Mirach Energy Limited

28th April 2016

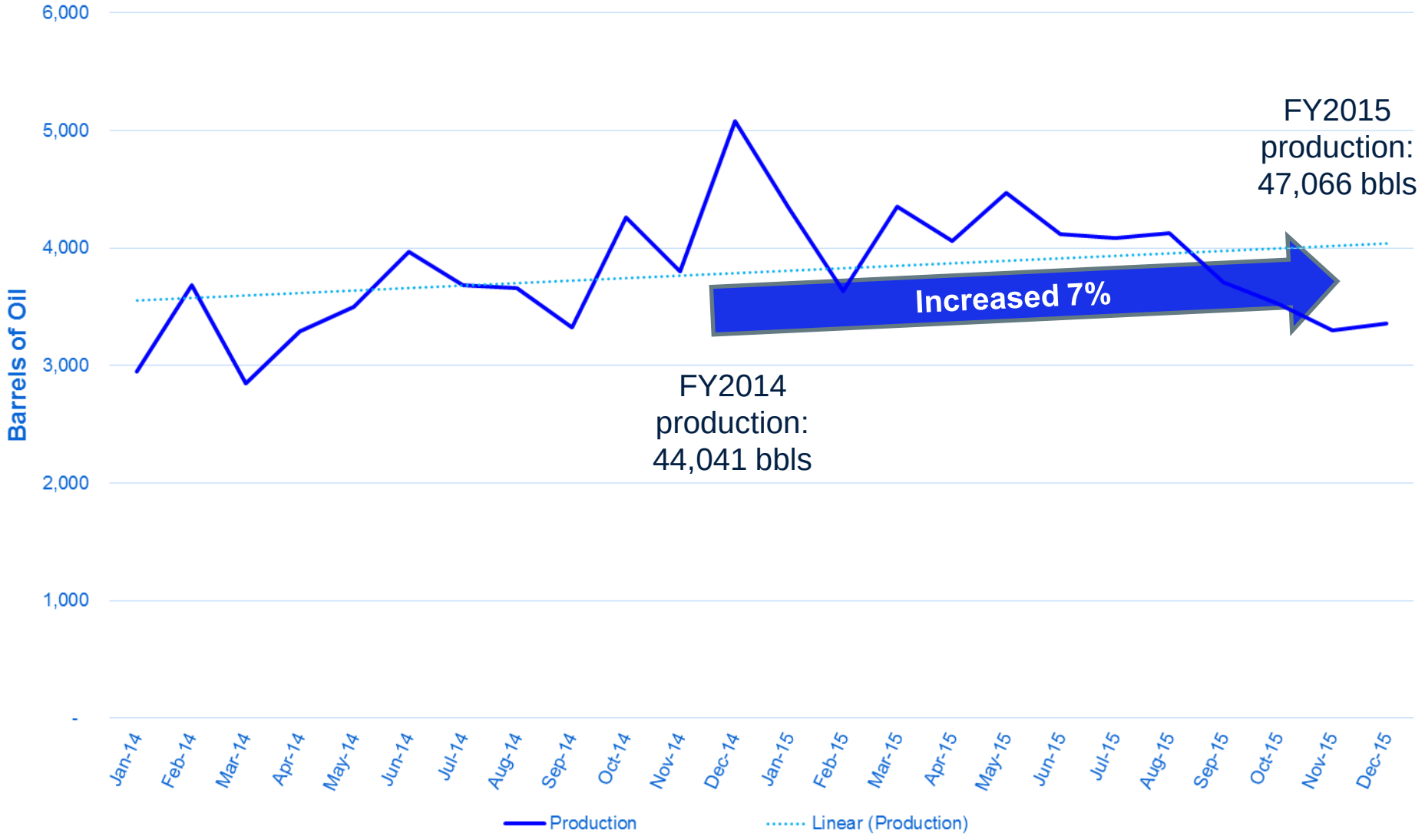
Annual General Meeting 2016

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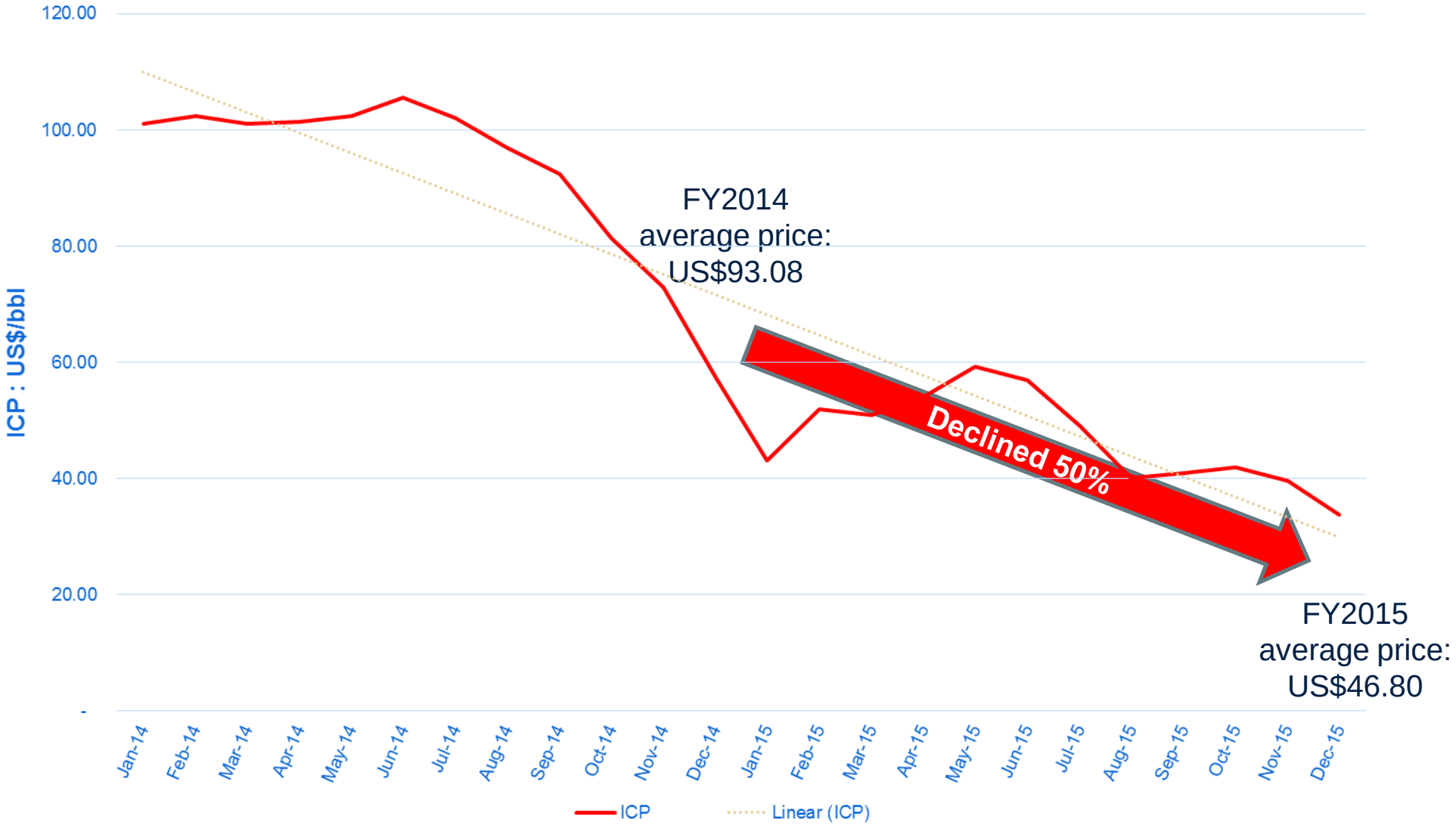
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Oil Production increased by 7% in FY2015



Average Oil Price declined by 50% in FY2015



Revenue Highlights

Revenue (US$'000)	FY2015	FY2014	Change +/(-)
Oilfield services	1,043	967	8%
Exploration and Production (E&P)	1,059	737	44%
Total revenue	2,102	1,704	23%

- Notwithstanding the reduction in 12-months average annual ICP by 50%, the total cost recovery and entitlement revenue improve by 22% from US$0.72 million a year ago to US$0.88 million for FY2015.
- Since April 2015, all previous NSO shortfall at Kampung Minyak Oil Field ("KM Field") had been fully repaid, and this also translate with additional shortfall income in FY2015.

P&L Overview

	Group			
	Full Year 31-Dec 2015 US$'000	Full Year 31-Dec 2014 US$'000	+/(-) %	Remarks
Revenue	2,102	1,704	23	Oilfield services income and higher incremental oil
Other income	108	86	26	Bank interest income from pledged cash & FD placements
Total income	***2,210***	***1,790***	***23***	
Production expenses	(3,991)	(1,086)	267	Reopening of old wells
Staff cost	(2,497)	(2,172)	15	Headcount growth in KM Field and corporate office
Depreciation and amortisation	(1,734)	(1,464)	18	Increase partly alongside oil production
Other expense	(1,793)	(1,393)	29	P/Y adjustments on VAT w/o, NSO and tax liabilities.
Impairment loss on investment in associate	(2,360)	-	n.m.	Impairment loss on investment in CPHL (Cambodia) Co. Ltd.
Allowance for amount due from associate	(21,427)	-	n.m.	Provision for receivables due from CPHL (Cambodia) Co. Ltd.
Finance costs	(58)	(52)	12	Accretion of asset restoration obligations.
Share of loss of associates	(479)	(575)	(17)	Mostly due to share of loss in CPHL Cambodia at US$ 431,000.
Total expenses	***(34,339)***	***(6,742)***	***409***	
Loss before income tax	(32,129)	(4,952)	549	
Income tax	(61)	(67)	(9)	Due to incremental volume adjusted for lower oil prices.
Total loss for the period	***(32,190)***	***(5,019)***	***541***	

P&L Highlights

- Total losses for the FY2015 increased by US$27.17 million mainly due to the following:-
  - Impairment of investment in and provision for amount due from CPHL (Cambodia) Co. Ltd totaling US$23.79 million.
  - Increase in production expenses by US$2.90 million mainly spent on re-activation of old wells as well as hydro-slotting projects. These are mainly due to commitments pursuant to our contractual obligations with PEP.
- Negative EBITDA gap widened by US$26.92 million for the 12-months period was also mainly as a result of the above.
- The loss per share has also broadened from 4.45 US$ cents in 2014 to 26.91 US$ cents in 2015.

Balance Sheet Overview

	Group			
	Full Year 31 Dec 2015 US$'000	Full Year 31 Dec 2014 US$'000	+/(-) US$'000	Remarks
Non-current assets	20,249	44,055	(23,806)	Mainly due to impairment of investment in and provision for amount due from CPHL (Cambodia) Co. Ltd.
Current assets	6,046	15,209	(9,163)	Mostly due to lower cash and short-term deposits.
Current liabilities	8,725	8,497	228	Income tax payable and accrued operating expenses increases.
Net current assets	*(2,679)*	*6,712*	*(9,391)*	
Non-current liabilities	548	481	67	Almost wholly due to provision for decommissioning of wells.
Net assets	***17,022***	***50,286***	***(33,264)***	
Equity attributable to owners of the Company	17,526	50,627	(33,101)	
Non-controlling interests	(504)	(341)	(163)	
Total equity	***17,022***	***50,286***	***(33,264)***	

Balance Sheet Highlights

- As at 31 Dec 2015, net assets declined by US$33.26 million mainly a result of the following:-
  - Impairment of investment in CPHL (Cambodia) Co. Ltd at US$21.43 million under the non-current assets.
  - Provision for non-current receivables due from CPHL (Cambodia) Co. Ltd at US$2.36 million.
  - Decrease in current assets mainly due to cash and short-term deposits at US$9.11 million
  - All of the above also correspondingly translated to lowering of the total equity by the same amount on the net assets.
- With this, the NAV per ordinary shares slided down by around 65% from 42.54 US$ cents (restated with consolidated shares) to 14.73 US$ cents.

Cash-flow Overview

	Group			
	Full Year 31 Dec 2015 US$'000	Full Year 31 Dec 2014 US$'000	+/(-) US$'000	Remarks
Cash used in operating activities	(5,663)	(4,551)	(1,112)	Operating results and more cash inflow from working capital of receivables and payables.
Cash used in investing activities	(451)	(2,027)	1,576	Mainly due to no addition of oil & gas properties for FY2015.
Cash (used in)/generated from financing activities	(2,413)	12,434	(14,847)	No convertible loans proceeds in FY2015 as well as increase in amount due from associate.
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***		
Add: Fixed deposits and cash pledged	*2,501*	*2,501*	-	Long-term cash pledged for BG issued to Pertamina.
Total cash, bank balances and fixed deposits	***6,023***	***15,128***		

Cash-flow Highlights

- For FY2015, the cash and cash equivalent position (inclusive of exchange effects) saw a net decrease of US$9.11 million mainly arising from the following:-
  - The operating cash outflow witnessed higher adjusted losses before tax as well as working capital movements resulted in US$5.66 million net outflow.
  - Some investments mainly in PPE fixed assets at US$0.45 million net outflow.
  - Increase in financing of our associates by about US$2.41 million net outflow.
- The net cash holding per share as a result of the above has gone down from $10.61 US$ cents to 2.96 US$ cents.
- With the fixed deposits and cash pledged remaining the same at US$2.50 million, we currently have about US$6.02 million in total cash, bank balances and fixed deposits.

Thank you

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