

**QUARTERLY ACTIVITY REPORT
FOR THE PERIOD TO 30 JUNE 2013**30th July 2013**HIGHLIGHTS**

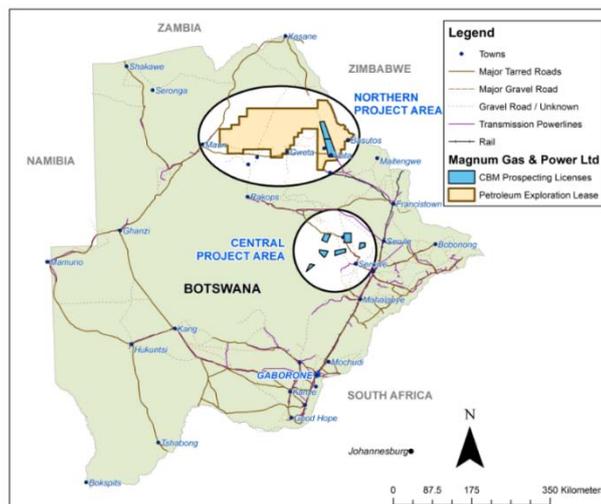
- Exploration drilling in the Botswana Central CBM project area has progressed. Two vertical exploration wells are now ready for coring operations, along with an integrated gas testing and analysis programme.
- The NSW Planning and Assessment Commission disapproved the modification application to extend the term of the Part 3A. The Part 3A remains in place, however currently no drilling activities can take place on these areas. The Joint Venture can reapply for an extension of time in the future.

Overview

Exploration of the Botswana CBM projects is the priority for Magnum Gas & Power Ltd. During the quarter Magnum completed its pre-collar drilling operations and is well positioned for the next phases of CBM drilling and testing to progress, as scheduled, through Q3 2013.

Magnum's New South Wales projects continue to be at a standstill due to the current State and Federal Government and regulatory environment, enabling the team to focus on adding value through the Botswana CBM operations.

Magnum continues to evaluate other opportunities and strategic relationships to further enhance its pipeline of projects.



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Botswana

Coal Bed Methane Projects

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

During the quarter Magnum continued its exploration programme on the Central CBM project area. Two vertical exploration wells are pre-collared ready for coring operations.

The successfully pre-collared wells may now be cored when desired. Coring will be of the carbonaceous shales and coal measures. The intention of the exploration well is to confirm and access the depth and thickness of the coal and shale measures, while performing thorough testing and analysis to gain a better understanding of characteristics and assist planning further exploration and appraisal activities.

Following internal review of the technical and commercial considerations, the Board of Directors has determined it prudent to currently core one well (rather than both), in order to conserve cash in the current capital markets. The data gathered from the coring, gas testing and analysis of the one well will help support the current basin data and guide the next coring and testing operations.

The Central CBM project consists of six blocks, totalling 1,205 km², of prospecting licences over prospective CBM acreage across the “Mmashoro” basin in the Mmashoro Region. Renewals of the Northern CBM project area are pending with the Botswana Government.

Petroleum Projects

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

New South Wales

Due to the current situation in NSW, Magnum finds itself unable to progress the NSW projects and is at standstill.

During the quarter Magnum's NSW projects farm in partner, Apex Energy NL, received advice from the NSW Planning and Assessment Commission (PAC) that it disapproves the modification application made by Apex Energy NL and Magnum Gas & Power Ltd to extend the term of the Part 3A over the Illawarra Exploration Licenses PEL 442 and PEL 444. The Part 3A remains in place, however currently no drilling activities can take place on these areas. The Joint Venture can reapply for an extension of time in the future.

The PAC stated the primary reason for the decision being "it would be inappropriate to allow Coal Seam Gas activities to proceed in the Special Areas at present, as it would preempt the findings of the NSW Chief Scientist and Engineer's review and any resulting policy conclusions from Government." Magnum fully supports a scientific approach to decision making regarding coal seam gas development, and has been providing detailed information for the Chief Scientist's and Engineer's review.

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.

For more information please visit our website www.magnumpl.com or contact:
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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.