



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

**Unaudited and Restated Full Year Financial Statement and Dividend Announcement for the Year Ended 31 December 2015**

**Subsequent to our last results announcement dated 29 February 2016, due to material uncertainties surrounding our on-going negotiations with the Cambodian authorities, the Group had in consultation with the relevant parties determined that it was appropriate and prudent to make a full provision on its investment and receivables due from its associate, CPHL (Cambodia) Company Limited ("CPHLC") amounting to US\$2.36 million and US\$21.43 million at the Group respectively. This unaudited & restated FY2015 results announcement reflected the effects of impairment on the Group's investment in and provision for receivables from the associate – CPHL Cambodia Company Limited.**

**PART I- INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS**

- 1(a) Income statement and statement of comprehensive income, or a statement of comprehensive income, for the group – corresponding period of the immediately preceding year.

	Group		
	Full Year 31 Dec 2015 (Unaudited & Restated)	Full Year 31 Dec 2014 (Audited)	+ / (-) Change
	US\$'000	US\$'000	%
Revenue	2,102	1,704	23
Other income	108	86	26
Production expenses (Note 1)	(3,991)	(1,086)	267
Staff cost	(2,497)	(2,172)	15
Depreciation and amortisation	(1,735)	(1,464)	19
Other expense	(1,792)	(1,393)	29
Impairment loss on investment in associate	(2,360)	–	n.m.
Provision for amount due from associate	(21,427)	–	n.m.
Finance costs	(58)	(52)	12
Share of losses of associates	(479)	(575)	(17)
Loss before income tax	(32,129)	(4,952)	549
Income tax	(61)	(67)	(9)
Total loss for the period	(32,190)	(5,019)	541
Other comprehensive income/ (loss):			
Currency translation arising from presentation currency	(1,507)	(1,099)	37
Currency translation arising from consolidation	433	2	21,550
Other comprehensive loss for the period, net of tax	(1,074)	(1,097)	(2)
Total comprehensive loss	(33,264)	(6,116)	444
<b>Loss for the period attributable to:</b>			
Equity holders of the Company	(32,027)	(4,937)	549
Non-controlling interests	(163)	(82)	99
	(32,190)	(5,019)	541
<b>Total comprehensive loss attributable to:</b>			
Equity holders of the Company	(33,101)	(6,034)	449
Non-controlling interests	(163)	(82)	99
	(33,264)	(6,116)	444

Note 1: Production expenses increased due to contractual obligations with Pertamina in respect to our oilfield in Indonesia.

n.m.: not meaningful



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**1(a) Income statement and statement of comprehensive income, or a statement of comprehensive income, for the group – corresponding period of the immediately preceding year. (Cont'd)**

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

	Group		
	Full Year 31 Dec 2015 (Unaudited & Restated)	Full Year 31 Dec 2014 (Audited)	+ / (-) Change
	US\$'000	US\$'000	%
Interest income	(108)	(86)	26
Interest expense	58	52	12
Foreign exchange loss/(gain), net	145	(548)	(126)
Depreciation of property, plant and equipment	114	73	56
Depreciation of oil and gas properties	928	698	33
Repayment of non-shareable oil liabilities and penalties	(183)	(618)	(70)
Provision for doubtful debt	–	320	n.m.
Provision for amount due from associate	21,427	–	n.m.
Amortisation of intangible assets	693	693	–
Loss on disposal of property, plant and equipment	1	–	n.m.
Share of losses of associates	479	575	(17)

*n.m.: not meaningful*



# MIRACH ENERGY LIMITED (COMPANY NO.200305397E)

## 1(b) Statement of financial position (for the issuer and group) as at the end of the immediately preceding year.

	Group		Company	
	31 Dec 2015 (Unaudited & Restated) US\$'000	31 Dec 2014 (Audited) US\$'000	31 Dec 2015 (Unaudited & Restated) US\$'000	31 Dec 2014 (Audited) US\$'000
<b>Non-current assets</b>				
Oil and gas properties	7,263	8,113	–	–
Property, plant and equipment	467	217	68	101
Intangible assets	7,309	8,003	–	–
Investment in subsidiaries	–	–	17	5,764
Investment in associates	2,708	5,547	–	7,486
Amount due from subsidiaries	–	–	30,353	25,048
Amounts due from associates	–	19,674	–	6,427
Pledged fixed deposit	2,501	2,501	–	–
	20,248	44,055	30,438	44,826
<b>Current assets</b>				
Inventories	43	–	–	–
Trade and other receivables	1,403	1,260	144	172
Prepayment	135	219	12	13
Amounts due from subsidiaries	–	–	3,919	4,639
Amounts due from associates	943	1,103	–	–
Cash and short-term deposits	3,522	12,627	1,718	10,410
	6,046	15,209	5,793	15,234
<b>Current liabilities</b>				
Trade and other payables	7,356	7,360	2,156	2,303
Accrued operating expenses	1,183	1,070	110	119
Amounts due to subsidiaries	–	–	1,983	2,774
Income tax payable	186	67	–	–
	8,725	8,497	4,249	5,196
<b>Net current assets</b>	(2,679)	6,712	1,544	10,038
<b>Non-current liabilities</b>				
Provision for decommissioning of wells	538	481	–	–
Deferred tax liabilities	9	–	–	–
	547	481	–	–
<b>Net assets</b>	17,022	50,286	31,982	54,864
<b>Equity attributable to owners of the Company</b>				
Share capital	81,249	81,249	81,249	81,249
Accumulated losses	(61,881)	(29,854)	(46,901)	(25,597)
Other reserves	(1,842)	(768)	(2,366)	(788)
	17,526	50,627	31,982	54,864
<b>Non-controlling interests</b>	(504)	(341)	–	–
<b>Total equity</b>	17,022	50,286	31,982	54,864



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**1(c) Borrowings and debt securities (for the group) – as at the end of the immediately preceding year**

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

As at 31 December 2015		As at 31 December 2014	
Secured (Unaudited & Restated) US\$'000	Unsecured (Unaudited & Restated) US\$'000	Secured (Audited) US\$'000	Unsecured (Audited) US\$'000
Nil	Nil	Nil	Nil

**Amount repayable after one year:**

As at 31 December 2015		As at 31 December 2014	
Secured (Unaudited & Restated) US\$'000	Unsecured (Unaudited & Restated) US\$'000	Secured (Audited) US\$'000	Unsecured (Audited) US\$'000
Nil	Nil	Nil	Nil

**1(d) Statement of cash flows (for the group) – corresponding period of the immediately preceding year**

	Group	
	Full Year 31 Dec 2015 (Unaudited & Restated) US\$'000	Full Year 31 Dec 2014 (Audited) US\$'000
	<b>Cash flows from operating activities</b>	
Loss before income tax	(32,129)	(4,952)
<b>Adjustments for:</b>		
Interest expenses	58	52
Interest income	(108)	(86)
Depreciation of property, plant and equipment	114	73
Depreciation of oil and gas properties	928	698
Amortisation of intangible assets	693	693
Allowance for doubtful debt	–	320
Repayment of non–shareable oil liabilities and penalties	(183)	(618)
Loss on disposal of fixed assets	1	–
Provision for decommissioning	–	41
Share of losses of associates	479	575
Impairment loss on investment in associate	2,360	–
Provision for amount due from associate	21,427	–
Unrealised exchange loss	215	–
<b>Operating cash flows before working capital changes</b>	<b>(6,145)</b>	<b>(3,204)</b>



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**1(d) Statement of cash flows (for the group) – corresponding period of the immediately preceding year. (Cont'd)**

	Group	
	Full Year 31 Dec 2015 (Unaudited & Restated)	Full Year 31 Dec 2014 (Audited)
	US\$'000	US\$'000
<u>Changes in working capital</u>		
Increase in inventories	(43)	–
Increase in trade and other receivables and prepayments	(59)	(950)
Increase/(Decrease) in trade and other payables	468	(483)
<b>Cash used in operations</b>	<b>(5,779)</b>	<b>(4,637)</b>
Interest received	108	86
<b>Cash flows used in operating activities</b>	<b>(5,671)</b>	<b>(4,551)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(366)	(160)
Proceeds from disposal of property, plant and equipment	1	–
Additions to oil and gas properties	–	(1,840)
Usage of spare parts	(78)	(27)
<b>Cash flows used in investing activities</b>	<b>(443)</b>	<b>(2,027)</b>
<b>Financing activities</b>		
Increase in amounts due from associates	(2,413)	(1,409)
Net proceeds from convertible loan	–	13,843
<b>Cash flows (used in)/ generated from financing activities</b>	<b>(2,413)</b>	<b>12,434</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(8,527)</b>	<b>5,856</b>
Effects of exchange rate changes on balances held in foreign currencies	(578)	(131)
Cash and cash equivalents at beginning of the period	12,627	6,902
<b>Cash and cash equivalents at end of the period (Note 1)</b>	<b>3,522</b>	<b>12,627</b>

**Note 1:**

Cash and cash equivalents consist of:

	The Group	
	31 Dec 2015 US\$'000	31 Dec 2014 US\$'000
Cash at banks and on hand	2,815	7,341
Short-term deposits and cash pledged	3,208	7,787
Total cash, bank balances and fixed deposit	6,023	15,128
Less: fixed deposits and cash pledged	(2,501)	(2,501)
Cash and cash equivalents	3,522	12,627



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**1(e) Changes in equity (for the issuer and group) – corresponding period of the immediately preceding year.**

The Group	Attributable to owners of the Company						Non-controlling interests	Total equity
	Share capital	Merger reserve	Statutory /equity reserves	Foreign exchange reserve	Accumulated losses	Equity attributable to owners of the Company		
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)		
	US\$'000	US\$'000	US\$'000	US\$'00	US\$'000	US\$'000		
<b>At 1 January 2014</b>	<b>65,736</b>	<b>763</b>	<b>467</b>	<b>(922)</b>	<b>(19,810)</b>	<b>46,234</b>	<b>(223)</b>	<b>46,011</b>
Prior year adjustments	670		–	21	(4,107)	(3,416)	(36)	(3,452)
<b>At 1 January 2014 restated</b>	<b>66,406</b>	<b>763</b>	<b>467</b>	<b>(901)</b>	<b>(23,917)</b>	<b>42,818</b>	<b>(259)</b>	<b>42,559</b>
Issuance of new shares from the conversion of Convertible Loan	14,272	–	–	–	–	14,272	–	14,272
Share issuance expenses	(429)	–	–	–	–	(429)	–	(429)
Interest on Convertible Loan	1,000	–	–	–	(1,000)	–	–	–
Total comprehensive loss for the period	–	–	–	(1,097)	(4,937)	(6,034)	(82)	(6,116)
<b>At 31 December 2014</b>	<b>81,249</b>	<b>763</b>	<b>467</b>	<b>(1,998)</b>	<b>(29,854)</b>	<b>50,627</b>	<b>(341)</b>	<b>50,286</b>

The Group	Attributable to owners of the Company						Non-controlling interests	Total equity
	Share capital	Merger reserve	Statutory/equity reserves	Foreign exchange reserve	Accumulated losses	Equity attributable to owners of the Company		
	(Unaudited & Restated)	(Unaudited & Restated)	(Unaudited & Restated)	(Unaudited & Restated)	(Unaudited & Restated)	(Unaudited & Restated)		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000		
<b>At 1 January 2015</b>	<b>81,249</b>	<b>763</b>	<b>467</b>	<b>(1,998)</b>	<b>(29,854)</b>	<b>50,627</b>	<b>(341)</b>	<b>50,286</b>
Total comprehensive loss for the period	–	–	–	(1,074)	(32,027)	(33,101)	(163)	(33,264)
<b>At 31 December 2015</b>	<b>81,249</b>	<b>763</b>	<b>467</b>	<b>(3,072)</b>	<b>(61,881)</b>	<b>17,526</b>	<b>(504)</b>	<b>17,022</b>



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**1(e) Changes in equity (for the issuer and group) – corresponding period of the immediately preceding year. (Cont'd)**

The Company	Share capital (Audited) US\$'000	Statutory/equity reserves (Audited) US\$'000	Foreign exchange reserves (Audited) US\$'000	Accumulated losses (Audited) US\$'000	Total equity (Audited) US\$'000
<b>At 1 January 2014</b>	65,736	467	–	(22,737)	43,466
Prior year adjustment	670	–	(156)	(514)	–
<b>At 1 January 2014 restated</b>	66,406	467	(156)	(23,251)	43,466
Issuance of new shares from the conversion of Convertible Loan	14,272	–	–	–	14,272
Share issuance expenses	(429)	–	–	–	(429)
Interest on Convertible Loan	1,000	–	–	(1,000)	–
Total comprehensive loss for the period	–	–	(1,099)	(1,346)	(2,445)
<b>At 31 December 2014</b>	81,249	467	(1,255)	(25,597)	54,864

The Company	Share capital (Unaudited & Restated) US\$'000	Statutory/equity reserves (Unaudited & Restated) US\$'000	Foreign exchange reserves (Unaudited & Restated) US\$'000	Accumulated losses (Unaudited & Restated) US\$'000	Total equity (Unaudited & Restated) US\$'000
<b>At 1 January 2015</b>	81,249	467	(1,255)	(25,597)	54,864
Total comprehensive loss for the period	–	–	(1,578)	(21,304)	(22,882)
<b>At 31 December 2015</b>	81,249	467	(2,833)	(46,901)	31,982

**1(f) Changes in issuer's share capital (for the issuer) – since the end of the previous period reported on.**

As at 31 December 2015, the issuer's share capital reported is at US\$81.249 million (unaudited).



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**1(g) Number of shares that may be issued on conversion of all outstanding convertibles – corresponding period of immediately preceding year.**

As at 31 December 2015, the Company has no outstanding convertible loan. The maturity date for the Upsize loan was due on 18 July 2015, which was 24 months after the first drawn down of the Minimum Loan pursuant to the Convertible Loan Agreement. However, there were no draw down on the remaining portion of the Upsize loan, which had since lapsed.

For more details on the Convertible Loan Agreement in FY2014, please refer to our announcements dated 16 July 2014, 29 August 2014 and 29 September 2014 respectively.

**1(h) Number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer – corresponding period of immediately preceding year.**

	As at 31 Dec 2015	As at 31 Dec 2014
Total number of ordinary shares	119,012,238	1,035,050,000
Shares issuance under the Convertible Loan Agreement in FY2014	–	155,072,448
Total number of issued shares excluding treasury shares	<u>119,012,238</u>	<u>1,190,122,448</u>

There was a share consolidation exercise as at 12 May 2015, which resulted in every 10 issued ordinary shares consolidated into 1 issued ordinary share.

**(a) 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.**

As at the end of the last financial year, the number of issued ordinary shares excluding treasury shares for the Company was at 1,190,122,448. The total issued ordinary shares excluding treasury shares of the Company is 119,012,238 for the period ended 31 December 2015 after the share consolidation exercise that was completed on 13 May 2015.

**(b) 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. If the issuer has granted options or shares under its share scheme during the year, please confirm that an SGXNET announcement has been made on the date of the offer as well as details of the grant in accordance with Rule 704(29).**

As at 31 December 2015, the Company does not have treasury shares.

There are no options or shares granted under its share scheme during the year ended 31 December 2015.

**2. Please state whether the figures have been audited or reviewed, and if so which auditing standard or practice has been followed.**

The figures as at 31 December 2015 have neither been audited nor reviewed by the Company's auditors.





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3. **If the figures have been audited or reviewed, please provide a statement on whether there are any qualifications or emphasis of a matter.**

Not applicable.

4. **Please state whether the same accounting policies and method of computation as the issuer's most recently audited financial statements have been followed.**

The accounting policies and methods of computation as per the most recently audited financial statements have been consistently followed in the latest full year results and its comparatives figures.

5. **If there have been any changes in the accounting policies and method of computation from the most recently audited financial statements, please make adequate disclosure and state the reasons for and effect of the change.**

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 2015. The adoption of the new accounting standards should not have any effect on the financial results of the Group and the Company.

6. **Earnings per share: - calculation is based on both a weighted average and fully diluted basis.**

	Full Year 31 December 2015	Full Year 31 December 2014
	(Unaudited & Restated)	(Audited)
<b>Loss per ordinary share of the Group for the financial period based on net loss attributable to equity holders of the Company:</b>		
Basic (US\$ cents)	26.91	4.45
Fully diluted (US\$ cents)	26.91	4.45
<b>Basic loss per share were based on:</b>		
Net loss for the period (US\$'000)	32,027	4,937
	No. of shares	No. of shares
Weighted average number of ordinary shares for fully diluted earnings per share computation	119,012,238	110,855,009*

\*The weighted average number of shares for calculation of EPS has been restated for comparative purposes.



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7. **Net asset value per share: - calculation is based on issued share capital as at the end of the current period and the immediately preceding financial year.**

	Group		Company	
	31 December 2015 (Unaudited & Restated)	31 December 2014 (Audited)	31 December 2015 (Unaudited & Restated)	31 December 2014 (Audited)
Net assets value per ordinary share (US\$ cents)	14.73	42.54	26.87	46.10
Net assets value (US\$'000)	17,526	50,627	31,982	54,864
Issued and fully paid ordinary shares	119,012,238	119,012,238*	119,012,238	119,012,238*

\*The number of shares for calculation of Net Assets Value has been restated for comparative purposes.

8. **A review of the performance for the group, to the extent necessary for a reasonable understanding of the group's business. In particular, please include a discussion of significant factors affecting the turnover, costs and earnings; and material factors affecting the cash flow, working capital, assets or liabilities of the group during the current period reported on.**

**(A) INCOME STATEMENT/STATEMENT OF COMPREHENSIVE INCOME**

**Turnover Analysis**

Revenue (US\$'000)	FY2015 (Unaudited & Restated)	FY2014 (Audited)	Change %
Oilfield services	1,043	967	8
Exploration and Production (E&P)	1,059	737	44
<b>Total revenue</b>	<b>2,102</b>	<b>1,704</b>	<b>23</b>

Total revenue for the Group reported was US\$2.10 million for the financial year ended 31 December 2015.

Since April 2015, all prior NSO shortfall at Kampung Minyak Oil Field ("KM Field") had been fully repaid, and these had led to an increase in the incremental oil which saw a correspondingly higher E&P revenue for FY2015.

Notwithstanding the reduction in 12-months average annual Indonesia Crude Price (ICP) from US\$93.08 to US\$46.80 per barrel (by 50%), the total cost recovery and entitlement revenue increase by 22% from US\$0.72 million in FY2014 to US\$0.88 million in FY2015. These improvements were also in part a result of higher gross lifting due to better well servicing.

The increase in revenue on oilfield services was mainly contributed by a subsidiary which performed oilfield technical services.

**Costs and Earnings Analysis**

Other income relates mainly to interest income which increased by US\$0.02 million or 26% for FY2015 as compared to FY2014, was derived from cash pledged as well as fixed deposit placements.

Production expenses surged by US\$2.90 million or 267% for FY2015 in comparison with FY2014, mainly as a result of re-activation of old wells as well as hydro-slotting projects. These huge expenses are mainly due to commitments pursuant to our contractual obligations.



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The higher staff cost by US\$0.33 million or 15% for FY2015 as compared to FY2014 was due to new headcounts onboard KM Field and higher costs at its corporate office due to new headcount through its increased activities.

Alongside with higher production, there was an increase in the depreciation of oil and gas properties. As such, depreciation and amortisation increased by US\$0.27 million or 19% for FY2015 in comparison with FY2014.

Other expenses increased by US\$0.40 million or 29% mainly due to a slide from an exchange gain of US\$0.55 million to an exchange loss of US\$0.02 million as well as a write-off of VAT for US\$0.12 million and some changes in other costs such as office rental. There was also a provision for doubtful debt under other expenses in FY2014 for US\$0.32 million not seen this year.

The finance costs represented the accretion of asset restoration obligations for 10 new wells annually of which their costs are discounted back to present value. Even though there is a 12% increase in FY2015 versus FY2014, the value of US\$0.006 million is insignificant and due to accretion of the asset retirement obligations.

The share of losses on associates reported at US\$0.48 million for FY2015. They are contributed by CPHLC in its initial seismic and drilling studies phase and Gunung Indah Lestari Limited, which principally engages in exploration and production activities for Oil and Gas.

Due to the material uncertainties surrounding its continuing negotiation with the Cambodian authorities, the Group made a full provision on its investment and receivables due from its associate – CPHL (Cambodia) Company Limited (“CPHLC”) amounting to US\$2.36 million and US\$21.43 million respectively.

As a result of all the above, the net loss attributable to equity holders of the Company was approximately US\$32.03 million for FY2015 as compared to the net loss of US\$4.94 million for FY2014.

### **(B) BALANCE SHEET/STATEMENT OF FINANCIAL POSTION**

#### **Assets & Liabilities**

For the current assets of the Group as at 31 December 2015, they decreased by US\$9.16 million as compared to 31 December 2014 mainly contributed from decrease in cash and short-term deposits by US\$9.11 million. As for the liabilities of the Group as at 31 December 2015, there were no major variances for current liabilities other than accruals on some operational expenses as well as tax liabilities arising from the oil production income. In regards to non-current liabilities, there are some additional provisions for decommissioning of wells by about US\$0.06 million in comparison with 31 December 2014.

As at 31 December 2015, the non-current assets for the Group decreased by US\$23.81 million in comparison with 31 December 2014. The material reduction is mainly due to the impairment of investment in CPHLC and amount due from the latter of US\$2.36 million and US\$22.25 million respectively. The other decreases on investments in associate of US\$0.48 million for FY2015 relates to share of losses in the associates for the financial year. Whilst the net depreciation of oil and gas properties and amortisation of intangible assets at US\$0.85 million and US\$0.69 million respectively, there was also a net addition for property, plant and equipment at US\$0.25 million under the fixed assets.



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**(C) CASHFLOW STATEMENT/STATEMENT OF CASHFLOWS**

**Cash Flow & Working Capital**

	FY2015 (Unaudited & Restated)  (US\$'000)	FY2014 (Audited)  (US\$'000)
Cash used in operating activities	(5,671)	(4,551)
Cash used in investing activities	(443)	(2,027)
Cash (used in)/ generated from financing activities	(2,413)	12,434
Net (decrease)/ increase in cash and cash equivalents	(8,527)	5,856
Effect of exchange rate changes on cash and cash equivalents	(578)	(131)
Cash and cash equivalents at beginning of period	12,627	6,902
Cash and cash equivalents at end of period	3,522	12,627

As a summary, the cash and cash equivalent position (inclusive of exchange effects) saw a net decrease of US\$9.11 million for FY2015. These were mainly the result of an absence of financing activities in 2015, the operating results and the changes in working capital for the reporting period.

Cash flow used in investing activities did not witness any additions of US\$1.84 million in oil and gas properties for FY2015, as in the previous year; but there were additions mainly from motor vehicle and oilfield equipment.

Cash flow used in financing activities in FY2015 was arose mainly from increase in amounts owing by CPHLC for advances from and technical service fees charged by the Group.

The net cash outflow of approximately US\$5.67 million in operating activities was mainly due to the net loss and working capital changes. Working capital changes include US\$0.10 million decrease in trade, other receivables, prepayments and inventories. In addition, trade and other payables saw an increase by US\$0.47 million.

**Update on Use of Proceeds from the Placement and Convertible Loans**

From the placement and convertible loans issued between 2H2013 and 1H2015, the Company managed to raise US\$37.46 million in total. The amount from the proceeds unutilised as at 31 December 2015 amounted to US\$3.29 million. The list below summarises the usage of these proceeds and they are in accordance with the purpose on the placement and convertible loans.

	US\$ million
Net proceeds from drawdown of placement and loans	<b>37.46</b>
Less use of proceeds:	
Repayment of senior bonds due April 2014	17.44
Investment in 10% stake in Gunung Indah Lestari Limited	3.00
Loan to Gunung Indah Lestari Limited	0.92
Exploration, drilling and testing activities at KM Field	5.23
Working capital (staff/office cost, production costs)	6.13
Temporary Loan to CPHL Cambodia Limited	1.45
<b>Balance as at 31 December 2015</b>	<b><u>3.29</u></b>



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

There was no forecast or prospect statement made or disclosed to shareholders for the period.

10. **A commentary of the competitive conditions of the industry in which the group operates and any known factors that might affect the group in the next reporting period and the next 12 months.**

### KM Oil Field

Having stabilized the operations at the KM Field, the focus is on reopening old wells and well servicing. The team did not plan to drill new wells given the current oil price environment. Whilst the previous hydro-slotting perforation trials did not offer a good and/or long term results; it was encouraging on the other hand as it indicated the areas where crude oil are trapped and where more efforts may be required for extraction. For the year ended 31 December 2015, some 38 old wells have been reopened and these included 7 wells meant for Pilot Water Flood program. The latter program is into its final phase and set for commissioning by Q2 2016, which shall then be put on an evaluation period of 6 months.

Meanwhile, the Group remains determine to consolidate the KM Field operations so as to contain its operational costs and to enhance its production capacity. This is also in preparation for the opportune time for an effective and efficient “take-off” when oil prices resume to an acceptable level.

### Oil field services and trading

The market conditions surrounding declining oil prices had many E&P companies shelving their drilling plans, and this had impacted the development of its subsidiary, UniTEQ. The operating costs for UniTEQ were downsized accordingly; with the Group keeping a close lookout for available business opportunities through its executive director, Chu Ming, a veteran in the Oil & Gas industry. These are now extended into partnering opportunities beyond the existing countries that the Group already has its current presence.

Meanwhile, the Group is still actively assessing the development of oil trading activities through Acrux Procurement (Singapore) Pte. Ltd amidst the fluctuating market prices.

Another subsidiary, PT. Prima Petroleum Service (formerly known as PT. Kampung Minyak Energy) witnessed some traction with its transformation from an operating entity into an Oil & Gas service company, and have since contributed some revenue to the Group. This entity will actively try to capture some market share in this arena as a service company in Indonesia.

### Cambodia Block D

In August 2015, the Ministry of Mines and Energy of Cambodia (“MME”) granted an extension of the concession to December 2018 subject to the Group complying with certain terms and conditions. Since then, the Group had been in the midst of finalizing the details on the exploration drilling project and drilling rigs commissioning arrangements with various partners, as well as negotiating with the MME on the details of the terms of extension.

As of the date of this announcement, the MME had not agreed on the negotiated terms. Due to the increasing uncertainties surrounding the Cambodian authorities’ approval on our proposal to embark on the exploration phase on Block D, the Management made a provision for its investment as well as amount of receivables due from CPHLC.



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Nonetheless, the Management remains interested and are engaged in discussions with third parties to work together so as to advance the rights and obligations associated with this Petroleum Agreement that has been signed with Royal Government of Cambodia since 27 March 2006. In the event that MME approves our proposed arrangements, the Group can then proceed to the exploration stage, with its joint venture partners.

11. **If a decision regarding dividend has been made, the required information has been disclosed.**

	(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 dividends has been declared or recommended for the year ended 31 December 2015.

13. **If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("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.**

There was no IPT mandate obtained.

**Additional Disclosure Required for Mineral, Oil and Gas Companies admitted for listing pursuant to Rules 210(8) and 210(9):**

**Rule 705(7) of the Mainboard Listing Rules – if the Issuer has made an announcement on the use of funds/cash for the quarter and a projection on the use of funds/cash for the next immediate quarter, including material assumptions within 45 days after the relevant financial period.**

*(a) Details of exploration (including geophysical surveys), development and/or production activities, including explanations for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity recently, that fact must be stated.*

The funds / cash for Q42015 were mainly used for the following activities:-

Purpose	Amount (US\$ million)
Exploration, drilling and testing activities at Kampung Minyak Oil Field	-
Working capital	0.76
Total	0.76

There are no funds utilised for the purpose of exploration, drilling and testing activities at KM field other than for working capital purposes in Q4 2015 and this is in line with the projection for the same period. For working capital, the amount spent is also lower than the US\$1.08 million as KM field further tighten their expenditures in face of the declining oil prices.



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The usage of funds / cash for exploration activities and others for the next immediate quarter (i.e. Period from 1 January 2016 to 31 March 2016) including are expected to be as follows:-

<b>Purpose</b>	<b>Amount (US\$ million)</b>
Exploration, drilling and testing activities at Kampung Minyak Oil Field	-
Working capital	0.65
Total	0.65

(b) *An update on its reserves and resources, where applicable. In accordance with the requirements as set out in Practice Note 6.3, including a summary of reserves and resources as set out in Appendix 7.5.*

There are no material updates on the reserves and resources as set out in the QPR (Qualified Person's Report) since 31 December 2014 as per the last dated 16 March 2015. As of to-date, we have obtained a certification from an independent party that there is no material changes in our reserves and resources since the last QPR.

The Board confirms to the best of their knowledge and that nothing has come to their attention which may render the above information provided to be false or misleading in any material aspect pursuant for Rules 705(6) and 705(7)

On behalf of the Board of Directors,

William Shut Li CHAN / Rhoda Mei Ling LIU

- 14. In the case of an announcement of full year financial statement, the issuer must also disclose the person(s) occupying a managerial position in the issuer or any of its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer.**

The Company confirms that there is no person occupying a managerial position in the Company or in any subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer.

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

**23 March 2016**