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

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**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**

The Group achieved a higher revenue of US\$2.10 million for its full-year ended 31 December 2015 as compared to US\$1.70 million during the same period last year. The NSO shortfall at its Kampung Minyak Oil Field (“KM Field”) have since been fully repaid by April 2015. These have led to an increase in the incremental oil coupled by higher gross lifting, and a correspondingly higher E&P revenue for FY2015. Other revenue growth are in the oilfield services whereby a subsidiary – PT. Prima Petroleum Service has started to branch into being an Oil & Gas Service Company.

Notwithstanding the above, the decline in annual average oil prices from 2014 by about 50% in 2015 negatively affected profitability. Further production expenses in our Indonesia oilfield surged from US\$1.09 million for the year ended 31 December 2014 to US\$3.99 million as a result of our contractual obligations with Pertamina.

Other operationally-related expenses such as depreciation/amortisation and staff costs associated with KM Field building its team and corporate office during the year to stabilize its operational capabilities also recorded some US\$0.27 million (19%) and US\$0.33 million (15%) rise respectively.

Other expenses and the share of loss of associates caused the Group to report a loss before income tax of US\$8.34 million (up 68%) for full-year ended 31 December 2015.

In regards to the financial position for the Group, its net assets as at 31 December 2015 declined by US\$8.66 million. Besides movements in various assets and liabilities, the most notably was the drop in cash and short-term deposits by US\$9.11 million for the FY2015 in comparison with same time for FY2014.

For more details on the results and financial position of the Group, please refer to the Company’s results announcement dated 29 February 2016 for the full-year ended 31 December 2015.



### **3. UPDATE ON FUTURE DIRECTION**

The major development in Q4 2015 was the ongoing negotiation with the MME on our financial arrangements for Cambodia Block D oilfield. This is currently pending their final decision. As the Management is currently unable to make a clear judgement in regards to the effects of impairment on its investments as well as recoverability of amounts due from, the Group shall then ascertain following a decision from the relevant Cambodian authorities. The Management remains interested and are continually 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 financial arrangements, the Group can then proceed to the exploration stage, with its joint venture partners.

Barring the macroeconomics surrounding the adverse oil prices, the priority of the Company is to contain costs and at the same time maintain reasonable production level, where possible.

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

**29 February 2016**