

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

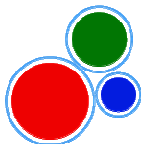
**Unaudited Second Quarter And Half-Year Financial Statement and Dividend Announcement for the Period Ended 30 June 2017**

**PART I- INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1 & Q3), HALF-YEAR (Q2) AND FULL-YEAR (Q4) 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			Group		
	2Q2017	2Q2016	+/(–)	1H2017	1H2016	+/(–)
	30 Jun 2017	30 Jun 2016		30 Jun 2017	30 Jun 2016	
(Unaudited)	(Unaudited)	Change	(Unaudited)	(Unaudited)	Change	
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	189	207	(9)	245	330	(26)
Cost of Goods Sold	(194)	–	n.m.	(194)	–	n.m.
Other income	4	16	(75)	4	39	(90)
Production expenses	(4)	(403)	(99)	(151)	(797)	(81)
Staff cost	(274)	(523)	(48)	(700)	(1,014)	(31)
Depreciation and amortisation	(35)	(337)	(90)	(95)	(658)	(86)
Other expense	(255)	(584)	(56)	(664)	(445)	49
Reversal of provision for amount due from subsidiaries	179	–	n.m.	179	–	n.m.
Reversal of provision for amount due from associate	(24)	–	n.m.	(50)	1,345	n.m.
Impairment loss on oil and gas properties	(2,397)	–	n.m.	(2,397)	–	n.m.
Impairment loss on property, plant and equipment	(202)	–	n.m.	(202)	–	n.m.
Impairment loss on trade and other receivable	(1,160)	–	n.m.	(1,160)	–	n.m.
Gain arising from reversal of liabilities	4,470	–	n.m.	4,470	–	n.m.
Finance costs	–	(16)	(100)	(16)	(32)	(50)
Share of losses of associates	(7)	(7)	–	(30)	(28)	7
Profit / (Loss) before income tax	560	(1,647)	(134)	(491)	(1,260)	(61)
Income tax	–	–	n.m.	–	–	n.m.
Total Profit / (Loss) for the period	560	(1,647)	(134)	(491)	(1,260)	(61)
Other comprehensive income/ (loss):						
Currency translation arising from presentation currency	5	(13)	(138)	19	(382)	(105)
Currency translation arising from consolidation	652	–	n.m.	47	(12)	(492)
Other comprehensive income/ (loss) for the period, net of tax	657	(13)	(5154)	66	(394)	(117)
Total comprehensive income/(loss)	1,217	(1,660)	(173)	(425)	(1,654)	(74)
<b>(Loss)/Gain for the period attributable to:</b>						
Equity holders of the Company	538	(1,624)	(133)	(505)	(1,216)	(58)
Non-controlling interests	22	(23)	(195)	14	(44)	n.m.
	560	(1,647)	(134)	(491)	(1,260)	(61)
<b>Total comprehensive (loss)/gain attributable to:</b>						
Equity holders of the Company	1,195	(1,637)	(173)	(439)	(1,610)	(73)
Non-controlling interests	22	(23)	(195)	14	(44)	n.m.
	1,217	(1,660)	(173)	(425)	(1,654)	(74)

*n.m.: not meaningful*



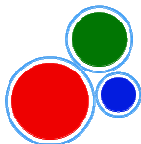
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**1(a) Income statement and statement of comprehensive income, or a statement of comprehensive income, for the group – corresponding period of the immediately preceding year. (Cont'd)**

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

	Group			Group		
	2Q2017	2Q2016	+ / (-)	1H2017	1H2016	+ / (-)
	30 Jun 2017	30 Jun 2016		30 Jun 2017	30 Jun 2016	
(Unaudited)	(Unaudited)	Change	(Unaudited)	(Unaudited)	Change	
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Interest income	–	(16)	(100)	–	(39)	(100)
Interest expense	–	16	100	16	32	(50)
Foreign exchange loss/(gain), net	21	72	(71)	11	(347)	(103)
Depreciation of property, plant and equipment	35	34	3	72	66	9
Depreciation of oil and gas properties	–	129	(100)	23	245	(91)
Repayment of non-shareable oil liabilities and penalties	–	174	n.m.	–	347	n.m.
Loss on disposal of property, plant and equipment	–	–	n.m.	–	1	(100)
Share of losses of associates	7	7	–	30	28	7
Provision for amount due from associate	(26)	–	n.m.	–	–	n.m.
Impairment loss on property, plant and equipment	202	–	n.m.	202	–	n.m.
Reversal of provision for amount due from subsidiaries	(179)	–	n.m.	(179)	–	n.m.
Impairment loss on oil and gas properties	2,397	–	n.m.	2,397	–	n.m.
Impairment loss on trade and other receivable	1,160	–	n.m.	1,160	–	n.m.
Gain arising from reversal of liabilities	(4,470)	–	n.m.	(4,470)	–	n.m.
Reversal of provision for amount due from associate	50	–	n.m.	50	(1,345)	(104)

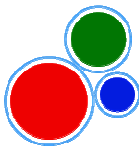
*n.m.: not meaningful*



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

	Group		Company	
	30 Jun 2017 (Unaudited) US\$'000	31 Dec 2016 (Audited) US\$'000	30 Jun 2017 (Unaudited) US\$'000	31 Dec 2016 (Audited) US\$'000
<b>Non-current assets</b>				
Oil and gas properties	599	3,020	–	–
Property, plant and equipment	41	435	41	48
Intangible assets	–	–	–	–
Investment in subsidiaries	–	–	1	1
Investment in associates	2,635	2,664	–	–
Amount due from subsidiaries	–	–	71	–
	3,275	6,119	113	49
<b>Current assets</b>				
Inventories	–	189	–	–
Trade and other receivables	2,207	1,496	81	77
Prepayment	36	47	2	9
Amounts due from subsidiaries	–	–	3,893	3,661
Amounts due from associates	1,738	1,701	–	–
Cash and short-term deposits	2,215	4,696	373	570
	6,196	8,129	4,349	4,317
<b>Current liabilities</b>				
Trade and other payables	3,794	7,330	2,238	2,212
Accrued operating expenses	42	950	–	12
Amounts due to subsidiaries	–	–	2,157	1,666
Income tax payable	163	163	–	–
	3,999	8,443	4,395	3,890
<b>Net current (liabilities)/assets</b>	2,197	(314)	(46)	427
<b>Non-current liabilities</b>				
Contract Deposit	3,000	3,000	–	–
Provision for decommissioning of wells	619	603	–	–
Deferred tax liabilities	11	11	–	–
	3,630	3,614	–	–
<b>Net assets</b>	1,842	2,191	67	476
<b>Equity attributable to owners of the Company</b>				
Share capital	81,249	81,249	81,249	81,249
Accumulated losses	(76,633)	(76,128)	(77,789)	(77,289)
Other reserves	(1,572)	(1,714)	(3,393)	(3,484)
	3,044	3,407	67	476
<b>Non-controlling interests</b>	(1,202)	(1,216)	–	–
<b>Total equity</b>	1,842	2,191	67	476



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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:**

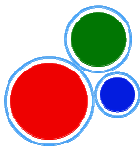
As at 30 June 2017		As at 31 December 2016	
Secured (Unaudited) US\$'000	Unsecured (Unaudited) US\$'000	Secured (Audited) US\$'000	Unsecured (Audited) US\$'000
Nil	Nil	Nil	Nil

**Amount repayable after one year:**

As at 30 June 2017		As at 31 December 2016	
Secured (Unaudited) US\$'000	Unsecured (Unaudited) 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		Group	
	2Q2017 30 Jun 2017 (Unaudited) US\$'000	2Q2016 30 Jun 2016 (Unaudited) US\$'000	1H2017 30 Jun 2017 (Unaudited) US\$'000	1H2016 30 Jun 2016 (Unaudited) US\$'000
<b>Cash flows from operating activities</b>				
Gain/(Loss) before income tax	560	(1,647)	(491)	(1,260)
<b>Adjustments for:</b>				
Grant of equity settled share options to employees	38	–	76	–
Interest expenses	–	16	16	32
Interest income	–	(16)	–	(39)
Depreciation of property, plant and equipment	35	34	72	66
Depreciation of oil and gas properties	–	129	23	245
Amortisation of intangible assets	–	174	–	347
Share of losses of associates	7	7	30	28
Loss on disposal of fixed assets	–	1	–	1
Reversal of provision for amount due from associate	24	–	50	(1,345)
Reversal of provision for amount due from subsidiaries	(179)	–	(179)	–
Impairment loss on trade and other receivables	1160	–	1,160	–
Impairment loss on oil and gas properties	2,397	–	2,397	–
Gain arising from reversal of liabilities	(4,740)	–	(4,740)	–
Impairment loss on property, plant and equipment	202	–	202	–
Unrealised exchange (gain)/loss	931	(10)	274	847
<b>Operating cash flows before working capital changes</b>	<b>435</b>	<b>(1,312)</b>	<b>(1,110)</b>	<b>(1,078)</b>



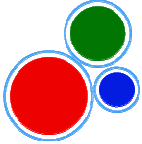
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**1(d) Statement of cash flows (for the group) – corresponding period of the immediately preceding year. (Cont'd)**

	Group		Group	
	2Q2017	2Q2016	1H2017	1H2016
	30 Jun	30 Jun	30 Jun	30 Jun
	2017	2016	2017	2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Changes in working capital</u>				
Increase/(Decrease) in inventories	189	(23)	189	(146)
Increase in trade and other receivables and prepayments	(1,328)	(18)	(1,860)	(169)
Increase/(decrease) in trade and other payables	176	3,238	296	3,451
<b>Cash generated from/(used in) operations</b>	<b>(528)</b>	<b>1,885</b>	<b>(2,485)</b>	<b>2,058</b>
Interest received	–	16	–	39
<b>Cash flows generated from/(used in) operating activities</b>	<b>(528)</b>	<b>1,901</b>	<b>(2,485)</b>	<b>2,097</b>
<b>Investing activities</b>				
Purchase of property, plant and equipment	–	–	–	(56)
Proceeds from disposal of property, plant and equipment	–	–	–	–
(Purchased of)/usage of spare parts	–	–	–	(3)
<b>Cash flows used in investing activities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(59)</b>
<b>Financing activities</b>				
Decrease/(increase) in amounts due from associates	(58)	68	(87)	65
<b>Cash flows generated from/(used in) financing activities</b>	<b>(58)</b>	<b>68</b>	<b>(87)</b>	<b>65</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(586)</b>	<b>1,969</b>	<b>(2,572)</b>	<b>2,103</b>
Effects of exchange rate changes on balances held in foreign currencies	27	(3)	91	90
Cash and cash equivalents at beginning of the period	2,774	3,749	4,696	3,522
<b>Cash and cash equivalents at end of the period (Note 1)</b>	<b>2,215</b>	<b>5,715</b>	<b>2,215</b>	<b>5,715</b>

**Note 1:**  
Cash and cash equivalents consist of:

	The Group	
	30 Jun	30 Jun
	2017	2016
	US\$'000	US\$'000
Cash at banks and on hand	2,215	5,715
Short-term deposits and cash pledged	–	2,501
Total cash, bank balances and fixed deposit	2,215	8,216
Less: fixed deposits and cash pledged	–	(2,501)
<b>Cash and cash equivalents</b>	<b>2,215</b>	<b>5,715</b>

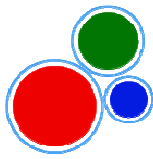


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**1(e) Changes in equity (for the issuer and group) – corresponding period of the immediately preceding year.**

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		
	(Unaudited) US\$'000	(Unaudited) US\$'000	(Unaudited) US\$'000	(Unaudited) US\$'00	(Unaudited) US\$'000	(Unaudited) US\$'000	(Unaudited) US\$'000	(Unaudited) US\$'000
<b>At 1 January 2016</b>	81,249	763	467	(3,072)	(61,881)	17,526	(504)	17,022
Total comprehensive loss for the period	–	–	–	(394)	(1,216)	(1,610)	(44)	(1,654)
<b>At 30 June 2016</b>	81,249	763	467	(3,466)	(63,097)	15,916	(548)	15,368

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) US\$'000	(Unaudited) US\$'000	(Unaudited) US\$'000	(Unaudited) US\$'000	(Unaudited) US\$'000	(Unaudited) US\$'000	(Unaudited) US\$'000	(Unaudited) US\$'000
<b>At 1 January 2017</b>	81,249	763	542	(3,019)	(76,128)	3,407	(1,216)	2,191
Grant of equity settled share options to employees	–	–	76	–	–	76	–	76
Total comprehensive loss for the period	–	–	–	66	(505)	(439)	14	(425)
<b>At 30 June 2017</b>	81,249	763	618	(2,953)	(76,633)	3,044	(1,202)	1,842



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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	Statutory/equity reserves	Foreign exchange reserves	Accumulated losses	Total equity
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>At 1 January 2016</b>	<b>81,249</b>	<b>467</b>	<b>(2,833)</b>	<b>(46,901)</b>	<b>31,982</b>
Grant of equity settled share options to employees	–	–	–	–	–
Total comprehensive loss for the period	–	–	(367)	763	396
<b>At 30 June 2016</b>	<b>81,249</b>	<b>467</b>	<b>(3,200)</b>	<b>(46,138)</b>	<b>32,378</b>

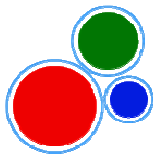
The Company	Share capital	Statutory/equity reserves	Foreign exchange reserves	Accumulated losses	Total equity
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>At 1 January 2017</b>	<b>81,249</b>	<b>542</b>	<b>(4,026)</b>	<b>(77,289)</b>	<b>476</b>
Grant of equity settled share options to employees	–	75	–	–	75
Total comprehensive income / (loss) for the period	–	–	15	(499)	(484)
<b>At 30 June 2017</b>	<b>81,249</b>	<b>617</b>	<b>(4,011)</b>	<b>(77,788)</b>	<b>67</b>

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

As at 30 June 2017, there is no change in the issuer's share capital (for the issuer) – since the end of the previous period reported on.

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

As at 30 June 2017, the Company has no outstanding convertible loan.



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- 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 30 Jun 2017	As at 30 Jun 2016
Total number of issued shares excluding treasury shares	119,012,238	119,012,238

- (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 30 June 2017 and end of last financial year, the number of issued ordinary shares excluding treasury shares for the Company was at 119,012,238.

- (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 30 June 2017, the Company does not have treasury shares.

There are no options or shares granted under its share scheme during the period ended 30 June 2017.

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 30 June 2017 have neither been audited nor reviewed by the Company's auditors.

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.

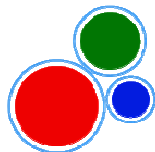
4. **Please state whether the same accounting policies and method of computation as the issuer's most recently audited financial statements have been followed.**

The accounting policies and methods of computation as per the most recently audited financial statements have been consistently followed in this Q2 2017 financials 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 2016. The adoption of the new accounting standards do not have any material effect on the financial results of the Group and the Company.





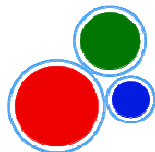
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**6. Earnings per share: - calculation is based on both a weighted average and fully diluted basis.**

	2Q2017 30 June 2017  (Unaudited)	2Q2016 30 June 2016  (Unaudited)	1H2017 30 June 2017  (Unaudited)	1H2016 30 June 2016  (Unaudited)
<b>Earnings / (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)	0.45	(1.36)	(0.42)	(1.02)
Fully diluted (US\$ cents)	0.45	(1.36)	(0.42)	(1.02)
<b>Basic loss per share were based on:</b>				
Net gain/(loss) for the period (US\$'000)	538	(1,624)	(505)	(1,216)
	<b>No. of shares</b>	<b>No. of shares</b>	<b>No. of shares</b>	<b>No. of shares</b>
Weighted average number of ordinary shares for basic earnings per share computation	119,012,238	119,012,238	119,012,238	119,012,238
Effects of dilution:				
- Convertible Loan	-	-	-	-
Weighted average number of ordinary shares for fully diluted earnings per share computation	119,012,238	119,012,238	119,012,238	119,012,238

**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	
	30 June 2017 (Unaudited)	31 December 2016 (Audited)	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Net assets value per ordinary share (US\$ cents)	2.56	2.86	0.06	0.40
Net assets value (US\$'000)	3,044	3,407	67	476
Issued and fully paid ordinary shares	119,012,238	119,012,238	119,012,238	119,012,238



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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. 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**

<b>Revenue (US\$'000)</b>	<b>2Q2017 (Unaudited)</b>	<b>2Q2016 (Unaudited)</b>	<b>Change %</b>	<b>1H2017 (Unaudited)</b>	<b>1H2016 (Unaudited)</b>	<b>Change %</b>
Oilfield services	189	-	n.m.	189	-	n.m.
Exploration and Production (E&P)	-	207	n.m.	56	330	(83)
<b>Total revenue</b>	<b>189</b>	<b>207</b>	<b>(9)</b>	<b>245</b>	<b>330</b>	<b>(26)</b>

Total revenue for the Group reported was US\$0.245 million for the financial period ended 30 June 2017.

The Group's Exploration and Production (E&P) activities in Kampung Minyak (KM) Oil Field generated US\$56,000 in 1Q2017. There was no E&P revenue recognized in 2Q2017. This was due to the Group's reassessment of the KM Oilfield as it was no longer profitable to continue due to high costs of oil production.

There was revenue from Oilfield Services In 2Q2017. This came from the sale of materials and equipment amounting to US\$189,000 from the inventories of PT. Prima Petroleum Service.

1H2017 revenue decreased by 26% as compared to that of 1H2016. This indicated a continuing decline in revenue and profitability of the oil and gas industry.

There was Other Income in 2Q2017 of around US\$4,000 from Government rebates and realized gain in foreign exchange.

**Costs and Earnings Analysis**

Production expenses fell by US\$0.646 million or 81% for 1H2017 in comparison with 1H2016. This was due to cost reduction measures in PKM oilfield production throughout 1H2017.

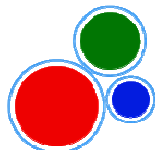
Staff costs were further reduced to US\$0.700 million for 1H2017 as compared to US\$1.014 million for same period last year.

Depreciation also declined by 86% in 1H2017 as compared to that of 1H2016.

The total loss for 1H2017 was US\$0.491 million. This was a 61% improvement as compared to the results of 1H2016.

There was a profit of US\$0.560 million in 2Q2017. This was due to the continuing cost savings measures throughout the Group, as well as the cost reduction measures at KM oil field, which was a huge cost burden. The result led to the continuing impairment of KM Oil and Gas properties in 2Q2017, as well as gain arising from the reversal of non-performing liabilities.

This was the eventual result of the decision by the management to provide impairment on KM Oil Field in FY2016.



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**(B) BALANCE SHEET / STATEMENT OF FINANCIAL POSITION**

**Assets & Liabilities**

The current assets of the Group as at 30 June 2017 decreased by US\$1.933 million as compared to 31 December 2016. This was largely due to a net decrease in cash and short-term deposits by US\$2.481 million.

Trade and Other Receivables increased by US\$0.711 million as at 30 June 2017 as compared to 31 December 2016. This was mainly due to a pending deposit advance due to be received from a third party vendor.

The non-current assets decreased by US\$2.844 million in 2Q2017 compared to end 2016. This was due to a continued write down on KM Oil field properties amounting to US\$2.397 million in 2Q2017. This was however accompanied by a corresponding reversal of oil field operating liabilities of US\$4.740 million in favour of the Group.

As the Group is still working towards an eventual full closure of the KM Oilfield, the non-current liabilities pertaining to KM Oilfield and provisions for oil well decommission will not be discharged until full closure is achieved.

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

**Cash Flow & Working Capital**

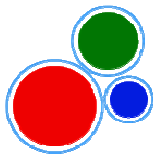
	<b>1H2017 (Unaudited) (US\$'000)</b>	<b>1H2016 (Unaudited) (US\$'000)</b>
Cash generated from / (used in) operating activities	(2,485)	2,097
Cash used in investing activities	-	(59)
Cash generated from / (used in) financing activities	(87)	65
Net increase / (decrease) in cash and cash equivalents	(2,572)	2,103
Effect of exchange rate changes on cash and cash equivalents	91	90
Cash and cash equivalents at beginning of period	4,696	3,522
Cash and cash equivalents at end of period	2,215	5,715

As a summary, the cash and cash equivalent position (inclusive of exchange effects) saw a net decrease of US\$2.481 million for 1H2017 from end of last financial year 2016.

Cash used in operating activities was US\$2.485 million for 1H2017. A significant increase in Trade and Other Receivables was mainly due to a US\$1.760 million contract advance pending and due to be received from a 3<sup>rd</sup> party service provider.

As revenue from E&P operations has ceased since 1Q2017, this led to a negative operating cash flow situation for the Group in 1H2017.

However, the cash balance of US\$2.215 million will be sufficient for the Group to take on new businesses which will bring back both profitability and positive cash flow.



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**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 30 June 2017 amounted to US\$1.58 million. The list below summarises the usage of these proceeds and they are in accordance with the purpose on the placement and convertible loans.

	<b>US\$ million</b>
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	0.88
Exploration, drilling and testing activities at KM Field	5.23
Working capital (staff/office cost, production costs)	8.88
Capital expenditure at KM Field	0.45
<b>Balance as at 30 June 2017</b>	<b>1.58</b>

**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.**

The oil and gas industry remains challenging with the low oil prices for the last one and a half years. We have seen this macroeconomic factor affecting many related services in the industry as well.

However, the Company has been able to continue with its oilfield operations due to prudent financial management in the past years with zero gearing. The Company is now actively engaged to discuss with potential partners in businesses outside of the Oil and Gas industry to remove itself from the SGX watch-list.

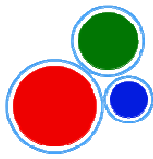
KM Oil Field

Weak economic climate in the Indonesian Oil Exploration sector continued into 2Q2017.

Since the Group had decided to provide impairments for KM Oil Field's fixed assets and full impairment for the KSO concession rights in 4Q2016, costs of production was well contained. However this was done at the expense of further loss of revenue since early February 2017. The reason for stopping production was two-fold, i) to further limit losses, and ii) to diversify its revenue source.

The Group had thus decided to return the KM Oil Field back to Pertamina. The return of the Oilfield to Pertamina is in progress and will be completed soon in the future.

The Group will further update on new concrete business plans later.



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Oil field services and trading

The Group's subsidiaries UniTEQ and Acrux had ceased operations in early 2017 and we have applied with ACRA for the said subsidiaries to be struck off in July 2017.

PT. Prima Petroleum Service (PPPS, or formerly known as PT. Kampung Minyak Energy) had sold off its inventories to another oil and gas operator as the Group moves to contain and cut off non-profitable Oil and Gas business units.

However, the Group still retains minority ownership of the GKM Oil Field in Indonesia, as the diversification strategy to embark on new business does not mean the Group is exiting the Oil and Gas/Energy industry. On the contrary, the Group is still seeking new oil services business opportunities, especially with Chinese companies in the Energy sector.

Proposed new business venture with Malaysia listed company

As previously announced, the Group is looking into diversifying into property and construction business. As such, the Group is seeking partnership with a Malaysia listed public company via a joint venture company for housing development contracts in Malaysia. The project is expected to generate sufficient revenue to assist the Group to return to profitability.

The Group will update more on this new business development as it develops and/or materialize.

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

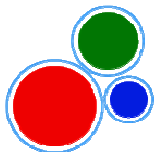
	(a) Current Financial Period	(b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared on the financial period reported:	None	None
(c) Date Payable	Not applicable	Not applicable
(d) Book Closure Date	Not applicable	Not applicable

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

No dividends has been declared or recommended for the period ended 30 June 2017. .

**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.



**MIRACH ENERGY LIMITED  
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**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 2Q2017 were mainly used for the following activities:-

<b>Purpose</b>	<b>Amount (US\$ million)</b>
Exploration, drilling and testing activities at Kampung Minyak Oil Field	-
Working capital	0.05
Total	0.05

There are no funds utilized for the purpose of exploration, drilling and testing activities at KM field other than for working capital purposes and capital expenditure in 2Q2017.

The usage of funds / cash for exploration activities and others for the next immediate quarter (i.e. Period from 1 July 2017 to 30 September 2017) 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	0.10
Total	0.10

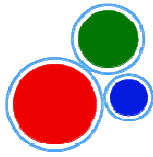
*(b) An update on its reserves and resources, where applicable. In accordance with the requirements as set out in Practice Note 6.3, including a summary of reserves and resources as set out in Appendix 7.5.*

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)

**14. Please disclose a confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company confirmed that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).



**MIRACH ENERGY LIMITED  
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15. **In the case of an announcement of interim financial statement (quarterly or half-yearly), the issuer's directors must that, to the best of their knowledge, nothing has come to the attention of the board of directors which may render the interim financial results to be false and misleading, in the material aspect.**

We, CHAN Shut Li, William and LIU Mei Ling, Rhoda, 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 of 2017 and the three months ended 30 June 2017 to be false or misleading in any material respect.

On behalf of the Board of Directors,

CHAN Shut Li, William / LIU Mei Ling, Rhoda

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

**11 August 2017**