

MIRACH ENERGY LIMITED

Second Quarter Financial Statements for the Period Ended 30 June 2012

1(a) An income statement and statement of comprehensive income, or a 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

	Notes	Group			Group		
		3 months ended 30 June 2012 (Unaudited)	3 months ended 30 June 2011 (Represented)	+ /(-) Change	6 months ended 30 June 2012 (Unaudited)	6 months ended 30 June 2011 (Represented)	+ /(-) Change
		USD'000	USD'000	%	USD'000	USD'000	%
Continuing Operations:							
Revenue		233	404	(42)	468	1,011	(54)
Cost of sales		-	(89)	n.m.	-	(404)	n.m.
Gross profit		233	315	(26)	468	607	(23)
Other income	1	-	23	n.m.	39	23	70
Selling and distribution expenses		(35)	(57)	(39)	(80)	(115)	(30)
Administrative expenses		(925)	(474)	95	(1,669)	(844)	98
Other operating expenses		(395)	-	n.m.	(651)	-	n.m.
Loss for the period from operating activities	2	(1,122)	(193)	481	(1,893)	(329)	475
Finance income		17	1	1,600	33	2	1,550
Finance costs		(229)	(164)	40	(460)	(164)	180
Share of losses of associates		(44)	(65)	(32)	(97)	(130)	(25)
Share of loss of a joint venture		-	(2)	n.m.	-	(9)	n.m.
Loss for the period before income tax		(1,378)	(423)	226	(2,417)	(630)	284
Income tax		-	-	-	-	-	-
Net loss from continuing operations for the period		(1,378)	(423)	226	(2,417)	(630)	284
Discontinued Operation:							
Net loss from discontinued operation	3	(323)	(114)	183	(584)	(177)	230
Total loss for the period		(1,701)	(537)	217	(3,001)	(807)	272
Other comprehensive income:							
Reclassification adjustment : Disposal of subsidiaries		67	-	n.m.	67	-	n.m.
Currency translation differences arising from consolidation		(122)	334	n.m.	(63)	404	n.m.
Other comprehensive (loss)/income for the period		(55)	334	n.m.	4	404	(99)
Total comprehensive loss for the period		(1,756)	(203)	765	(2,997)	(403)	644

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	Notes	Group			Group		
		3 months ended 30 June 2012 (Unaudited)	3 months ended 30 June 2011 (Represented)	+ /(-) Change	6 months ended 30 June 2012 (Unaudited)	6 months ended 30 June 2011 (Represented)	+ /(-) Change
		USD'000	USD'000	%	USD'000	USD'000	%
Net loss attributable to:							
Equity holders of the Company		(1,661)	(514)	223	(2,884)	(771)	274
Non-controlling interests		(40)	(23)	74	(117)	(36)	225
		(1,701)	(537)	217	(3,001)	(807)	272
Total comprehensive loss attributable to:							
Equity holders of the Company		(1,717)	(169)	916	(2,886)	(350)	725
Non-controlling interests		(39)	(34)	15	(111)	(53)	109
		(1,756)	(203)	765	(2,997)	(403)	644

n.m.: not meaningful

Notes to Consolidated Statement of Comprehensive Income:

1. Other income comprises:

	Group		Group	
	3 months ended 30 June 2012 (Unaudited)	3 months ended 30 June 2011 (Represented)	6 months ended 30 June 2012 (Unaudited)	6 months ended 30 June 2011 (Represented)
	USD'000	USD'000	USD'000	USD'000
Foreign exchange gain, net	-	23	39	23

2. Loss for the period from operating activities was arrived at after charging:

	Group			Group		
	3 months ended 30 June 2012 (Unaudited)	3 months ended 30 June 2011 (Represented)	+ /(-) Change	6 months ended 30 June 2012 (Unaudited)	6 months ended 30 June 2011 (Represented)	+ /(-) Change
	USD'000	USD'000	%	USD'000	USD'000	%
Depreciation of property, plant and equipment	26	22	18	52	45	16
Amortisation of intangible assets	174	-	n.m.	347	-	n.m.
Exploration and production costs	395	-	n.m.	651	-	n.m.

n.m.: not meaningful

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3. Disposal of subsidiaries

The insufficient jetty allocation issue could not be resolved despite many rounds of negotiations, which led the Company to explore options available for its coal production and sales business. Given that a resolution taking place is not envisaged in the foreseeable future, coupled with weakening coal export prices from Indonesia (which has slid from more than US\$100 per ton to the current US\$80-90 per ton), the Company decided that it should cease the coal production and sales to avoid incurring further expenses.

On 30 June 2012, the Company entered into a sale and purchase Agreement (“Agreement”) with PT Gerbang Tumbuh Mandiri (“Purchaser”) to dispose its 80% equity interests in Evermate Capital Resources Limited (“Evermate”) and Unison Capital Resources Limited (“Unison”) at a consideration of USD100,000. Pursuant to the Agreement, the disposal was deemed to take place on 30 April 2012 on which date the Company passed the control of Evermate and Unison to the Purchaser.

Upon the Agreement, the Company’s effective equity interests in PT Evermate Capital Resources Indonesia (“ECRI”) has been disposed of through the disposal of Evermate and Unison, of which Evermate and Unison are holding 80% and 20% equity shares in ECRI respectively. The principal activities of ECRI are coal mining and trading. Accordingly, these operations were presented as discontinued operating since 30 April 2012.

(i) The results of the discontinued operation are shown below:

	Group 6 months ended 30 June 2012
	USD'000
Revenue	-
Other income	-
Expenses	308
Net loss before income tax	308
Income tax	-
Operating loss from subsidiaries - discontinued operation	308
Net loss on disposal	276
Net loss from discontinued operation	584

(ii) Assets and liabilities of discontinued operation

	Group 6 months ended 30 June 2012
	USD'000
Net identifiable assets disposed as at 30 April 2012:-	
Property, plant and equipment (net)	16
Other receivables and prepayments (non-current)	1,225
Inventories	88
Cash and cash equivalents	22
Trade and other receivables	186
Trade and other payables	(1,685)
Non-controlling interests	524
Net identified assets disposed of	376
Total consideration	(100)
Net loss on disposal	276

(iii) Net cash flow arising on disposal as at 30 June 2012

	USD'000
Cash consideration received	-
Bank balances and cash disposed of	(22)
	(22)

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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

	Group As at		Company As at	
	30 June 2012 (Unaudited)	31 December 2011 (Audited)	30 June 2012 (Unaudited)	31 December 2011 (Audited)
	USD'000	USD'000	USD'000	USD'000
Current assets				
Cash and cash equivalents	8,185	10,971	3,008	4,954
Pledged fixed deposit	2,501	2,501	-	-
Trade and other receivables	812	800	455	353
Amount due from an associate	16,328	15,120	2,572	1,808
Amounts due from subsidiaries (non-trade)	-	-	15,845	15,747
Inventories	2	62	-	-
Total current assets	27,828	29,454	21,880	22,862
Non-current assets				
Property, plant and equipment	207	273	31	38
Intangible assets	9,736	10,082	-	-
Other receivables and prepayments	-	1,210	-	-
Available-for-sale financial assets	599	599	319	319
Subsidiaries	-	-	16,888	16,890
Associates	5,643	5,740	7,486	7,486
Total non-current assets	16,185	17,904	24,724	24,733
Total assets	44,013	47,358	46,604	47,595
Equity attributable to equity holders of the Company				
Share capital	40,855	40,855	40,855	40,855
Reserves	(12,080)	(9,236)	(18,715)	(17,675)
	28,775	31,619	22,140	23,180
Non-controlling interests	(116)	(529)	-	-
Total equity	28,659	31,090	22,140	23,180
Current liabilities				
Trade and other payables	3,150	4,143	2,571	2,444
Amounts due to subsidiaries (non-trade)	-	-	9,689	10,025
Amount due to non-controlling interests of a subsidiary	-	179	-	-
Total current liabilities	3,150	4,322	12,260	12,469
Non-current liabilities				
Convertible bonds	12,204	11,946	12,204	11,946
Total non-current liabilities	12,204	11,946	12,204	11,946
Total liabilities	15,354	16,268	24,464	24,415
Total equity and liabilities	44,013	47,358	46,604	47,595

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

Amount repayable in one year or less, or on demand:

As at 30/06/2012		As at 30/06/2011	
Secured (Unaudited) USD'000	Unsecured (Unaudited) USD'000	Secured (Unaudited) USD'000	Unsecured (Unaudited) USD'000
Nil	Nil	Nil	Nil

Amount repayable after one year:

As at 30/06/2012		As at 30/06/2011	
Secured (Unaudited) USD'000	Unsecured (Unaudited) USD'000	Secured (Unaudited) USD'000	Unsecured (Unaudited) USD'000
12,204	Nil	11,692	Nil

Details of any collateral:

The Group's secured borrowing comprises 3.0 percent senior secured convertible bonds due on 2014. The convertible bonds are secured by a legal charge over the shares of the subsidiaries.

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

Consolidated Statement of Cash Flows:

	Group	
	6 months ended 30 June 2012	6 months ended 30 June 2011
	(Unaudited)	(Represented)
	USD'000	USD'000
Cash flows from operating activities		
Loss before income tax from continuing operations	(2,417)	(630)
Loss before income tax from discontinued operations	(584)	(177)
	(3,001)	(807)
Adjustments for:		
Interest expenses	460	164
Interest income	(33)	(2)
Depreciation of property, plant and equipment	52	48
Option expense recognised	37	13
Amortisation of deferred mining expenditures and exploration and evaluation expenditures	-	956
Amortisation of intangible assets	347	-
Loss on disposal of subsidiaries (note 3)	276	-
Share of losses of associates	97	130
Share of loss of a joint venture	-	9
Operating cash flows before working capital changes	(1,765)	511
Changes in operating assets and liabilities:		
Inventories	(29)	(614)
Trade and other receivables and prepayments	182	(1,332)
Amount due from an associate	(1,208)	(668)
Trade and other payables	229	3,296
Cash (used in)/generated from operations	(2,591)	1,193
Interest received	33	2
Cash flows (used in)/generated from operating activities	(2,558)	1,195
Cash flows from investing activities		
Purchase of property, plant and equipment	(2)	(100)
Net cash outflow arising on disposal of subsidiaries (note 3)	(22)	-
Deferred mining expenditures	-	(1,141)
Cash flows used in investing activities	(24)	(1,241)
Cash flows from financing activities		
Issue of convertible bonds	-	13,694
Transaction cost for issue of convertible bonds	-	(1,196)
Payment of convertible bonds interests	(201)	-
Cash flows (used in)/generated from financing activities	(201)	12,498
Net (decrease)/increase in cash and cash equivalents	(2,783)	12,452
Cash and cash equivalents at beginning of the period	10,971	13,688
Effects of exchange rate changes on balances held in foreign currencies	(3)	394
Cash and cash equivalents at end of the period	8,185	26,534

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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

The Group	Attributable to owners of the equity holders of the Company							Non-controlling interests (Unaudited) USD'000	Total equity (Unaudited) USD'000
	Share capital	Merger reserve	Statutory /equity reserves	Foreign exchange reserve	Accumulated losses	Total			
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)			
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000			
At 1 January 2011	40,855	763	1,341	(1,430)	(8,022)	33,507	(87)	33,420	
Total comprehensive income for the period	-	-	-	70	(257)	(187)	(19)	(206)	
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 recognised	-	-	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	
The Group	Attributable to owners of the equity holders of the Company							Non-controlling interests (Unaudited) USD'000	Total equity (Unaudited) USD'000
	Share capital	Merger reserve	Statutory /equity reserves	Foreign exchange reserve	Accumulated losses	Total			
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)			
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000			
At 1 January 2012	40,855	763	2,360	(1,056)	(11,303)	31,619	(529)	31,090	
Option expense recognised	-	-	18	-	-	18	-	18	
Total comprehensive income for the period	-	-	-	59	(1,223)	(1,164)	(72)	(1,236)	
At 31 March 2012	40,855	763	2,378	(997)	(12,526)	30,473	(601)	29,872	
Option expense recognised	-	-	19	-	-	19	-	19	
Disposal of subsidiaries	-	-	-	-	-	-	524	524	
Total comprehensive income for the period	-	-	-	(56)	(1,661)	(1,717)	(39)	(1,756)	
At 30 June 2012	40,855	763	2,397	(1,053)	(14,187)	28,775	(116)	28,659	

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Statement of Changes in Equity (to be continued)

The Company	Share capital (Unaudited) USD'000	Statutory/ equity reserves (Unaudited) USD'000	Accumulated losses (Unaudited) USD'000	Total (Unaudited) USD'000
At 1 January 2011	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 recognised	-	13	-	13
Total comprehensive income for the period	-	-	(243)	(243)
At 30 June 2011	40,855	1,449	(15,721)	26,583
The Company	Share capital (Unaudited) USD'000	Statutory/ equity reserves (Unaudited) USD'000	Accumulated losses (Unaudited) USD'000	Total (Unaudited) USD'000
At 1 January 2012	40,855	1,486	(19,161)	23,180
Option expense recognised	-	18	-	18
Total comprehensive income for the period	-	-	(429)	(429)
At 31 March 2012	40,855	1,504	(19,590)	22,769
Option expense recognised	-	19	-	19
Total comprehensive income for the period	-	-	(648)	(648)
At 30 June 2012	40,855	1,523	(20,238)	22,140

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.

There is no change in the Company's issued share capital since 31 December 2011.

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 June 2012 and 31 December 2011 were 766,668,356.

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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.

5. If 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.

Not applicable.

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 June 2012	3 months ended 30 June 2011	6 months ended 30 June 2012	6 months ended 30 June 2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss per ordinary share of the Group for the financial period based on net loss attributable to equity holders of the Company:				
Basic (USD cents)	0.22	0.07	0.38	0.10
Fully diluted (USD cents) (i)	N/A	N/A	N/A	N/A
Basic loss per share were based on:				
Net loss for the period (USD'000)	1,661	514	2,884	771
	No. of shares	No. of shares	No. of shares	No. of shares
Shares outstanding at beginning of the period	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 June 2012 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 June 2012 (Unaudited)	31 December 2011 (Unaudited)	30 June 2012 (Unaudited)	31 December 2011 (Unaudited)
Net assets value per ordinary share (USD cents)	3.75	4.12	2.89	3.02
Net assets value (USD'000)	28,775	31,619	22,140	23,180
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 2Q 2012	3 months of 2Q 2011	+ / (-) Change %	6 months of 2Q 2012	6 months of 2Q 2011	+ / (-) Change %
Oilfield services	233	404	(42)	468	1,011	(54)

The Group recorded revenue from continuing operations of US\$0.23 million in 2Q2012, as compared with that of US\$0.40 million in 2Q2011, representing a decrease of 42% from the corresponding period in 2011. The decrease was due to no revenue recorded from EOR services during the period.

The Group's gross profit was reported at US\$0.23 million in 2Q2012, versus USD0.32 million in 2Q2011.

Selling and distribution expenses were lower by 39% at US\$0.35 million in 2Q2012, versus US\$0.57 million in 2Q2011.

Administrative expenses for the period almost doubled from US\$0.48 million in 2Q2011 to US\$0.93 million in 2Q2012. The increase was mainly attributed by the additional cost of operations incurred on the KM oilfield in Indonesia during the period of 2Q2012.

Other operating expenses of US\$0.40 million in 2Q2012 comprised of foreign exchange loss of US\$0.05 million and exploitation and production cost of US\$0.35 million incurred on the KM oilfield in Indonesia respectively, during the period of 2Q2012.

Finance cost of US\$0.23 million was represented by the coupon interest on convertible bonds issued by the Company in 2011.

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The Group recorded a loss on discontinued operation of US\$0.32 million in 2Q2012, resulted from the divestment of coal mining and trading business in Indonesia as mentioned in note 3.

The Group incurred a total of operating loss of US\$1.70 million in 2Q2012, versus operating loss of US\$0.54 million in 2Q2011.

Net loss attributable to equity holders of the Company for the three months and six months to 2Q2012 were US\$1.66 million and US\$2.88 million respectively, as compared to US\$0.51 million and US\$0.77 million in the previous corresponding periods.

Statement of Financial Position

Group cash balances stood at US\$8.19 million as at 30 June 2012, versus US\$10.97 million as at 31 December 2011. The decrease in cash balances of approximately US\$2.78 million was mainly attributable to working capital utilized by the Group and cash advancement to the associate company, CPHLC, during the period.

Amount due from an associate company, CPHLC, increased from US\$15.12 million at 31 December 2011 to US\$16.33 million at 30 June 2012, which comprised advancement of US\$0.74 million to the associate and technical service fee of US\$0.47 million charged during the period.

Trade receivables were significantly lowered at US\$0.18 million at 30 June 2012, as compared to US\$0.59 million as at 31 December 2011. The decrease was attributed by the settlement of US\$0.22 million receivables from customer and US\$0.19 million reduction of which it was part of the divestment of coal mining and trading business in Indonesia. Other receivables also decreased significantly from US\$1.42 million as at 31 December 2011 to US\$0.63 million as at 30 June 2012 as result of an increase in other receivables of US\$0.43 million and deducting the US\$1.22 million other receivables and prepayments related to the divestment of the coal mining and trading business.

Trade and other payables also decreased from US\$4.14 million as at 31 December 2011 to US\$3.15 million as at 30 June 2012 as a result of an increase of US\$0.69 million payables during the period and deducting the US\$1.68 million payables related to the divestment of coal mining and trading business in Indonesia. The divestment also led to a significant reduction in amount due to non-controlling interests from US\$0.18 million as at 31 December 2011 to zero as at 30 June 2012. The inventory also decreased to US\$0.02 million as at 30 June 2012.

Convertible bonds liability was US\$12.20 million as at 30 June 2012.

Net assets value of the Group were US\$28.78 million as at 30 June 2012, as compared to US\$31.62 million as at 31 December 2011. The decrease was attributed by the operating loss incurred by the Group for the period.

Statement of Cash Flows

The Group registered a negative operating cash flow before working capital changes of US\$1.77 million in 1H2012, as compared to a positive figure of US\$0.51 million in 1H2011, mainly attributable to the increased operating loss during the period.

Investment cash outflows were US\$0.02 million in 1H2012 and these were related to the purchase of equipment and net cash outflow arising on disposal of subsidiaries.

There was a cash outflow from financing activities of US\$0.2 million attributed by the repayment of convertible bonds interests.

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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 14 May 2012.

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 Production

KM Oil Field

Pertamina has recently approved the AFE to drill 12 new wells and to work-over the 5 existing wells. Preparation for the drilling of new wells in KM is underway, including the setting up of additional living quarters, road and pipelines installations. Drilling is expected to begin in September 2012.

Block D

CPHLC is preparing for pre-drilling environmental survey which is likely to take place in the fourth quarter of this year, conditional upon receiving approvals from CNPA.

Coal

The jetty issue at the Samarinda coal mine had stretched for more than a year without any foreseeable resolution. The problem had exacerbated with no delivery and sales of coal from January to May 2012. This has led to management's decision to stop production of coal rather than to wait out the uncertainty and thereby incurring further costs. Bearing the unending uncertainty of the jetty issue and lower coal prices in recent months, management has decided to cease and divest the coal operations.

Given the discontinuity of the coal sales and delivery, revenue and profit performance for the next six months and the full year will be substantially lowered due to the divestment, as coal operation contributed substantially to revenue in the previous year.

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/recommendeded, a statement to that effect.**

No dividend was declared for the 6 months ended 30 June 2012.

13. **If the Group has obtained a general mandate from shareholders of IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

Not applicable as the Group has not obtained a general mandate from shareholders for IPTs.

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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 Second Quarter Results of the Group for the financial period ended 30 June 2012 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 & CFO

10 August 2012