MIRACH ENERGY LIMITED
(COMPANY NO.200305397E)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE SGX-ST LISTING MANUAL

1. BACKGROUND

Mirach Energy Limited (the "Company", and together with its subsidiaries, the "Group") was placed on the Watch-List pursuant to Rule 1311 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 3 December 2015.

In accordance to Rule 1313(2) of the SGX-ST Listing Manual, the Board of Directors of the Company would like to provide the following updates on the financial situation, its future direction as well as other material developments that may impact the Group's position.

2. UPDATE ON FINANCIAL SITUATION

Total revenue for the Group reported was US$0.056 million for the financial period ended 31 March 2017.

There was no Other Income in 1Q2017 as compared to same quarter last year. The bank fixed deposits had been fully withdrawn.

Production expenses fell by US$0.25 million or 63% for 1Q2017 in comparison with 1Q2016.

Staff costs were slightly lower by 13% for 1Q2017 as compared to same quarter previous year.

The total loss for 1Q2017 was US$1.05 million.

The loss was largely due to high fixed production costs at Kampung Minyak Oil Field which solely contributed to the whole of the Group's production costs (US$0.426 million).

The current assets of the Group as at 31 March 2017 decreased by US$1.387 million as compared to 31 December 2016. This was largely due to a net decrease in cash and short-term deposits by US$1.922 million.

Trade and Other Receivables increased by US$0.520 million as at 31 March 2017 as compared to 31 December 2016. This was mainly due to an increase in Other Receivables throughout the whole Group

The non-current assets decreased by a slight US$0.081 million in 1Q2017 compared to end 2016. The ceased production in February 2017 led to a decrease in the depreciation of Oil and Gas properties.

There were no major variances over the current liabilities of the Group comparing 1Q2017 to previous year end.

Cash and cash equivalent position (inclusive of exchange effects) saw a decrease of US$0.975 million for 1Q2017 as compared with 1Q2016.

For more details on the results and financial position of the Group, please refer to the Company's results announcement for 1Q2017 ended 31 March 2017.

3. UPDATE ON FUTURE DIRECTION

KM Oil Field

Globally, oil prices had been volatile and uncertain. Crude oil prices went from below US$30 per barrel in January 2016 to a high of US$55 per barrel by the end of 2016. However despite such an increase in Indonesian Crude Prices (ICP), the cost of oil production in Indonesia was still high. This was not helped by weak Indonesian Crude Prices (ICP) hovering below US$50 per barrel between US$47.07 to US$49.04 throughout 1Q2017.

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. The reason for stopping production in February 2017 was not just to further limit losses, but to re-position the Group in terms of diversifying its revenue source.

The Group will further update on any new developments pertaining to the KM Oil Field by next quarter.

Oil field services and trading

The Group's subsidiary UniTEQ will cease operations in early 2017.

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

PT. Prima Petrolium Service (PPPS, or formerly known as PT. Kampung Minyak Energy) is commencing to engage servicing other 3rd party oil and gas developers/main contractors to build up external clientele and increase the visibility of the Group as an active Oil and Gas service provider among key players in Indonesia. PPPS is currently seeking opportunities among existing KSOs/PSCs to provide services and materials, as well as providing support on Oil field E&P operations

New Businesses for 2017

While we had successfully reduced cost to sustain business operations during the current weak economic conditions, in light of the low ICP oil price environment, the Company is also looking at various other options to diversify its portfolio, even out of the industry if the need arises.

In 2016, the management consolidated, streamlined as well as synergized its existing businesses with the purpose of setting up strong business fundamentals essential for new business to grow. The Management will release news and plans pertaining to these new business developments in the coming quarters of 2017.

The Company is well aware of the deadline given by SGX-ST for its removal from the Watch-List and will endeavor to meet the requirements of Listing Rule 1314 as soon as possible to reinstate its healthy position through profitability and improved operations, albeit a weaker Minerals, Oil & Gas industry climate as a whole.

By Order of the Board
Chan Shut Li, William, Chairman of the Board
11 May 2017