

MAGNUM UPDATE ON FUNDING

19 AUGUST 2016

Following on from the announcements made on 1st and 8th August 2016, the Board of Magnum Gas & Power Limited (“Magnum” or “the Company”) is pleased to announce that it has entered into a convertible loan note agreement with the placee under the placement as previously announced, Mr Mohamed Shahrom Abdul Ghani, with an aggregate commitment of up to A\$300,000 that can be drawn down weekly in multiple tranches of A\$30,000 each by the Company. The lender has the option to convert at any time and the Company can convert on maturity, subject to any necessary shareholder and regulatory approvals, any advances made into ordinary shares of Magnum at an issue price of \$0.003 per share (equivalent to the placement price). The tenor of the loan note is 1 year and interest is payable on maturity at a rate of BBSY plus 5%. The loan note is unsecured and unconditional.

Magnum has been advised by Mr Mohamed Shahrom Abdul Ghani that due to an unforeseen delay in obtaining the necessary foreign investment and foreign currency remittance approvals in Malaysia, remittance of the placement funds will be delayed.

Magnum expects to receive the placement funds and issue the placement shares once the necessary approvals have been obtained in Malaysia and in the interim will continue to draw down on funds under the convertible loan agreement to fund working capital needs. Magnum has today received the first A\$30,000 draw down under the facility.

For further information please contact: Trent Wheeler, Managing Director.

About Magnum Gas & Power Ltd

<http://www.magnumgpl.com/>

Energy for Growth

Power for a Cleaner Future

Magnum Gas & Power Ltd is a listed (ASX: MPE, BSE: MAGNUM) Energy company working to develop Solar and Gas Power Generation infrastructure, along with upstream Gas exploration and production projects, in Botswana, Africa. The Company's board of directors and management team has extensive experience in exploration and development of energy, resources and infrastructure projects.