

**BOTSWANA COAL BED METHANE GAS DISCOVERY**

18 October 2013

The directors of Magnum Gas & Power Limited (ASX: MPE, "Magnum") are pleased to advise an update on the NEB 352-1-005 (W005) borehole, part of Magnum's Botswana CBM exploration program. Laboratory testing of the gas samples taken from the core samples has shown that the gas composition is dominated by methane (95%+).

Magnum has informed the Botswana Ministry of Mines, Energy and Water Resources that a discovery of Coal Bed Methane has been made on the Company prospecting licences.

This result is very important to Magnum as it is a significant step towards the company's goal of certifying gas reserves within the Karoo Basin. The coals of the Karoo Basin are known to potentially contain significant quantities of CBM.

The results help confirm Magnum's modelling and expectations of the basin and the company's exploration acreage. The results support Magnum's plans regarding additional exploration drilling, the focus of the next drilling being primarily on two of the nearby Central Project Area blocks.

Further testing and analysis operations are ongoing, with further results expected over coming weeks.

For further information please contact:



Trent Wheeler, Managing Director

**About Magnum Gas & Power**

Magnum Gas & Power is an ASX listed energy exploration and development company with a portfolio of projects including Coal Bed Methane (CBM) and Petroleum exploration in Botswana and Coal Seam Gas (CSG) exploration in New South Wales, Australia.

Magnum's priority is exploration drilling in the Central Project Area of its highly prospective CBM projects in Botswana. A combination of exploration wells and desktop studies will seek to add value by defining and converting resources to reserves. Magnum's prospecting licences are strategically placed in the Kalahari Karoo basin which is in the early stages of field development with significant exploration programmes being conducted by neighbouring global energy majors.

Existing power generation facilities in Botswana's critical power market are currently awaiting CBM gas supply. Magnum will look to vertical integration by developing partnering opportunities to provide incremental phases of gas off takes to downstream projects as Reserves are booked.