

MIRACH ENERGY LIMITED
(COMPANY NO.200305397E)
(the “Company”)

Unaudited Full Year Financial Statement And Dividend Announcement for The Year Ended 31 December 2014

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

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

	Group		Change %
	Full Year FY2014 (Unaudited) USD'000	Full Year FY2013 (Restated) USD'000	
	Revenue	1,704	
Other income	86	233	(63)
Production expense	(1,086)	(979)	11
Staff cost	(2,172)	(1,606)	35
Depreciation and amortization	(1,465)	(1,160)	26
Other expense	(1,459)	(1,712)	(15)
Finance costs	(52)	(4,640)	(99)
Share of loss of associates	(575)	(517)	11
Loss before income tax	(5,019)	(4,982)	1
Income tax	-	-	n.m.
Total loss for the financial year	(5,019)	(4,982)	1
Other comprehensive income/(loss):			
Currency translation arising from presentation currency	(1,099)	-	n.m.
Currency translation arising from consolidation	2	26	(92)
Total comprehensive loss for the year	(6,116)	(4,956)	23

n.m.: not meaningful

*The presentation for the statement of comprehensive income has been changed from by function to by nature to give a more meaningful presentation.

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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		
	Full Year 31 Dec 2014 (Unaudited) USD'000	Full Year 31 Dec 2013 (Restated) USD'000	+ / (-) Change %
Loss for the year attributable to:			
Equity holders of the Company	(4,937)	(4,884)	1
Non-controlling interests	(82)	(98)	(16)
	<u>(5,019)</u>	<u>(4,982)</u>	1
Total comprehensive loss attributable to:			
Equity holders of the Company	(6,034)	(4,858)	24
Non-controlling interests	(82)	(98)	(16)
	<u>(6,116)</u>	<u>(4,956)</u>	23

n.m.: not meaningful

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

	FY2014 (Unaudited) USD'000	FY2013 (Restated) USD'000	+ / (-) Change %
	Interest income	(86)	(70)
Finance costs	52	4,640	(99)
Depreciation of property, plant and equipment	74	72	3
Depreciation of oil and gas properties	698	394	77
Repayment of non-shareable oil liabilities and penalties	(618)	(302)	105
Provision for doubtful debt	320	-	n.m.
Option expense recognised	-	41	n.m.
Amortisation of intangible assets	693	693	-
Loss on disposal of a subsidiary	-	132	n.m.
Loss on disposal of property, plant and equipment	-	42	n.m.
Write-off of inventories	-	2	n.m.
Share of losses of associates	575	517	11
Foreign exchange (gain)/loss , net	(548)	107	n.m.

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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 years.

	Group			Company	
	31-Dec 2014 (Unaudited) USD'000	31-Dec 2013 (Restated) USD'000	As at 1-Jan 2013 (Restated) USD'000	31-Dec 2014 (Unaudited) USD'000	As at 31-Dec 2013 (Restated) USD'000
Current assets					
Cash and cash equivalents	12,627	6,902	5,550	10,410	5,715
Pledged fixed deposits	2,501	2,501	2,501	-	-
Trade and other receivables	1,479	849	818	185	458
Amounts due from subsidiaries (non-trade)	-	-	-	4,639	4,130
Inventories	-	-	334	-	-
	<u>16,607</u>	<u>10,252</u>	<u>9,203</u>	<u>15,234</u>	<u>10,303</u>
Non-current assets					
Property, plant and equipment	395	308	169	101	16
Intangible assets	8,003	8,696	9,389	-	-
Exploration and evaluation assets	-	-	915	-	-
Oil and gas properties	7,935	6,766	-	-	-
Amount due from a subsidiary	-	-	-	25,048	19,526
Amounts due from associates	20,777	19,368	17,120	6,427	6,221
Investment in subsidiaries	-	-	-	5,764	5,756
Investment in associates	5,547	6,122	3,639	7,486	7,486
	<u>42,657</u>	<u>41,260</u>	<u>31,232</u>	<u>44,826</u>	<u>39,005</u>
Total assets	<u>59,264</u>	<u>51,512</u>	<u>40,435</u>	<u>60,060</u>	<u>49,308</u>
Equity attributable to equity holders of the Company					
Share capital	81,249	66,406	40,855	81,249	66,406
Reserves	(30,622)	(23,588)	(17,557)	(26,385)	(22,940)
	<u>50,627</u>	<u>42,818</u>	<u>23,298</u>	<u>54,864</u>	<u>43,466</u>
Non-controlling interests	(341)	(259)	(161)	-	-
Total equity	<u>50,286</u>	<u>42,559</u>	<u>23,137</u>	<u>54,864</u>	<u>43,466</u>
Current liabilities					
Trade and other payables	8,497	8,565	4,800	2,422	2,465
Amounts due to subsidiaries (non-trade)	-	-	-	2,774	3,377
	<u>8,497</u>	<u>8,565</u>	<u>4,800</u>	<u>5,196</u>	<u>5,842</u>
Non-current liabilities					
Provision for decommissioning	481	388	-	-	-
Convertible bonds	-	-	12,498	-	-
	<u>481</u>	<u>388</u>	<u>12,498</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>8,978</u>	<u>8,953</u>	<u>17,298</u>	<u>5,196</u>	<u>5,842</u>
Total equity and liabilities	<u>59,264</u>	<u>51,512</u>	<u>40,435</u>	<u>60,060</u>	<u>49,308</u>

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The Group’s FY2013 financials results and financial position had been restated as follows:

	As at 31 Dec 2013		
	Group		
	As previously stated	Restatement	As Restated
	USD'000	USD'000	USD'000
Current assets			
Cash and cash equivalents	6,902	-	6,902
Pledged fixed deposits	2,501	-	2,501
Trade and other receivables	1,590	(741)	849
Amounts due from an associate	18,512	(18,512)	-
Inventories	178	(178)	-
	<u>29,683</u>	<u>(19,431)</u>	<u>10,252</u>
Non-current assets			
Property, plant and equipment	130	178	308
Intangible assets	8,696	-	8,696
Oil and gas properties	5,587	1,179	6,766
Other receivables and prepayments	115	(115)	-
Available-for-sale financial assets	3,000	(3,000)	-
Amounts due from associates	-	19,368	19,368
Investment in associates	5,269	853	6,122
	<u>22,797</u>	<u>18,463</u>	<u>41,260</u>
Total assets	<u>52,480</u>	<u>(968)</u>	<u>51,512</u>
Equity attributable to equity holders of the Company			
Share capital	65,736	670	66,406
Reserves	(19,502)	(4,086)	(23,588)
	<u>46,234</u>	<u>(3,416)</u>	<u>42,818</u>
Non-controlling interests	<u>(223)</u>	<u>(36)</u>	<u>(259)</u>
Total equity	<u>46,011</u>	<u>(3,452)</u>	<u>42,559</u>
Current liabilities			
Trade and other payables	6,469	2,096	8,565
	<u>6,469</u>	<u>2,096</u>	<u>8,565</u>
Non-current liabilities			
Provision for decommissioning	-	388	388
Total liabilities	<u>6,469</u>	<u>2,484</u>	<u>8,953</u>
Total equity and liabilities	<u>52,480</u>	<u>(968)</u>	<u>51,512</u>

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	Group		
	FY2013 As previously stated	FY2013 Restatement	FY2013 As Restated
	USD'000	USD'000	USD'000
Revenue	5,097	302	5,399
Other income	233	-	233
Production expense	(979)	-	(979)
Staff cost	(1,606)	-	(1,606)
Depreciation and amortization	(860)	(300)	(1,160)
Other expense	(1,489)	(223)	(1,712)
Finance costs	(4,598)	(42)	(4,640)
Share of loss of associates	(237)	(280)	(517)
Loss before income tax	(4,439)	(543)	(4,982)
Income tax	-	-	-
Total loss for the financial year	(4,439)	(543)	(4,982)
Other comprehensive income/(loss):			
Currency translation arising from consolidation	5	21	26
Total comprehensive loss for the year	(4,434)	(522)	(4,956)

The Group had restated its consolidated financial results for the financial year ended 31 December 2013, and the consolidated financial position as of that date and 1 January 2013. The effects of the restatement results in an increase in the total comprehensive loss for the year by USD0.52 million to USD4.96 million for the financial year ended 31 December 2013, and a decrease in the net assets of the Group by USD3.45 million and USD2.93 million as of 31 December 2013 and 1 January 2013 respectively. The net assets of the Company remained the same as of 31 December 2013, while net loss for the financial year ended 31 December 2013 decreased by USD0.16 million.

Since the identification of the restatements, our management performed analysis and procedures to ensure that the consolidated results and financial positions included in this announcement were prepared in accordance with Singapore Financial Reporting Standards (SFRS) and accounting practices in the oil & gas industry.

In particular, before the restatements, the Company have internally assessed and implemented specific measures to strengthen the finance department and function as described below:-

- a. The Company recruited a new Chief Financial Officer (CFO) on 1 July 2014. The CFO is a chartered accountant with the Institute of Singapore Chartered Accountants (ISCA).
- b. The Group also recruited a financial controller on 1 December 2014 and she is presently based in Indonesia. The financial controller is familiar with accounting practices in the oil & gas industry.
- c. The Chief Executive Officer (CEO) and CFO had also attended a training on “IFRS for Oil & Gas” by Infocus International from 11 to 14 November 2014 to improve their understanding of the accounting and business practices in the oil & gas industry.
- d. The Company has engaged an external party to perform an Enterprise Risk Management which include evaluating and subsequently implementing a framework to minimise risks including that of finance processes.

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In addition, the Group will continue to provide training to our finance personnel on SFRS and oil & gas industry accounting. The Group is in the process of developing an accounting manual that prescribes the accounting considerations and serves to guide the finance team. We will ensure that there are adequate and competent resources in the finance team as the operations increase. We will also actively engage and consult with our new auditors, Ernst & Young LLP, on SFRS and industry related accounting issues.

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

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

As at 31/12/2014		As at 31/12/2013	
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 31/12/2014		As at 31/12/2013	
Secured (Unaudited) USD'000	Unsecured (Unaudited) USD'000	Secured (Audited) USD'000	Unsecured (Audited) USD'000
Nil	Nil	Nil	Nil

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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

	Group	
	Full Year 31-Dec 2014	Full Year 31-Dec 2013
	(Unaudited)	(Restated)
	USD'000	USD'000
Cash flows from operating activities		
Loss before income tax	(5,019)	(4,982)
Adjustments for:		
Finance costs	52	4,640
Interest income	(86)	(70)
Depreciation of property, plant, and equipment	74	72
Depreciation of oil and gas properties	698	394
Repayment of non-shareable oil liabilities	(618)	(302)
Allowance for doubtful debt	320	-
Option expense recognised	-	41
Amortisation of intangible assets	693	693
Loss on disposal of a subsidiary	-	132
Loss on disposal of property, plant, and equipment	-	42
Write-off of inventories	-	2
Share of losses of associates	575	517
Operating cash flows before working capital changes	(3,311)	1,179
Changes in operating assets and liabilities:		
Trade and other receivables and prepayments	(950)	(30)
Trade and other payables	(550)	3,711
Cash (used in) / generated from operations	(4,811)	4,860
Interest received	86	70
Cash flows (used in) / generated from operating activities	(4,725)	4,930
Cash flows from investing activities		
Investment in an associate	-	(3,000)
Purchase of property, plant and equipment	(134)	(74)
(Additions to)/usage of spare parts	(27)	154
Net cash inflow arising on disposal of subsidiaries	-	1
Additions to oil and gas properties	(1,867)	(4,767)
Cash flows used in investing activities	(2,028)	(7,686)
Cash flows from financing activities		
Amounts due from associates	(1,409)	(2,248)
Proceeds from placement	-	14,048
Proceeds from rights issues	-	937
Proceeds from employee shares options	-	331
Proceeds from convertible loan	13,843	8,685
Payment of convertible bonds interests	-	(4,598)
Redemption of convertible bond principal	-	(13,041)
Cash flows generated from financing activities	12,434	4,114
Net increase in cash and cash equivalents	5,681	1,358
Cash and cash equivalents at beginning of the year	6,902	5,550
Effects of exchange rate changes on cash and cash equivalents	44	(6)
Cash and cash equivalents at end of the year	12,627	6,902

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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 (Restated)	Attributable to the equity holders of the Company							Total	Non- controlling interests	Total equity
	Share capital	Merger reserve	Statutory /equity reserves	Capital reserve	Share Options reserve	Foreign exchange reserve	Accumulated losses			
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000			
At 1 January 2013 as previously stated	40,855	763	1,341	969	123	(927)	(16,896)	26,228	(161)	26,067
Prior year adjustments	-	-	-	-	-	-	(2,930)	(2,930)	-	(2,930)
At 1 January 2013 restated	40,855	763	1,341	969	123	(927)	(19,826)	23,298	(161)	23,137
Issuance of shares arising from placement	14,928	-	-	-	-	-	-	14,928	-	14,928
Issuance of shares arising from the exercise of call options	937	-	-	-	(164)	-	164	937	-	937
Issuance of shares pursuant to Employee Share Option Scheme	331	-	-	-	-	-	-	331	-	331
Issuance of shares arising from conversion of convertible loans	9,572	-	-	-	-	-	-	9,572	-	9,572
Share issue expense	(887)	-	-	-	-	-	-	(887)	-	(887)
Early redemption of convertible bonds	-	-	-	(969)	-	-	425	(544)	-	(544)
Disposal of subsidiary	-	-	(874)	-	-	-	874	-	-	-
Option expense recognized	-	-	-	-	41	-	-	41	-	41
Interest on Convertible loan	670	-	-	-	-	-	(670)	-	-	-
Total comprehensive loss for the year	-	-	-	-	-	26	(4,884)	(4,858)	(98)	(4,956)
At 31 December 2013	66,406	763	467	-	-	(901)	(23,917)	42,818	(259)	42,559

The Group (Unaudited)	Attributable to the equity holders of the Company						Total	Non- controlling interests	Total equity
	Share capital	Merger reserve	Statutory /equity reserves	Foreign exchange reserve	Accumulated losses				
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000			
At 1 January 2014 as previously stated	65,736	763	467	(922)	(19,810)	46,234	(223)	46,011	
Prior year adjustments	670	-	-	21	(4,107)	(3,416)	(36)	(3,452)	
At 1 January 2014 restated	66,406	763	467	(901)	(23,917)	42,818	(259)	42,559	
Issuance of shares arising from conversion of convertible loans*	14,272	-	-	-	-	14,272	-	14,272	
Share issue expense*	(429)	-	-	-	-	(429)	-	(429)	
Interest on Convertible loan*	1,000	-	-	-	(1,000)	-	-	-	
Total comprehensive loss for the year	-	-	-	(1,097)	(4,937)	(6,034)	(82)	(6,116)	
At 31 December 2014	81,249	763	467	(1,998)	(29,854)	50,627	(341)	50,286	

*The issuance of shares include net proceeds amounting USD13.84 million (comprising gross proceeds amounting USD14.27 million, share issue expense amounting USD0.43 million) and shares issued in lieu of convertible loan interest amounting USD1.00 million

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Statement of Changes in Equity (Cont'd)

The Company (Restated)	Share capital USD'000	Capital reserve USD'000	Share option reserve USD'000	Equity reserves USD'000	Foreign exchange reserve USD'000	Accumulated losses USD'000	Total USD'000
At 1 January 2013	40,855	969	123	467	-	(21,495)	20,919
Issuance of shares arising from placement	14,928	-	-	-	-	-	14,928
Issuance of shares arising from the exercise of share options	937	-	(164)	-	-	164	937
Issuance of shares pursuant to Employee Share option Scheme	331	-	-	-	-	-	331
Issuance of shares arising from convertible loan	9,572	-	-	-	-	-	9,572
Share issue expense	(887)	-	-	-	-	-	(887)
Early redemption of convertible bonds payable	-	(969)	-	-	-	425	(544)
Option expense	-	-	41	-	-	-	41
Interest on Convertible loan	670	-	-	-	-	(670)	-
Total comprehensive loss for the year	-	-	-	-	(156)	(1,675)	(1,831)
At 31 December 2013 restated	66,406	-	-	467	(156)	(23,251)	43,466

The Company (Unaudited)	Share capital USD'000	Equity reserves USD'000	Foreign exchange reserve USD'000	Accumulated losses USD'000	Total USD'000
At 1 January 2014 as previously stated	65,736	467	-	(22,737)	43,466
Prior year adjustments	670	-	(156)	(514)	-
At 1 January 2014 restated	66,406	467	(156)	(23,251)	43,466
Issuance of shares arising from the conversion of convertible loans*	14,272	-	-	-	14,272
Share issue expense*	(429)	-	-	-	(429)
Interest on Convertible loan*	1,000	-	-	-	1,000
Total comprehensive loss for the year	-	-	(1,099)	(2,346)	(3,445)
At 31 December 2014	81,249	467	(1,255)	(25,597)	54,864

*The issuance of shares include net proceeds amounting USD13.84 million (comprising gross proceeds amounting USD14.27 million, share issue expense amounting USD0.43 million) and shares issued in lieu of convertible loan interest amounting USD1.00 million

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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) Movements in issued and paid-up capital

The Company allotted and issued 155,072,448 new ordinary shares at an issue price of S\$0.1242 per new share pursuant to the Convertible Loan (“Loan”) agreement in FY2014. The net proceeds from the Loan was US\$13.84 million. Please refer to the announcements dated 16 July 2014, 29 August 2014, and 29 September 2014 respectively for further details.

(B) Outstanding Convertible Loan

The Company may issue up to 51,690,816 new ordinary shares at an issue price of S\$0.1242 per conversion share pursuant to the Loan. The aggregate principal amount of the outstanding shares is up to S\$6.00 million plus a flat interest of 7% calculated and payable by shares.

(C) 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.

Details are as follows:

	As at 31 Dec 2014	As at 31 Dec 2013
Total number of ordinary shares	1,035,050,000	1,035,050,000
Share issuance under the Convertible Loan agreement in FY2014	155,072,448	-
Total number of issued shares excluding treasury shares	<u>1,190,122,448</u>	<u>1,035,050,000</u>

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- 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.**

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 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, save for the change in restatements set out in Section 1.

- 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.**

Save for the restatements as set out in Section 1, on 1 January 2014, the Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (“SFRS”) 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.

- 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:-**

	Full Year 31 Dec 2014	Full Year 31 Dec 2013
	(Unaudited)	(Restated)
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)	(0.45)	(0.60)
Fully diluted (USD cents) (i)	(0.45)	(0.60)
Basic and fully diluted loss per share were based on:		
Loss for the year (USD’000)	(4,937)	(4,884)
	No. of shares	No. of shares
Weighted average number of ordinary shares for basic and fully diluted earnings per share computation	1,108,550,091	814,821,872

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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	
	31 December 2014 (Unaudited)	31 December 2013 (Restated)	31 December 2014 (Unaudited)	31 December 2013 (Restated)
Net assets value per ordinary share (USD cents)	4.25	4.14	4.61	4.20
Net assets value (USD'000)	50,627	42,818	54,864	43,466
Issued and fully paid ordinary shares	1,190,122,448	1,035,050,000	1,190,122,448	1,035,050,000

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.

Group Income Review

Revenue (USD'000)	FY2014 (Unaudited)	FY2013 (Restated)	+ / (-) Change %
Oilfield services	967	5,097	(81)
Exploration and Production (E&P)	737	302	144
Total revenue	<u>1,704</u>	<u>5,399</u>	(68)

The Group registered total revenue amounting to USD1.70 million in FY2014. The decrease in total revenue was due to an advisory service fee of USD4.14 million recorded in FY2013 but not repeated in FY2014. The Group’s core oil production revenue increased significantly to USD0.74 million due to higher net shareable oil recorded in the year.

Cost and Earning Analysis

Other income declined from USD0.23 million in FY2013 to USD0.09 million in FY2014 due to a forfeited deposit amounting USD0.16 million from the termination of private placement in FY2013 but not repeated in FY2014.

Production expenses increased 11% from USD0.98 million in FY2013 to USD1.09 million in FY2014 mainly due to the increase in maintenance cost for well servicing.

Staff cost increased 35% from USD1.61 million in FY2013 to USD2.17 million in FY2014 due to the new headcount in Uniteq Energy Services Pte Limited, the oil services division of the Group as well as at Kampung Minyak Oil Field (“KM Field”).

Depreciation and amortisation increased 26% from USD1.16 million in FY2013 to USD1.47 million in FY2014 due to the increase in production in FY2014 as compared to FY2013.

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Finance costs was USD0.05 million in FY2014 as compared to USD4.64 million in FY2013. This was due to an interest expense incurred on the early redemption of convertible bonds in FY2013 which was not repeated in FY2014.

Due to the above, net loss attributable to equity holders of the Company was approximately USD4.94 million in FY2014 as compared to the net loss of USD4.88 million in FY2013.

Financial Position and Liquidity

(USD'000)	FY2014	FY2013
	(Unaudited)	(Restated)
Cash used in operating activities	(4,725)	4,930
Cash used in investing activities	(2,028)	(7,686)
Cash generated from financing activities	12,434	4,114
Net Increase in cash and cash equivalents	5,681	1,358
Effects of exchange rate changes on cash and cash equivalents	44	(6)
Cash and cash equivalents at end of year	12,627	6,902

There was a net cash outflow of approximately USD4.73 million in operating activities mainly due to the net loss adjusted for non-cash items such as depreciation.

Cash used in investing activities amounted to USD2.03 million in FY2014 due to drilling activities at KM Field.

Cash generated from financing activities amounted to USD12.43 million due to the net proceeds of USD13.84 million received from the convertible loans as the Company drew down SGD18.00 million of convertible loans, offset by an USD1.41 million increase in amount due from associates (Gunung Indah Lestari Limited “GKM” and CHPL Cambodia).

The Group’s current assets as at 31 December 2014 increased by USD6.36 million as compared to 31 December 2013 mainly due to the increase in cash and cash equivalents by USD5.73 million as a result of the drawdown of the convertible loans. Trade and other receivables increased USD0.63 million mainly due to increase in VAT, tax recoverable and trade receivables from Pertamina EP.

Non-current assets increased by USD1.40 million in FY2014 due to increase in amount due from associate companies. Amount due from associate companies, GKM and CPHL (Cambodia) increased by USD1.41 million due to cash calls by GKM and the technical service fee charged to CPHL (Cambodia) in FY2014. Investment in associates decreased by USD0.57 million due to the share of losses in associates.

The Group’s current liabilities (comprising solely of trade and other payables) decreased by USD0.07 million in FY2014 mainly due to the payment of accrued expenses as at 31 December 2014.

The Group’s non-current liabilities (comprising solely of provision for decommissioning) increased by USD0.09 million due to the accretion and additional provision for decommissioning provision of our previously drilled and newly drilled oil wells in the KM Field.

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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.

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.**

Kampung Minyak (“KM”) Oil Field

In 4Q2014, the total lifting of crude oil was 12,644 barrels and total incremental oil production amounted to 7,478 barrels. Daily lifting increased from average of 108 barrels in 9M2014 to an average of 139 barrels in 4Q2014. This was due to the use of crane service for basic well services such as the tightening of staffing box and the changing rod pumps. Currently, the KM’s team strategy is to enhance the production in the oilfield with minimum re-activity costs, thus improving the incremental contribution from the oil field. This has been proven successful from November 2014 to January 2015.

The Group will also be commencing hydro-injecting pilot program trials at KM604 to optimize production in 3Q2015.

Directional drilling and well engineering services

In 2Q2014, the Company set up a new wholly-owned subsidiary, Uniteq Energy Services Pte. Ltd., for the provision of low environmental impact directional drilling and well engineering services to E&P companies. The Company recruited a team that is highly experienced in directional drilling services and commenced business in 3Q2014. However, due to the drop in oil price, many E&P companies are re-looking at their drilling plans, which has stalled the development of Uniteq’s new business. The Company will continuously assess the potential of the directional drilling services business and ensure that it will complement the Group’s core business activities.

Cambodia Block D

The Management on behalf of CPHL Cambodia met with the Ministry of Mines and Energy of Cambodia (“MMEC”) and received a proposal from MMEC for the extension of exploration period in Block D. The management had met MMEC again in November 2014 to finalise the terms of the proposal. Subsequently, CHPL Cambodia sent the latest extension letter with the agreed terms by both parties and is presently awaiting the formal extension letter from MMEC.

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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 year ended 31 December 2014.

13. Interested Person Transactions

There was no Interested Person transactions (IPT) for year the ended 31 December 2014.

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

The Company has raised a total of USD37.46 million from the placement and loans issued in FY2013 and FY2014. The unutilised amount from the proceeds amounted to USD9.93 million as at 31 December 2014. The use of proceeds from the placement and loans were in accordance with the intended use.

	USD' million
Net proceeds from drawdown of placement and loans	37.46
Less use of proceeds:	
Repayment of senior bonds due April 2014	(17.44)
Investment in 10% stake in GKM	(3.00)
Loan to GKM	(1.11)
Exploration, drilling and testing activities at KM Field	(2.91)
Working capital (staff/office cost, production costs)	(3.07)
Balance as at 31 December 2014	9.93

Additional Disclosure Required for Mineral, Oil and Gas companies

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

For 4Q2014, funds / cash were mainly used for the following activities:-

Purpose	Amount (USD million)
Exploration, drilling and testing activities at Kampung Minyak Oil Field	1.00
Working Capital	1.20
Total	2.20

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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 January 2015 to 31 March 2015), the Group's use of funds / cash for exploration activities and other expected to be as follows:-

Purpose	Amount (USD million)
Investment in new and existing exploration opportunities	1.00
Working Capital	1.20
Total	2.20

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.

15c. 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 at Kampung Minyak Oil Field was in line with the projected use of funds in the in 3Q2014 announcement.

15d. 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 is in the midst of finalising its QPR (Qualified Person's Report) as at 31 December 2014 which will be announced at a later date. Based on draft estimates given, management do not expect an impairment on its concession rights and oil and gas properties as at 31 December 2014.

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16. In the review of the performance, the factors leading to any material changes in contributions to turnover and earning by the geographical segments (of the group) in the form presented in the issuer’s most recently audited financial statement with comparative information for the immediate preceding year.

The Group operates three operating segments, oilfield services segment and oil exploration and oilfield development segment.

	Oilfield services		Oil exploration and		Total	
	2014	2013	2014	2013	2014	2013
	Unaudited USD'000	Restated USD'000	Unaudited USD'000	Restated USD'000	Unaudited USD'000	Restated USD'000
Revenue from external customers	967	5,097	737	302	1,704	5,399
Segment results	(425)	4,196	(2,891)	(3,697)	(3,316)	499
Unallocated operating expenses					(2,312)	(1,560)
Results from operating activities					(5,628)	(1,061)
Interest income					86	70
Finance costs					(52)	(4,640)
Loss on disposal of subsidiaries					-	132
Share of loss of associates					575	517
Net loss for the year					(5,019)	(4,982)
Segment assets	484	764	21,629	18,991	22,113	19,755
Unallocated assets					37,151	31,757
Total assets					59,264	51,512
Segment liabilities	780	324	6,222	6,161	7,002	6,485
Unallocated liabilities					1,976	2,468
Total liabilities					8,978	8,953
Depreciation	1	22	756	433	757	455
Unallocated depreciation					15	11
					772	466
Amortisation	-	-	693	693	693	693
Capital expenditure	14	-	2,014	4,685	2,028	4,685
Unallocated expenditure					-	1
					2,028	4,686

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17. A breakdown of sales as follows:-

Group	FY2014 (Unaudited) USD'000	FY2013 (Restated) USD'000	Change +/(-)%
(a) Sales reported for the first half year	839	3,116	(73)
(b) Operating loss/(profit) after tax before deducting minority interests reported for the first half year	(2,822)	670	n.m.
(c) Sales reported for the second half year	865	2,283	(62)
(d) Operating loss after tax before deducting minority interests reported for the second half year	(2,197)	(5,652)	(61)

n.m.: not meaningful

18. A breakdown of the total annual dividend (in dollar value) for the issuer’s latest full year and its pervious year as follows:-

Total Annual Dividend

Group	FY2014 (Unaudited) USD'000	FY2013 (Restated) USD'000
Ordinary	Nil	Nil
Preference	Nil	Nil

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the listing manual of the Singapore Exchange Securities Trading, the Company confirms that there is no person occupying a managerial position in the Company or in any of its subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

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

28 February 2015