (particularly than coal, diesel and wood which are the primary sources of energy in Botswana), Magnum is also working to integrate Solar power generation projects to provide an even cleaner, practical and cost effective solution for industry and communities

Solar and Gas - Power Generation Projects

Magnum has been progressing partnering and investigating opportunities for integrated hybrid Solar/Gas fired power generation facilities. Magnum is working to be a more vertically integrated energy company in Botswana, to help create solutions for the desperate Botswana power market, facilitate potential gas offtakes for the gas exploration projects and provide other paths to potential review streams and value for Magnum shareholders. As such, Magnum has been focussed on partnering and facilitating possible Solar power projects, particularly where benefits exist for Hybrid Solar & Gas power generation facilities.

Magnum is also investigating various Compressed Natural Gas (“CNG”) and micro-LNG (Liquefied Natural Gas) solutions to create a virtual pipeline using road transport to initial offtake facilities and potentially creating a flexible distribution network for Botswana.

Coal Bed Methane Projects

The Magnum CBM exploration portfolio consists of multiple Coal Bed Methane Prospecting Licences focused on two separate project areas, Central and Northern CBM project areas, within the overall central Kalahari Karoo basin of Botswana, Africa.

Magnum’s CBM acreage is located in the Central region of Botswana and is held 100% by Magnum’s wholly owned Botswana subsidiary, Nata Energy (Pty) Ltd. The Central CBM project consists of six blocks totalling 1,205 km² of prospecting licences (PL352/2008 and PL353/2008) over prospective CBM acreage across the “Mmashoro” basin in the Mmashoro Region. The Northern CBM Project consists of 1,132 km² of prospecting licences (PL 644/2009 and PL645/2009) over prospective CBM acreage across the “Ngwasha” basin in the Nata Region.



The CBM exploration programmes underway in the basin are providing positive results. Existing power generation facilities in Botswana’s critical power market are currently awaiting CBM gas supply and Magnum has recently submitted an Expression of Interest Tender to the Botswana Government, at their request, for supply of CBM gas to existing power generation.

Petroleum Projects

Magnum’s wholly owned Botswana subsidiary Baobab Resources (Pty) Ltd holds Petroleum Exploration Licence (“PEL”) No. 154/2012 issued by the Department of Geological Surveys in the Republic of Botswana in October 2012. The PEL 154/2012 covers approximately 23,700 km² and is located in the Ngamiland and Central districts of Botswana.

New South Wales

Due to the current and ongoing issues in NSW, during the period Magnum consented to the return of Petroleum Exploration Licences ('PELs') 442, 444 and 454 to the NSW Government.

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 under the NSW PEL Buyback Scheme.

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 under the NSW PEL Buyback Scheme.

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 an ASX 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.

Forward Looking statements

This document may contain forward looking statements. Forward looking statements include, but are not limited to, statements concerning Magnum Gas & Power Ltd's planned programmes. Although the Company believes that such statements are reasonable, the Company's exploration activities inherently include a degree of risk and as such there is a risk that actual results achieved may be different from the forward looking statements made.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

MAGNUM GAS & POWER LIMITED

ABN

96 107 708 305

Quarter ended ("current quarter")

31 MARCH 2015

Consolidated statement of cash flows

| | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| Cash flows related to operating activities | | |
| 1.1 Receipts from product sales and related debtors | - | - |
| 1.2 Payments for (a) exploration & evaluation | (46) | (351) |
| (b) development | - | - |
| (c) production | - | - |
| (d) administration | (103) | (412) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | - | 3 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Other | - | - |
| Net Operating Cash Flows | (149) | (760) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: | | |
| (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | - | - |
| 1.9 Proceeds from sale of: | | |
| (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | - | - |
| 1.10 Loans to other entities | - | - |
| 1.11 Loans repaid by other entities | - | - |
| 1.12 Other | - | - |
| Net investing cash flows | - | - |
| 1.13 Total operating and investing cash flows (carried forward) | (149) | (760) |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|------|--|-------|-------|
| 1.13 | Total operating and investing cash flows (brought forward) | (149) | (760) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | - | 325 |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | - | 300 |
| 1.17 | Repayment of borrowings | - | - |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other (Share issue costs) | (39) | (42) |
| | Net financing cash flows | (39) | 583 |
| | Net increase (decrease) in cash held | (188) | (177) |
| 1.20 | Cash at beginning of quarter/year to date | 246 | 235 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | - |
| 1.22 | Cash at end of quarter | 58 | 58 |

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

| | | Current quarter \$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 85 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |

1.25 Explanation necessary for an understanding of the transactions

Payments to directors and their related parties.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position.

| | | Amount available \$A'000 | Amount used \$A'000 |
|-----|-----------------------------|-----------------------------|------------------------|
| 3.1 | Loan facilities | 300 | 300 |
| 3.2 | Credit standby arrangements | - | - |

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|----------------|
| 4.1 Exploration and evaluation | 50 |
| 4.2 Development | - |
| 4.3 Production | - |
| 4.4 Administration | 100 |
| Total | 150 |

Note: Estimated cash out flows are dependent on the ability of the Company to continue to fund them. The Company consented to the NSW Government PEL buyback scheme and as a result has received an amount of \$250,000 subsequent to the end of the quarter.

Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter \$A'000 | Previous quarter \$A'000 |
|---|------------------------------------|-------------------------------------|
| 5.1 Cash on hand and at bank | 58 | 246 |
| 5.2 Deposits at call | - | - |
| 5.3 Bank overdraft | | |
| 5.4 Other (provide details) | | |
| Total: cash at end of quarter (item 1.22) | 58 | 246 |

Changes in interests in mining tenements

| | Tenement reference | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|---|-------------------------------|--|---|---|
| 6.1 Interests in mining tenements relinquished, reduced or lapsed | N/A | | | |
| 6.2 Interests in mining tenements acquired or increased | N/A | | | |

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

| | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|--|---------------------------------------|----------------------|--|---|
| 7.1 Preference +securities <i>(description)</i> | - | - | - | - |
| 7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions | - | - | - | - |
| 7.3 +Ordinary securities | 850,375,705 | 850,375,705 | - | - |
| 7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | - | - | | |
| 7.5 +Convertible debt securities <i>(description)</i> | - | - | - | - |
| 7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | - | - | - | - |
| 7.7 Options <i>(description and conversion factor)</i> | <i>Unlisted options</i> 18,500,000 | | <i>Exercise Price</i> \$0.06 | <i>Expiry Date</i> 30/6/15 |
| 7.8 Issued during quarter | - | - | - | - |
| 7.9 Exercised during quarter | - | - | - | - |
| 7.10 Expired during quarter | - | - | - | - |
| 7.11 Cancelled during quarter | - | - | - | - |
| 7.12 Debentures <i>(totals only)</i> | - | - | | |
| 7.13 Unsecured notes <i>(totals only)</i> | - | - | | |

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
(Director/Company secretary)

Date: 30 April 2015

Print name: Mark Pitts

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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