

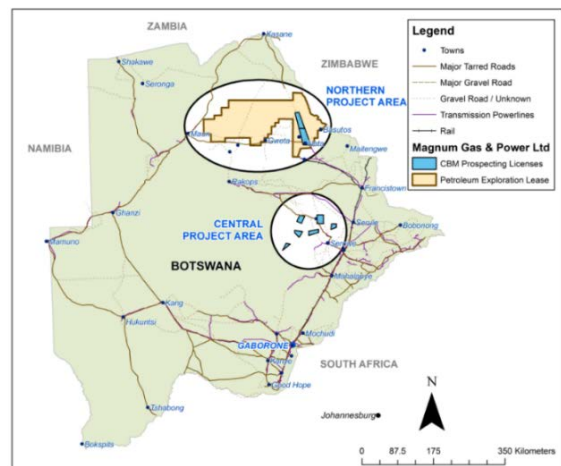
**QUARTERLY ACTIVITY REPORT
FOR THE PERIOD TO 30 JUNE 2015**



31st July 2015

HIGHLIGHTS

- Magnum received \$250,000 on finalisation of accepting the NSW Government Petroleum Exploration Licence Buyback Scheme.
- Magnum is working as Project Developer on potential Hybrid (Solar/Gas) Power Generation projects in Botswana's to help with the regions desperate power deficiency.
- Integrated/Hybrid Solar and Gas power generation provides a clean and practical solution for the region.
- Magnum has been progressing discussions with various potential partners, looking to secure experienced regional & international capability to develop a complete and robust energy supply chain solution for both domestic and export markets.
- The power generation projects also helping develop the required offtakes for Magnums gas field projects (and the basin as a whole). Magnum made submission to Government's calls for expression of interest to supply CBM gas to its existing Orapa Power station.
- Magnum is listed on both the ASX and the BSE (Botswana Stock Exchange) to enable local Botswana participation.



Botswana

Botswana, and the Southern Africa Region in general, has significant power supply issues. 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. Magnum is also working to progress larger power generation projects for export markets. 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 in the region.

Solar and Gas - Power Generation Projects

Magnum has been progressing partnering discussions and investigating opportunities for integrated hybrid Solar/Gas fired power generation facilities. Magnum is working to establish 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 the existing 90MW power generation facility.

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

Following the acceptance of the NSW Government Petroleum Exploration Licence Buyback Scheme in March 2015; the return of Petroleum Exploration Licences (‘PELs’) 442, 444 and 454 has been completed and Magnum received final settlement of \$250,000. This enables Magnum to fully focus on developing the Magnum Gas and Power opportunities in Botswana.



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. The Company’s Board of Directors and management team has extensive experience in the exploration and development of energy, resources and infrastructure 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")

30 JUNE 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	(25)	(376)
(b) development	-	-
(c) production	-	-
(d) administration	(147)	(559)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(171)	(931)
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	250	250
(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	250	250
1.13 Total operating and investing cash flows (carried forward)	79	(681)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	79	(681)
	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)	(2)	(44)
	Net financing cash flows	(2)	581
	Net increase (decrease) in cash held	77	(100)
1.20	Cash at beginning of quarter/year to date	58	235
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	135	135

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	77
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	50
Total		100

Note: Estimated cash out flows are dependent on the ability of the Company to continue to fund them. The Company is evaluating a number of alternatives for funding its working capital and planned exploration program.

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	135	58
5.2	Deposits at call	-	-
5.3	Bank overdraft		
5.4	Other (provide details)		
Total: cash at end of quarter (item 1.22)		135	58

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 PEL 442 PEL444 PEL 454	NSW Government buy-back scheme.	20%	0%
6.2	Interests in mining tenements acquired or increased	N/A		

+ See chapter 19 for defined terms.

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: 31 July 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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