UPDATE ON ACQUISITION

Magnum Gas & Power Limited (‘MPE’ or ‘the Company’) is pleased to advise the results of ASX’s determination in relation to the application of Chapter 11 of the ASX Listing Rules to the Company’s acquisition of Bombora Natural Energy Pty Ltd (‘Bombora’). For further details of the transaction, please see the Company’s announcement dated 13 February 2017.

ASX has advised MPE that it requires the Company to obtain shareholder approval for the acquisition, pursuant to ASX Listing Rule 11.1.2. The Company will not be required to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

Accordingly, the Company expects to call an Extraordinary General Meeting (‘EGM’) as early as possible, and to release to the market a notice of meeting (‘NOM’) shortly. It is expected that this EGM will consider all resolutions necessary to obtain approval for the acquisition, including approval:

- To acquire Bombora.
- To issue the consideration shares and options to the shareholders of Bombora (approximately 2.4 billion shares).
- To loan approximately A$1 million to Bombora, on an unsecured and interest-free basis, to be used by Bombora to meet its financial commitments under its various farm-in agreements.
- To make a further loan to Bombora, on terms to be determined between the parties (with further details to be provided in the NOM), but otherwise on an interest-free and unsecured basis.
- To conduct further capital raising to raise a minimum of A$1.5 million and to allot the associated securities.

Following such approval and the completion of the transaction, it is intended that the majority of the Company’s existing funds will be applied to the projects acquired as part of the acquisition.

Before confirming the details for the EGM, the Company is required to provide a draft NOM to the ASX for approval. The Company expects to provide the ASX with a draft NOM within the coming business days and is hoping to hold the EGM before the end of April.

If the acquisition is approved by shareholders at the EGM, the Company expects that the transaction will complete within a matter of weeks.
The proposed timetable* for the acquisition is as follows:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reinstatement to trading</td>
<td>28 February 2017</td>
</tr>
<tr>
<td>Issue notice of meeting</td>
<td>On or before 30 March 2017</td>
</tr>
<tr>
<td>Extraordinary General Meeting</td>
<td>On or before 30 April 2017</td>
</tr>
<tr>
<td>Completion of Transaction</td>
<td>On or before 1 June 2017</td>
</tr>
</tbody>
</table>

* This table is indicative only and is subject to change.

The Company will remain in suspension pending a further announcement in relation to a transaction by Bombora.

Yours faithfully

[Signature]

Ellen O'Neil
Company Secretary