

MIRACH ENERGY LIMITED
(COMPANY NO.200305397E)

Unaudited Second Quarter And Half Year Financial Statement And Dividend Announcement for The Period Ended 30 June 2014

PART I- INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with comparative statement for the corresponding period of the immediately preceding financial year.

	Group			Group		
	2Q2014	2Q2013		1H2014	1H2013	
	30 June 2014	30 Jun 2013	+ /(-)	30 Jun 2014	30 Jun 2013	+ /(-)
	(Unaudited)	(Unaudited)	Change	(Unaudited)	(Unaudited)	Change
	USD'000	USD'000	%	USD'000	USD'000	%
Revenue	599	1,326	(55)	839	3,116	(73)
Cost of sales	-	-	n.m.	-	-	n.m.
Gross profit	599	1,326	(55)	839	3,116	(73)
Other income	43	-	n.m.	68	208	(67)
Selling and distribution expenses	(7)	(18)	(61)	(13)	(51)	(75)
Administrative expenses	(1,319)	(708)	86	(2,215)	(1,402)	58
Other operating expenses	(985)	(284)	247	(1,452)	(663)	119
(Loss)/ profit from operating activities	(1,669)	316	n.m.	(2,773)	1,208	n.m.
Finance income	15	14	7	29	29	-
Finance cost	-	(246)	n.m.	-	(486)	n.m.
Share of loss of an associate	(37)	(41)	(10)	(78)	(81)	(4)
(Loss)/ Profit before income tax	(1,691)	43	n.m.	(2,822)	670	n.m.
Income tax	-	-	n.m.	-	-	n.m.
(Loss)/ Profit for the period	(1,691)	43	n.m.	(2,822)	670	n.m.
Other comprehensive income/(loss):						
Items that may be reclassified subsequently to profit or loss:						
Reclassification of currency translation reserves on disposal of subsidiaries	-	-	n.m.	-	(702)	n.m.
Currency translation differences arising from consolidation	12	(95)	n.m.	5	656	(99)
Other comprehensive income/(loss) for the period	12	(95)	n.m.	5	(46)	n.m.
Total comprehensive (loss)/ income for the period	(1,679)	(52)	3,129	(2,817)	624	n.m.

n.m.: not meaningful

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1(a)(i) An income statement (for the group) together with comparative statement for the corresponding period of the immediately preceding financial year (Cont'd)

	Group			Group		
	2Q2014	2Q2013	+/(-) Change	1H2014	1H2013	+/(-) Change
	30 June 2014	30 Jun 2013		30 Jun 2014	30 Jun 2013	
(Unaudited)	(Unaudited)	USD'000	(Unaudited)	(Unaudited)	USD'000	%
(Loss)/ profit for the period attributable to:						
Equity holders of the Company	(1,665)	54	n.m.	(2,772)	694	n.m.
Non-controlling interests	(26)	(11)	136	(50)	(24)	108
	(1,691)	43	n.m.	(2,822)	670	n.m.
Total comprehensive income/ (loss) attributable to:						
Equity holders of the Company	(1,653)	(41)	3,932	(2,767)	648	n.m.
Non-controlling interests	(26)	(11)	136	(50)	(24)	108
	(1,679)	(52)	3,129	(2,817)	624	n.m.

n.m.: not meaningful

Profit before income tax is arrived at after charging/ (crediting) the following:

	Group			Group		
	2Q2014	2Q2013	+/(-) Change	1H2014	1H2013	+/(-) Change
	30 June 2014	30 Jun 2013		30 Jun 2014	30 Jun 2013	
(Unaudited)	(Unaudited)	USD'000	(Unaudited)	(Unaudited)	USD'000	%
Interest income	(15)	(14)	7	(29)	(29)	-
Interest expense	-	246	n.m.	-	486	n.m.
Foreign exchange (gain)/loss , net	(43)	(45)	(4)	(68)	9	n.m.
Depreciation of property, plant and equipment	20	20	-	34	40	(15)
Depreciation of oil and gas properties	284	-	n.m.	568	-	n.m.
Gain on disposal of a subsidiary	-	-	-	-	(45)	n.m.
Amortisation of intangible assets	174	174	n.m.	347	347	n.m.

n.m.: not meaningful

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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.

	Group		Company	
	As at		As at	
	30 June 2014 (Unaudited)	31 Dec 2013 (Audited)	30 June 2014 (Unaudited)	31 Dec 2013 (Audited)
	USD'000	USD'000	USD'000	USD'000
Current assets				
Cash and cash equivalents	7,562	6,902	5,760	5,715
Pledged fixed deposit	2,501	2,501	–	–
Trade and other receivables	2,471	1,590	465	458
Amounts due from an associate	19,118	18,512	6,348	6,221
Amounts due from subsidiaries (non-trade)	–	–	4,258	4,130
Inventories	178	178	–	–
	31,830	29,683	16,831	16,524
Non-current assets				
Property, plant and equipment	262	130	15	16
Intangible assets	8,349	8,696	–	–
Oil and gas properties	5,019	5,587	–	–
Other receivables and prepayments	115	115	–	–
Available-for-sale financial assets	3,000	3,000	–	–
Amount due from a subsidiary	–	–	22,545	19,526
Investment in subsidiaries	–	–	5,764	5,756
Investment in associate	5,191	5,269	7,486	7,486
	21,936	22,797	35,810	32,784
Total assets	53,766	52,480	52,641	49,308
Equity attributable to equity holders of the Company				
Share capital	65,736	65,736	65,736	65,736
Reserves	(17,670)	(19,502)	(18,212)	(22,270)
	48,066	46,234	47,524	43,466
Non-controlling interests	(273)	(223)	–	–
Total equity	47,793	46,011	47,524	43,466
Current liabilities				
Trade and other payables	5,973	6,469	2,331	2,465
Amounts due to subsidiaries (non-trade)	–	–	2,786	3,377
Total liabilities	5,973	6,469	5,117	5,842
Total equity and liabilities	53,766	52,480	52,641	49,308

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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 June 2014		As at 31 December 2013	
Secured (Unaudited) USD'000	Unsecured (Unaudited) USD'000	Secured (Audited) USD'000	Unsecured (Audited) USD'000
Nil	Nil	Nil	Nil

Amount repayable after one year:

As at 30 June 2014		As at 31 December 2013	
Secured (Unaudited) USD'000	Unsecured (Unaudited) USD'000	Secured (Audited) USD'000	Unsecured (Audited) USD'000
Nil	Nil	Nil	Nil

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

	Group		Group	
	2Q2014	2Q2013	1H2014	1H2013
	30 June	30 June	30 June	30 June
	2014	2013	2014	2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	USD'000	USD'000	USD'000	USD'000
Cash flows from operating activities				
(Loss)/ profit before income tax	(1,691)	43	(2,822)	670
Adjustments for:				
Interest expenses	–	246	–	486
Interest income	(15)	(14)	(29)	(29)
Depreciation of property, plant and equipment	20	20	34	40
Depreciation of oil and gas properties	284	–	568	–
Option expense recognised	–	18	–	36
Gain on disposal of a subsidiary / subsidiaries	–	–	–	(45)
Amortisation of intangible assets	174	174	347	347
Share of loss of an associate	37	41	78	81
Operating cash flows before working capital changes	(1,191)	528	(1,824)	1,586

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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 (Cont'd)

	Group		Group	
	2Q2014	2Q2013	1H2014	1H2013
	30 June	30 June	30 June	30 June
	2014	2013	2014	2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	USD'000	USD'000	USD'000	USD'000
Changes in operating assets and liabilities:				
Inventories	–	(39)	–	(48)
Trade and other receivables and prepayments	317	(180)	(881)	(2,980)
Amount due from an associate	(291)	(352)	(607)	(641)
Trade and other payables	(113)	(2,209)	(496)	(40)
Cash used in operations	(1,278)	(2,252)	(3,808)	(2,123)
Interest received	15	14	29	29
Cash flows used in operating activities	(1,263)	(2,238)	(3,779)	(2,094)
Cash flows from investing activities				
Purchase of property, plant and equipment	(161)	(71)	(165)	(73)
Net proceeds from disposal of a subsidiary	–	–	–	1
Payment for exploration and evaluation expenditures	–	(15)	–	–
Cash flows used in investing activities	(161)	(86)	(165)	(72)
Cash flows from financing activities				
Net proceeds from convertible loan	–	–	4,599	–
Payment of convertible bonds interests	–	(102)	–	(282)
Cash flows (used in)/ from financing activities	–	(102)	4,599	(282)
Net increase/ (decrease) in cash and cash equivalents	(1,424)	(2,426)	655	(2,448)
Cash and cash equivalents at beginning of the period	8,974	5,576	6,902	5,550
Effects of exchange rate changes on balances held in foreign currencies	12	(95)	5	(47)
Cash and cash equivalents at end of the period	7,562	3,055	7,562	3,055

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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.

The Group	Attributable to the equity holders of the Company										
	Share capital	Convertible Loan reserve	Merger reserve	Statutory /equity reserves	Capital reserve	Share options reserve	Foreign exchange reserve	Accumulated losses	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	USD'000	USD'000	USD'000	USD'000	USD'00	USD'00	USD'00	USD'000	USD'000	USD'000	USD'000
At 1 January 2013	40,855	–	763	1,341	969	123	(927)	(16,896)	26,228	(161)	26,067
Option expense recognised	–	–	–	–	–	36	–	–	36	–	36
Total comprehensive income for the period	–	–	–	–	–	–	(46)	694	648	(24)	624
At 30 June 2013	40,855	–	763	1,341	969	159	(973)	(16,202)	26,912	(185)	26,727

The Group	Attributable to the equity holders of the Company										
	Share capital	Convertible Loan reserve	Merger reserve	Statutory /equity reserves	Capital reserve	Share options reserve	Foreign exchange reserve	Accumulated losses	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
At 1 January 2014	65,736	–	763	467	–	–	(922)	(19,810)	46,234	(223)	46,011
Convertible loan reserve	–	4,742	–	–	–	–	–	–	4,742	–	4,742
Share issue expense	–	(143)	–	–	–	–	–	–	(143)	–	(143)
Total comprehensive loss for the period	–	–	–	–	–	–	5	(2,772)	(2,767)	(50)	(2,817)
At 30 June 2014	65,736	4,599	763	467	–	–	(917)	(22,582)	48,066	(273)	47,793

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1(d) (i) Statement of Changes in Equity (Cont'd)

The Company	Share capital	Capital reserve	Share options reserve	Statutory /equity reserves	Accumulated losses	Total equity
	(Unaudited)	(Unaudited)	(Unaudited)	(unaudited)	(Unaudited)	(Unaudited)
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
At 1 January 2013	40,855	969	123	467	(21,495)	20,919
Option expense recognised	–	–	36	–	–	36
Total comprehensive income for the period	–	–	–	–	3,342	3,342
At 30 June 2013	40,855	969	159	467	(18,153)	24,297

The Company	Share capital	Convertible Loan reserve	Statutory /equity reserves	Accumulated losses	Total equity
	(unaudited)	(Unaudited)	(unaudited)	(unaudited)	(unaudited)
	USD'000	USD'000	USD'000	USD'000	USD'000
At 1 January 2014	65,736	–	467	(22,737)	43,466
Convertible loan reserve	–	4,742	–	–	4,742
Share issue expense	–	(143)	–	–	(143)
Total comprehensive loss for the period	–	–	–	(541)	(541)
At 30 June 2014	65,736	4,599	467	(23,278)	47,524

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- 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. State 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.**

(A) Outstanding Convertible Loan

There were no movements in the Company's issued and fully paid share capital during the six months ended 30 June 2014. The Company may issue up to 206,763,282 shares at a conversion price of S\$0.1242 per conversion share pursuant to the Convertible Loan ("Loan"). The aggregate principal amount of the outstanding shares is up to S\$24 million, taking into account a flat interest of 7% calculated and payable on each drawdown of the Loan.

(B) 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 2014 and 31 December 2013 were 1,035,050,000.

- 1(d)(iii) 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.**

There was no sale, transfer, disposal, cancellation and/or use of treasury shares during the period ended 30 June 2014.

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

The figures have not been audited nor 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.**

On 1 January 2014, the Group has adopted all the applicable new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of Financial Standards ("INT FRS") promulgated by the Accounting Standards Council that are effective for annual period beginning on or after 1 January 2014. The adoption of the new accounting standards has no effect on the financial results of the Group and the Company.

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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:-

	2Q2014 30 June 2014	2Q2013 30 June 2013	1H2014 30 June 2014	1H2013 30 June 2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss) / profit per ordinary share of the Group for the financial period based on net (loss) / profit attributable to equity holders of the Company:				
Basic (USD cents)	(0.16)	0.01	(0.26)	0.09
Fully diluted (USD cents)	(0.16)	0.01	(0.26)	0.09
Basic profit / (loss) per share were based on:				
Net (loss)/ profit for the period (USD'000)	(1,665)	54	(2,772)	694
	No. of shares	No. of shares	No. of shares	No. of shares
Weighted average number of ordinary shares for basic earnings per share computation	1,035,050,000	766,668,356	1,035,050,000	766,668,356
Effects of dilution:				
- Convertible Loan	15,436,436	-	15,436,436	-
Weighted average number of ordinary shares for fully diluted earnings per share computation	1,050,486,436	766,668,356	1,050,486,436	766,668,356

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	
	31 June 2014 (Unaudited)	31 December 2013 (Audited)	30 June 2014 (Unaudited)	31 December 2013 (Audited)
Net assets value per ordinary share (USD cents)	4.62	4.45	4.59	4.20
Net assets value (USD'000)	47,793	46,011	47,524	43,466
Issued and fully paid ordinary shares	1,035,050,000	1,035,050,000	1,035,050,000	1,035,050,000

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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.

Revenue Analysis

Revenue (USD million)	2Q 2014	2Q 2013	+/(-) Change %	1H2014	1H2013	+/(-) Change %
Oilfield services	0.24	1.33	-82%	0.48	3.12	-85%
Exploration and Production (E&P) cost recovery	0.36	–	n.m.	0.36	–	n.m.
Total revenue	0.60	1.33	-55%	0.84	3.12	-73%

The Group achieved a milestone in its 2Q2014 results for reporting the first time revenue on its E&P operations at Kampung Minyak Oil Field ("KM Field"). The Group achieved incremental oil in 1H2014 as oil production increased and the contractual baseline oil reduced as compared to 1H2013. Based on its contract with Pertamina EP, the Group was entitled revenue on its net shareable oil based on a cost recovery model.

Together with the revenue from oilfield services, the Group registered total revenue amounting to USD0.60 million and USD0.84 million in 2Q2014 and 1H2014 respectively. The decrease in total revenue was due to an advisory service fee of USD1.09 million and USD2.64 million from Project Global Investment Limited recorded in 2Q2013 and 1H2013 but not repeated in 2Q2014 nor 1H2014.

Cost and Earning Analysis

Other income declined from USD0.21 million in 1H2013 to USD0.07 million in 1H2014 due to a forfeited deposit amounting to USD0.16 million from the termination of private placement and net gain of USD0.05 million on the disposal of a subsidiary recorded in 1H2013 but not repeated in 1H2014.

Selling and distribution expenses reduced 75% to approximately USD0.01 million in 1H2014.

Administrative expenses increased USD0.81 million or 58% in 1H2014 mainly due to the cost of operations at the KM Field which included the depreciation expense of oil and gas properties under the Kampung Minyak KSO amounting to USDUSD0.57 million and other administrative expenses related to the KSO BUT amounting to approximately USD0.36 million.

Other operating expenses of USD1.45 million incurred in 1H2014 were attributable to the exploitation and production activities at KM Field. They included the oil production expense of USD1.10 million and the amortisation cost of the KSO intangible asset of USD0.35 million.

There was no finance cost incurred in 2Q2014 and 1H2014 as the Company had fully redeemed the convertible bonds in 3Q2013.

Due to the above, net loss attributable to equity holders of the Company was USD2.77 million in 1H2014.

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Financial Position and Liquidity

	1H2014	1H2013
	(USD million)	(USD million)
Cash used in operating activities	(3.78)	(2.09)
Cash used in investing activities	(0.17)	(0.07)
Cash generated from / (used in) financing activities	4.60	(0.28)
Net Increase / (decrease) in cash and cash equivalents	0.66	(2.45)
Cash and cash equivalents at end of period	7.56	3.06

There was a net cash outflow of approximately USD3.78 million in operating activities mainly due to the net loss and working capital changes. Working capital changes included USD0.88 million increase in trade and other receivables, USD0.61 million increase in amount due from an associate and USD0.50 million decrease in trade and other payables.

Cash generated from financing activities amounted to USD4.60 million in 1H2014 due to net proceeds received from the convertible loans as the Company drew down the third tranche of convertible loans amounting to SGD6.00 million.

The Group's current assets as at 30 June 2014 increased by USD2.15 million as compared to 31 December 2013 mainly due to increase in trade and other receivables by USD0.88 million and increase in amount due from an associate company CPHL (Cambodia) Company Limited ("CPHLC") by USD0.61 million. The increase in other receivables was mainly due to increase in VAT and income tax recoverables. Trade receivables increased due to amount due from Pertamina EP for the cost recovery for E&P operations at KM Field. The increase in amount due from CPHLC was mainly due to the technical service fee income charged in 1H2014.

Non-current assets decreased by USD0.86 million due to depreciation of oil and gas properties amounting USD0.57 million and amortisation of intangible assets by USD0.35 million in 1H2014. The decrease in non-current assets was partially offset by an increase in property, plant and equipment by USD0.13 million.

The Group's current liabilities (which comprise solely of trade and other payables) decreased by USD0.50 million in 1H2014 mainly due to the payment of accrued expenses as at 31 December 2013.

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.

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.

KM Field

In 1H2014, the total gross production of crude oil was 19,077 barrels. Total incremental oil production, which refers to the barrels of oil above baseline production, amounted to 8,216 barrels in 1H2014. There were 31 wells in production as at 30 June 2014, of which two were old wells reopened in 2Q2014.

The Group plans to drill deeper wells and adopt Enhanced Oil Recovery (EOR) technologies to ensure the sustainability of producing incremental oil.

Drilling Deeper Wells:

According to the Qualified Person's Report "Kampung Minyak, Indonesia as of December, 2013" provided by McDaniel & Associates Consultants Limited, it stated that the KM deep mean crude oil and condensate prospective resources was 37.9 million barrels. The Group intends to embark on the drilling deeper wells going forward to explore this

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prospective resource. Authorisation For Expenditure (“AFE”) has been approved for two new deeper well KM-13A and KM-13B. KM-13A will be drilled in this third quarter with a planned drill depth of about 1 km. It will be the first well that will explore the untapped zone in the area.

Radial Drilling and Ultra Short Radius Drilling:

As the earlier workover on some old wells did not yield favourable results, the Group is discussing with some drilling companies to pilot alternative advanced EOR technologies, such as Radial Drilling and Ultra Short Radius Drilling. The Group is preparing its request for PT Pertamina to approve the pilot radial drilling at KM604.

Crude oil bailing program:

Group had recently invited a local service company to pilot a crude oil bailing program in the field. This is a cost-saving method that allows reopening of old wells to start production again without the need for surface facilities such as pump units, flow lines or electrical cables.

Water Injection projects:

The Group is also targeting to implement EOR water injection pilot projects this year to increase production in existing wells.

Directional drilling and well engineering services

In 2Q2014, the Company has set up a new wholly owned subsidiary, Uniteq Energy Services Pte. Ltd., to commence the provision of low environmental impact directional drilling and well engineering services to E&P companies. The Company has recruited a new team that is highly experienced in directional drilling services which will commence operations in 3Q2014.

Cambodia Block D

CPHL Cambodia had met with the General Department of Petroleum (GDP) of Cambodia and received a proposal from GDP for the extension of exploration period in Block D. Management is currently reviewing some terms in the proposal before CPHL Cambodia agree to formally accept the extension agreements.

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 has been declared or recommended for the period ended 30 June 2014..

13. Interested Person Transactions

No Interested Person transactions (IPT) were concluded under the Company’s IPT Mandate for the period ended 30 June 2014.

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14. Update on Use of Proceeds from the Placement and Convertible Loans

The Company has raised a total of USD28.22 million from the placement and loans issued in 2H2013-1H2014. The unutilised amount from the proceeds amounted to USD3.89 million as at 30 June 2014. The use of proceeds from the placement and loans was in accordance with the intended use.

	USD million
Net proceeds from drawdown of placement and loans	28.22
Less use of proceeds:	
Repayment of senior bonds due April 2014	17.44
Investment in 10% stake in GKM	3.00
Loan to GKM	0.95
Exploration, drilling and testing activities at KM Field	1.51
Working capital	1.43
Balance as at 30 June 2014	3.89

Additional Disclosure Required for Mineral, Oil and Gas companies

15a. i. Rule 705 (6) of the Mainboard Listing Rules

For 2Q2014 funds / cash were mainly used for the following activities:-

Purpose	Amount (USD million)
Exploration, drilling and testing activities at Kampung Minyak Oil Field	0.59
Working capital	0.65
Total	1.24

15a. ii. Project on the use of funds / cash for the next immediate quarter, including principal assumptions:-

For the next immediate quarter (period from 1 July 2014 to 30 September 2014), the Group's use of funds / cash for exploration activities and other expected to be as follows:-

Purpose	Amount (USD million)
Exploration, drilling and testing activities at Kampung Minyak Oil Field	0.50
Working capital	1.00
Total	1.50

15b. Rules 705 (6) of the Mainboard Listing Rules

The Board confirms that to the best of their knowledge, nothing has come to their attention which may render the above information provided to be false or misleading in any material aspect.

**MIRACH ENERGY LIMITED
(COMPANY NO.200305397E)**

16a. Rules 705 (7)(a) of the Mainboard Listing Rules

Details of exploration (including geophysical surveys), mining development and / or production activities undertaken by the Company and summary of the expenditure incurred on those activities, including explanation for any material variances with previous projects, for the period under review. If there has been no exploration, development and / or production activity respectively, that the fact must be stated;

Total cash used for exploration, drilling and testing activities at Kampung Minyak Oil Field was USD0.59 million in 2Q2014. This was lower as compared to the earlier forecast of USD1.73 million in the 1Q2014 results announcement. The main reason for the lower cash used was because of the negotiation process which the Group engaged in with respect to the re-negotiation of the payment terms with its suppliers. The lower cash used was also due to the slow-down in administration as a result of the Indonesian Presidential Election and period up to the end of the Ramadan holidays.

16b. Rule 705 (7)(b) of the Mainboard Listing Rules

Update on its reserves and resources, where applicable, in accordance with the requirements set out in Practice Note 6.3, including a summary of reserves and resources as set out in Appendix 7.5.

The Group has no material updates on the reserves and resources as set out in the QPR (Qualified Person's Report) as at 31 December 2013 dated 18 March 2014.

17. Confirmation pursuant to Rule 705(5) of the Mainboard Listing Rules

We, William Shut Li CHAN and Rhoda Mei Ling LIU, being two of the Directors of Mirach Energy Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Company and of the Group for the second quarter and the six months ended 30 June 2014 to be false or misleading in any material respect.

On behalf of the Board of Directors,

William Shut Li CHAN / Rhoda Mei Ling LIU

**By Order of the Board
William Shut Li Chan, Chairman of the Board**

13 August 2014