

MIRACH ENERGY LIMITED

Third Quarter Financial Statement for the Period Ended 30 September 2011

1(a) A consolidated statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of comprehensive income

(Figures for FY2010 have been restated to account for the effects of a change in the functional currency of the Company and the accounts presentation of the Group as explained in paragraph 5. All amounts in this announcement are stated in U.S. Dollars except where otherwise indicated.)

| | Notes | Group | | | Group | | |
|---|---------|--------------------------------|-------------|--------------|--------------------------------|--------------|-------------|
| | | 3 months ended 30 September | | - | 9 months ended 30 September | | |
| | | 2011 | 2010 | | 2011 | 2010 | |
| | | (Unaudited) | (Restated) | % | (Unaudited) | (Restated) | % |
| | USD'000 | USD'000 | change | USD'000 | USD'000 | change | |
| Revenue | | 963 | 208 | 363 | 3,967 | 664 | 497 |
| Cost of sales | | (521) | - | n.m. | (2,403) | - | n.m. |
| Gross profit | | 442 | 208 | 113 | 1,564 | 664 | 136 |
| Other income | 1 | 1,993 | 175 | 1,039 | 2,085 | 193 | 980 |
| Exploitation and production costs | | (127) | - | n.m. | (127) | - | n.m. |
| Selling and distribution costs | | (98) | (38) | 158 | (213) | (253) | (16) |
| Administrative expenses | | (1,207) | (305) | 296 | (2,812) | (1,053) | 167 |
| Other operating expenses | | (165) | - | n.m. | (165) | (242) | (32) |
| Results for the period from operating activities | 2 | 838 | 40 | 1,995 | 332 | (691) | n.m. |
| Finance income | | 26 | 1 | 2,500 | 28 | 3 | 833 |
| Finance costs | | (276) | - | n.m. | (440) | - | n.m. |
| Share of losses of associates | | (56) | (109) | (49) | (186) | (253) | (26) |
| Share of loss of a joint venture | | (12) | (5) | 140 | (21) | (28) | (25) |
| Profit/(loss) for the period before income tax | | 520 | (73) | n.m. | (287) | (969) | (70) |
| Income tax expense | | - | - | - | - | - | - |
| Net profit/ (loss) for the period | | 520 | (73) | n.m. | (287) | (969) | (70) |

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Third Quarter Financial Statement for the Period Ended 30 September 2011

| | Notes | Group | | | Group | | |
|--|-------|--------------------------------|--------------|-------------|--------------------------------|----------------|-------------|
| | | 3 months ended 30 September | | - | 9 months ended 30 September | | |
| | | 2011 | 2010 | | 2011 | 2010 | |
| | | (Unaudited) | (Restated) | % change | (Unaudited) | (Restated) | % change |
| | | USD'000 | USD'000 | | USD'000 | USD'000 | |
| Other comprehensive income: | | | | | | | |
| Reclassification adjustment:- Disposal of a subsidiary | | - | - | n.m. | - | 14 | n.m. |
| Reclassification adjustment:- Disposal of an associate | | 87 | - | n.m. | 87 | - | n.m. |
| Currency translation difference arising from consolidation | | (301) | (120) | 151 | 103 | (219) | n.m. |
| Other comprehensive income for the period | | (214) | (120) | 78 | 190 | (205) | n.m. |
| Total comprehensive income for the period | | 306 | (193) | n.m. | (97) | (1,174) | (92) |
| | | | | | | | |
| Profit/(loss) attributable to: | | | | | | | |
| Equity holders of the Company | | 573 | (72) | n.m. | (198) | (946) | (79) |
| Non-controlling interests | | (53) | (1) | 5,200 | (89) | (23) | 287 |
| | | 520 | (73) | n.m. | (287) | (969) | (70) |
| | | | | | | | |
| Total comprehensive income attributable to: | | | | | | | |
| Equity holders of the Company | | 361 | (192) | n.m. | 11 | (1,151) | n.m. |
| Non-controlling interests | | (55) | (1) | 5,400 | (108) | (23) | 370 |
| | | 306 | (193) | n.m. | (97) | (1,174) | (92) |

"n.m.": not meaningful

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Third Quarter Financial Statement for the Period Ended 30 September 2011

Notes to consolidated statement of comprehensive income:

1. Other income comprises:

| | Notes | 3 months ended 30 September | | 9 months ended 30 September | |
|---|-------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | | 2011 (Unaudited) USD'000 | 2010 (Restated) USD'000 | 2011 (Unaudited) USD'000 | 2010 (Restated) USD'000 |
| Foreign exchange gain, net | | - | 174 | 92 | 191 |
| Gain on partial disposal of an associate | (a) | 1,117 | - | 1,117 | - |
| Gain on partial disposal of a joint venture | (a) | 390 | - | 390 | - |
| Forfeited deposit income | (b) | 486 | - | 486 | - |
| Others | | - | 1 | - | 2 |
| | | 1,993 | 175 | 2,085 | 193 |

- (a) In September 2011, the shareholders of PT Kamundan Energy and PT Petroenergy Utama Wiriagar Limited entered into a Conditional Sales and Purchase Agreement to dispose 20% equity interests in PT Kamundan Energy Limited and PT Petroenergy Utama Wiriagar Limited. PT Kamundan Energy Limited was an associate of the Company while PT Petroenergy Utama Wiriagar Limited a joint venture entity of the Company. The gains on such disposals were based on sales proceeds less carrying values attributable to the disposed equity interests in the associate and joint venture, plus the transaction costs incurred. Upon disposal, the Group would retain 33.6% and 40% equity interests in PT Kamundan Energy Limited and PT Petroenergy Utama Wiriagar Limited respectively.
- (b) In July 2011, the Company signed a new shares subscription agreement with Mr. Zhang Wei Dong. Pursuant to the terms of the agreement, Mr. Zhang paid a non-refundable deposit of USD500,000 to the Company to secure the new shares placement. However, the deposit was forfeited by the Company as Mr. Zhang did not execute the subscription of new shares on expiry date in accordance with the shares subscription agreement. The deposit of USD486,000 net of transaction costs was recorded as other income.

2. Results for the period from operating activities were arrived at after charging / (crediting):

| | Group | | | Group | | |
|--|--------------------------------|-------------------------------|------|--------------------------------|-------------------------------|------|
| | 3 months ended 30 September | | % | 9 months ended 30 September | | % |
| | 2011 (Unaudited) USD'000 | 2010 (Restated) USD'000 | | 2011 (Unaudited) USD'000 | 2010 (Restated) USD'000 | |
| Depreciation of property, plant and equipment | 25 | 15 | 67 | 73 | 47 | 55 |
| Amortisation of deferred mining expenditures and deferred exploration and development expenditures | 152 | - | n.m. | 1,108 | - | n.m. |
| Amortisation of intangible assets | 144 | - | n.m. | 144 | - | n.m. |

“n.m.”: not meaningful

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Third Quarter Financial Statement for the Period Ended 30 September 2011

1(b) (i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

Statement of financial position

| | Notes | Group | | Company | |
|---|-------|-------------------|------------------|-------------------|------------------|
| | | 30 September 2011 | 31 December 2010 | 30 September 2011 | 31 December 2010 |
| | | (Unaudited) | (Restated) | (Unaudited) | (Restated) |
| | | USD'000 | USD'000 | USD'000 | USD'000 |
| Current assets | | | | | |
| Cash and cash equivalents | | 14,615 | 13,688 | 6,280 | 4,768 |
| Pledged fixed deposit | | 2,501 | - | - | - |
| Trade and other receivables | | 1,266 | 357 | 431 | 122 |
| Amount due from an associate | | 14,896 | 13,861 | 1,761 | 1,558 |
| Amounts due from subsidiaries (non-trade) | | - | - | 16,603 | 1,860 |
| Inventories | | 577 | 138 | - | - |
| Total current assets | | 33,855 | 28,044 | 25,075 | 8,308 |
| Non-current assets | | | | | |
| Property, plant and equipment | | 274 | 235 | 40 | 45 |
| Intangible assets | 1 | 10,256 | - | - | - |
| Deferred mining expenditure | | 582 | 533 | - | - |
| Exploration and evaluation expenditure | | 55 | 71 | - | - |
| Other receivables and prepayments | | 1,336 | 1,008 | 1,442 | 1,358 |
| Deferred tax assets | | 92 | 93 | - | - |
| Subsidiaries | | - | - | 16,890 | 16,890 |
| Associates | 2 | 5,791 | 6,376 | 7,486 | 8,715 |
| Joint venture | 2 | - | 382 | - | - |
| Available-for-sale financial assets | 2 | 599 | - | 319 | - |
| Total non-current assets | | 18,985 | 8,698 | 26,177 | 27,008 |
| Total assets | | 52,840 | 36,742 | 51,252 | 35,316 |
| Share capital | | 40,855 | 40,855 | 40,855 | 40,855 |
| Reserves | | (6,355) | (7,348) | (14,090) | (14,883) |
| Equity attributable to equity-holders of the company | | 34,500 | 33,507 | 26,765 | 25,972 |
| Non-controlling interests | | (184) | (87) | - | - |
| Total equity | | 34,316 | 33,420 | 26,765 | 25,972 |
| Current liabilities | | | | | |
| Trade and other payables | | 6,421 | 3,143 | 2,334 | 2,434 |
| Amounts due to subsidiaries (non-trade) | | - | - | 10,229 | 6,910 |
| Amount due to non-controlling interests of a subsidiary | | 179 | 179 | - | - |
| Total current liabilities | | 6,600 | 3,322 | 12,563 | 9,344 |
| Non-current liabilities | | | | | |
| Convertible bonds | | 11,924 | - | 11,924 | - |
| Total non-current liabilities | | 11,924 | - | 11,924 | - |
| Total equity and liabilities | | 52,840 | 36,742 | 51,252 | 35,316 |

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Third Quarter Financial Statement for the Period Ended 30 September 2011

Notes to statement of financial position:

1. The amount represented the concession rights and related costs for entering into a Joint Operation Agreement ('KSO') by a subsidiary for an oil field in Indonesia. The amount was capitalized as intangible assets.
2. In September 2011, the Group entered into a conditional sales and purchase agreement to dispose its 8.4% and 10% equity interests in PT Kamundan Energy Limited and PT Petroenergy Utama Wiriagar Limited respectively. The remaining interests held by the Group are now treated as investments and reclassified as available-for-sale financial assets as the Company is of the view that the Company no longer exerts significant influence over these two entities.

1(b) (ii) Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

| As at 30/09/2011 | | As at 31/12/2010 | |
|------------------------|------------------------|-----------------------|-----------------------|
| Secured | Unsecured | Secured | Unsecured |
| (Unaudited) USD'000 | (Unaudited) USD'000 | (Restated) USD'000 | (Restated) USD'000 |
| Nil | Nil | Nil | Nil |

Amount repayable after one year

| As at 30/09/2011 | | As at 31/12/2010 | |
|------------------------|------------------------|-----------------------|-----------------------|
| Secured | Unsecured | Secured | Unsecured |
| (Unaudited) USD'000 | (Unaudited) USD'000 | (Restated) USD'000 | (Restated) USD'000 |
| 11,924 | Nil | Nil | Nil |

Details of any collateral:

The Group's secured borrowing comprises 3.0 percent senior secured convertible bonds due in 2014.

The convertible bonds are secured on legal charge over the shares of the subsidiaries.

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Third Quarter Financial Statement for the Period Ended 30 September 2011

1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated statement of cash flows

| | Group | |
|--|--|--|
| | 9 months ended 30 September 2011 | 9 months ended 30 September 2010 |
| | (Unaudited) USD'000 | (Restated) USD'000 |
| Cash flow from operating activities | | |
| Loss before income tax | (287) | (969) |
| Adjustments for: | | |
| Interest expenses | 440 | - |
| Interest income | (28) | (3) |
| Depreciation of property, plant and equipment | 73 | 47 |
| Option expense recognized | 32 | - |
| Loss on disposal of a subsidiary | - | 206 |
| Gain on disposal of an associate | (1,117) | - |
| Gain on disposal of a joint venture | (390) | - |
| Amortisation of deferred mining expenditures and deferred exploration and development expenditures | 1,108 | - |
| Amortisation of intangible assets | 144 | - |
| Share of losses of associates | 186 | 253 |
| Share of loss of a joint venture | 21 | 28 |
| Operating cash flow before working capital changes | 182 | (438) |
| Changes in working operating assets and liabilities: | | |
| Inventories | (439) | - |
| Trade and other receivables and prepayments | (1,284) | (1,324) |
| Amount due from an associate | (1,035) | (727) |
| Trade and other payables | 3,278 | (1,250) |
| Amount due to minority shareholder of a subsidiary | - | 182 |
| Cash generated from/(used in) operations | 702 | (3,557) |
| Interest received | 28 | 3 |
| Interest paid | (44) | - |
| Cash flows generated from/(used in) operating activities | 686 | (3,554) |

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Third Quarter Financial Statement for the Period Ended 30 September 2011

Consolidated statement of cash flow (continue from the previous page)

| | Group | |
|---|---|---|
| | 9 months ended 30 September 2011 | 9 months ended 30 September 2010 |
| | (Unaudited) USD'000 | (Restated) USD'000 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (106) | (39) |
| Purchase of intangible assets | (10,400) | - |
| Proceed from disposal of a subsidiary | - | 1,697 |
| Proceed from partial disposal of an associate | 1,197 | - |
| Proceed from partial disposal of a joint venture | 460 | - |
| Deferred mining expenditures | (1,141) | - |
| Cash flows (used in)/generated from investing activities | (9,990) | 1,658 |
| | | |
| Cash flows from financing activities | | |
| Issue of Convertible Bonds | 13,694 | - |
| Transaction cost for issue of Convertible Bonds | (1,196) | - |
| Pledged fixed deposit | (2,501) | 663 |
| Cash flows generated from financing activities | 9,997 | 663 |
| | | |
| Net increase/(decrease) in cash and cash equivalents | 693 | (1,233) |
| Cash and cash equivalents at beginning of the period | 13,688 | 15,646 |
| Effects of exchange rate changes on balances held in foreign currency | 234 | 270 |
| Cash and cash equivalents at end of the period | 14,615 | 14,683 |

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Third Quarter Financial Statement for the Period Ended 30 September 2011

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) Change in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of changes in equity

| Attributable to owners of the equity holders of the Company | | | | | | | | |
|---|------------------------|------------------------|----------------------------|--------------------------|-------------------------------|------------------------|---------------------------|------------------------|
| The Group | Share capital | Merger reserve | Statutory /equity reserves | Foreign exchange reserve | Accumulated profits /(losses) | Total | Non-controlling interests | Total equity |
| | (Restated) USD'000 | (Restated) USD'000 | (Restated) USD'000 | (Restated) USD'000 | (Restated) USD'000 | (Restated) USD'000 | (Restated) USD'000 | (Restated) USD'000 |
| At 1 January 2010 | 35,913 | 611 | 1,105 | (1,039) | (7,496) | 29,094 | - | 29,094 |
| Total comprehensive income for the period | - | - | - | (16) | (347) | (363) | (12) | (375) |
| At 31 March 2010 | 35,913 | 611 | 1,105 | (1,055) | (7,843) | 28,731 | (12) | 28,719 |
| Total comprehensive income for the period | - | - | - | (69) | (527) | (596) | (10) | (606) |
| At 30 June 2010 | 35,913 | 611 | 1,105 | (1,124) | (8,370) | 28,135 | (22) | 28,113 |
| Total comprehensive income for the period | - | - | - | (120) | (72) | (192) | (1) | (193) |
| At 30 September 2010 | 35,913 | 611 | 1,105 | (1,244) | (8,442) | 27,943 | (23) | 27,920 |
| Attributable to owners of the equity holders of the Company | | | | | | | | |
| The Group | Share capital | Merger reserve | Statutory /equity reserves | Foreign exchange reserve | Accumulated profits /(losses) | Total | Non-controlling interests | Total equity |
| | (Unaudited) USD'000 | (Unaudited) USD'000 | (Unaudited) USD'000 | (Unaudited) USD'000 | (Unaudited) USD'000 | (Unaudited) USD'000 | (Unaudited) USD'000 | (Unaudited) USD'000 |
| At 1 January 2011, as previously presented | 35,913 | 611 | 1,105 | (1,309) | (8,961) | 27,359 | (85) | 27,274 |
| Effect of change of functional currency of the company | 4,942 | 152 | 236 | (121) | 939 | 6,148 | (2) | 6,146 |
| At 1 January 2011 as restated | 40,855 | 763 | 1,341 | (1,430) | (8,022) | 33,507 | (87) | 33,420 |

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Third Quarter Financial Statement for the Period Ended 30 September 2011

Statement of changes in equity (continues from the previous page)

| Attributable to owners of the equity holders of the Company | | | | | | | | |
|---|------------------------|------------------------|----------------------------|--------------------------|-------------------------------|------------------------|---------------------------|------------------------|
| The Group | Share capital | Merger reserve | Statutory /equity reserves | Foreign exchange reserve | Accumulated profits /(losses) | Total | Non-controlling interests | Total equity |
| | (Unaudited) USD'000 | (Unaudited) USD'000 | (Unaudited) USD'000 | (Unaudited) USD'000 | (Unaudited) USD'000 | (Unaudited) USD'000 | (Unaudited) USD'000 | (Unaudited) USD'000 |
| Foreign exchange differences | - | - | - | - | - | - | (6) | (6) |
| Total comprehensive income for the period | - | - | - | 70 | (257) | (187) | (13) | (200) |
| At 31 March 2011 | 40,855 | 763 | 1,341 | (1,360) | (8,279) | 33,320 | (106) | 33,214 |
| Issue of Convertible bonds | - | - | 969 | - | - | 969 | - | 969 |
| Option expense recognized | - | - | 13 | - | - | 13 | - | 13 |
| Foreign Exchange differences | - | - | - | - | (11) | (11) | 11 | - |
| Total comprehensive income for the period | - | - | - | 214 | (503) | (289) | (34) | (323) |
| At 30 June 2011 | 40,855 | 763 | 2,323 | (1,146) | (8,793) | 34,002 | (129) | 33,873 |
| Option expense recognized | - | - | 19 | - | - | 19 | - | 19 |
| Total comprehensive income for the period | - | - | - | (94) | 573 | 479 | (55) | 424 |
| At 30 September 2011 | 40,855 | 763 | 2,342 | (1,240) | (8,220) | 34,500 | (184) | 34,316 |

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Third Quarter Financial Statement for the Period Ended 30 September 2011

| The Company | Share capital | Statutory/ equity reserves | Accumulated losses | Total |
|--|------------------------|----------------------------------|---------------------------------|------------------------|
| | (Restated) USD'000 | (Restated) USD'000 | (Restated) USD'000 | (Restated) USD'000 |
| At 1 January 2010 | 35,913 | 406 | (13,466) | 22,853 |
| Total comprehensive income for the period | - | - | (193) | (193) |
| At 31 March 2010 | 35,913 | 406 | (13,659) | 22,660 |
| Total comprehensive income for the period | - | - | (513) | (513) |
| At 30 June 2010 | 35,913 | 406 | (14,172) | 22,147 |
| Total comprehensive income for the period | - | - | (82) | (82) |
| At 30 September 2010 | 35,913 | 406 | (14,254) | 22,065 |
| | | | | |
| The Company | Share capital | Statutory/ equity reserves | Accumulated (losses)/ profit | Total |
| | (Unaudited) USD'000 | (Unaudited) USD'000 | (Unaudited) USD'000 | (Unaudited) USD'000 |
| At 1 January 2011, as previously presented | 35,913 | 406 | (14,237) | 22,082 |
| Effect of change of functional currency of the company | 4,942 | 61 | (1,113) | 3,890 |
| At 1 January 2011 as restated | 40,855 | 467 | (15,350) | 25,972 |
| Total comprehensive income for the period | - | - | (128) | (128) |
| At 31 March 2011 | 40,855 | 467 | (15,478) | 25,844 |
| Issue of Convertible Bonds | - | 969 | - | 969 |
| Option expense recognized | - | 13 | - | 13 |
| Total comprehensive income for the period | - | - | (243) | (243) |
| At 30 June 2011 | 40,855 | 1,449 | (15,721) | 26,583 |
| Option expense recognized | - | 19 | - | 19 |
| Total comprehensive income for the period | - | - | 163 | 163 |
| At 30 September 2011 | 40,855 | 1,468 | (15,558) | 26,765 |

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Third Quarter Financial Statement for the Period Ended 30 September 2011

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-back, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. Stated also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

On 23 March 2011, the Company entered into two Subscription Agreements with Legend Luso Investment Company Limited and Triple Master Investment Holdings Limited, whereby the Company issued an aggregate of S\$16,900,000 in aggregate principal amount of 3.0 percent senior secured convertible bonds at a conversion price of S\$0.12 for each share. As at 30 September 2011, none of convertible bond was converted.

On 24 March 2011, the Company entered into a Call Option Agreement with Sino Capital Holdings Limited ("SCHL"), whereby the Company granted the Call Option to SCHL to acquire 10,000,000 option shares at an issue price of S\$0.12 for each option share. As at 30 September 2011, none of Call Option was exercised.

There is no change in the Company's issued share capital since 31 December 2010.

1(d) (iii) to show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The Company does not have any treasury shares. Total number of issued shares as at 30 September 2011 and 31 December 2010 were 766,668,356.

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The same accounting policies and methods of computation in the financial statements have been consistently applied by the Group for the periods presented.

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5. **Whether there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed as well as the reasons for, and the effect of, the change.**

Change in Functional and Presentation Currency

In prior years, the Company measured its transactions in Chinese Renminbi (“RMB”) and presented the Group’s and the Company’s financial statements in RMB. In compliance with FRS 21 (The Effects of Changes in Foreign Exchange Rates), the Company has determined that its functional currency is United States Dollars (“US\$”) and has accordingly changed its functional currency from RMB to US\$ with effect from 1 January 2011 to reflect the economic substance of the underlying circumstances and events relevant to the Company. The underlying change is prospective and has therefore no effect on the Company’s financial results prior to 1 January 2011.

The Company and the Group have also determined that it is more appropriate to present the financial statements of the Company and the Group in US\$ as a substantial part of the Group’s operating activities are in US\$ and it is the functional currency of the Company. Accordingly, the presentation currency of the consolidated financial statements has also been changed from RMB to US\$. Accordingly, the comparative figures for income and expenses in the statement of comprehensive income have been translated at the average exchange rate for the financial year ended 31 December 2010 and the comparative figures for assets and liabilities in the statement of financial position have been translated at the closing rate as at 31 December 2010 respectively.

6. **Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

| | 3 months ended 30 September 2011 | 3 months ended 30 September 2010 | 9 months ended 30 September 2011 | 9 months ended 30 September 2010 |
|---|--|---|--|---|
| | (Unaudited) | (Restated) | (Unaudited) | (Restated) |
| Earnings/(loss) per ordinary share of the Group for the financial period based on net profit/(loss) attributable to equity holders of the Company: | | | | |
| Basic (USD cents) | 0.07 | (0.01) | (0.03) | (0.12) |
| Fully diluted (USD cents) (i) | N/A | N/A | N/A | N/A |
| | | | | |
| Basic earnings/(loss) per share were based on: | | | | |
| Net profit /(loss) for the period(USD'000) | 573 | (72) | (198) | (946) |
| | | | | |
| | No. of shares | No. of shares | No. of shares | No. of shares |
| Shares outstanding at beginning of the year | 766,668,356 | 766,668,356 | 766,668,356 | 766,668,356 |
| Weighted average number of new shares issued during the period | - | - | - | - |
| Weighted average number of shares issued during the period (basic and fully diluted) | 766,668,356 | 766,668,356 | 766,668,356 | 766,668,356 |

- (i) No diluted loss per share has been presented for the period ended 30 September 2011 as the exercise of share options and the conversion of outstanding convertible bonds would result in an anti-dilutive effect.

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7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued share excluding treasury share of the issuer at the end of the:- (a) current financial period reported on; and (b) immediately preceding financial year.

| | Group | | Company | |
|---|-------------------|------------------|-------------------|------------------|
| | 30 September 2011 | 31 December 2010 | 30 September 2011 | 31 December 2010 |
| | (Unaudited) | (Restated) | (Unaudited) | (Restated) |
| Net assets value per ordinary share (USD cents) | 4.50 | 4.37 | 3.49 | 3.39 |
| Net assets value (USD'000) | 34,500 | 33,507 | 26,765 | 25,972 |
| Issued and fully paid ordinary shares | 766,668,356 | 766,668,356 | 766,668,356 | 766,668,356 |

8. A review of the performance for the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Statement of comprehensive income

| Revenue (USD'000) | 3 months of 3Q2011 | 3 months of 3Q2010 | % change | 9 months of 3Q2011 | 9 months of 3Q2010 | % change |
|-------------------|--------------------|--------------------|------------|--------------------|--------------------|------------|
| Oilfield services | 270 | 208 | 30 | 1,281 | 664 | 93 |
| Coal mining | 693 | - | n.m. | 2,686 | - | n.m. |
| Total | 963 | 208 | 363 | 3,967 | 664 | 497 |

The Group recorded revenue of USD0.963 million in 3Q2011 compared to US\$0.208 million in 3Q2010 as a result of revenue from coal mining production and delivery. In this quarter, coal contributed USD0.693 million to revenue. The balance was from oil field services.

Other income were boosted by forfeited income and gains from the disposals of the equity interests in PT Kamundan Energy Limited and PT Petroenergy Utama Wiriagar Limited collectively.

The Group incurred exploitation and production costs of USD0.127 million attributed to the newly acquired Kampung Minyak Oil Field, which was acquired in July 2011.

Administrative expenses more than doubled in 3Q2011 as a result of coal mining activities and the newly acquired Kampung Minyak oil field operations whereas no such expenses were incurred in 3Q2010.

The other operating cost of USD0.165 million mainly arose from foreign exchange losses.

In this quarter, there was a finance cost of USD0.276 million which comprised mainly the coupon interests to the bonds holders.

As a result of the profits from disposal of certain equity interests in PT Kamundan Energy Limited and PT Petroenergy Utama Wiriagar Limited, the Group recorded a net profit of USD0.520 million in 3Q2011 and net profit attributable to equity holders of the Group of USD0.573 million.

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Statement of financial position

Cash and equivalents decreased to USD14.6 million as at 30 September 2011 from USD26.5 million at 30 June 2011, due to payments made for the acquisition of the Kampung Minyak Oil Field during the 3Q2011, as well as a movement of some bank balances into a pledged deposit for this oil field.

Amount due from an associate stood at USD14.896 million mainly related to CPHLC.

There was an intangible asset of USD10.256 million, represented by the concession rights of the Kampung Minyak Oil Field capitalized during the 3Q2011.

Trade and other receivables rose from USD0.357 million at 31 December 2010 to USD1.266 million at 30 September 2011 due to the increase of sales and advancement for coal production during the period.

Other receivables and prepayments was slightly decreased from USD1.398 million at 30 June 2011 to USD1.336 million at 30 September 2011.

Trade and other payables was slightly decreased from USD6.438 million at 30 June 2011 to USD6.421 million at 30 September 2011.

There was no more assets classified under joint venture as at 30 September 2011 as a result of the conditional sales and purchase of interests in PT Petroenergy Utama Wiriarag Limited, the remaining of which has been reclassified into available-for-sale financial asset. The decrease in Associates was also due to the conditional sales and purchase of interests in PT Kamundan Energy Limited which has also been reclassified as available-for-sale financial asset.

The non-current liabilities of USD11.924 million related to the convertible bonds and the accrued coupon interests.

Cash Flow statement

Cash generated from operating activities turned positive to USD0.686 million due to an increase in trade and other payables that were related to coal business.

Cash from investing activities turned negative to USD9.99 million attributed largely to the acquisition of Kampung Minyak Oil Field.

Cash from financing activities grew to USD9.997 million due to the convertible bond issue completed in April 2011.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders and any variance between it and the actual results.

The Group did not make any forecast or prospect statement in the last results announcement dated 12 August 2011.

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10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Oil and Gas

In September 2011, the Group and its joint venture partners divested partial equity interests in PT Kamundan Energy Limited and PT Petroenergy Utama Wiriagar Limited in a conditional sales and purchase agreement. These followed the acquisition of a production oil field in July 2011, the Kampung Minyak Field in South Sumatra. By divesting part of its exploration interests in Kamundan, the Group reduces its exploration risks exposure to the Kamundan Block and re-balance its exploration-production portfolio, in line with its strategy of balancing aggressive business development with manageable risks.

In Kampung Minyak, Daqing Enterprise ("DQE") is refurbishing and repairing existing facilities at the site area and is conducting tests on the wells, surface gatherings systems, pumps, tanks and other infrastructure. DQE is also planning for the re-opening and re-activating of a few production wells by the end of 2011.

Coal

Total coal volume delivered in the quarter was 23,051 metric tonnes, marginally lower than 24,240 metric tonnes in the previous quarter. The issue of insufficient number of delivery barges allocated to our contractors is still unresolved and negotiations are still ongoing. We do not see resolution any time soon and expect delivery to continue to be limited by this issue.

11. Dividend

| | (a) Current Financial Period | (b) Corresponding Period of the Immediately Preceding Financial Year |
|---|------------------------------|--|
| Any dividend declared on the financial period reported: | None | None |
| (c) Date payable | Not applicable | Not applicable |
| (d) Book Closure Date | Not applicable | Not applicable |

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend was declared for the 3 months ended 30 September 2011.

Statement by Directors

Pursuant to Rule 705(4) of the Listing Manual of the SGX-ST

To the best of our knowledge and belief, nothing has come to the attention of the Directors of the Company which may render the Third Quarter Results of the Group for the financial period ended 30 September 2011 to be false or misleading. The financial statements and other information included in this report, present fairly in all material respects the financial condition, results of operations and cash flows of the Group of, and for, the period presented in this report.

By Order of the Board

William Chan Shut Li
Chairman of the Board

Lui Che Kin
Director & Chief Financial Officer

10 November 2011