

MIRACH ENERGY LIMITED
(COMPANY NO.200305397E)

Unaudited Third Quarter And Nine Months Financial Statement And Dividend Announcement for The Period Ended 30 September 2014

PART I- INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group) together with comparative statement for the corresponding period of the immediately preceding financial year.

| | Group | | | Group | | |
|--|--------------------------|--------------------------|-------------------|--------------------------|--------------------------|-------------------|
| | 3Q2014 30 Sep 2014 | 3Q2013 30 Sep 2013 | + / (-) Change | 9M2014 30 Sep 2014 | 9M2013 30 Sep 2013 | + / (-) Change |
| | (Unaudited) | (Unaudited) | % | (Unaudited) | (Unaudited) | % |
| | USD'000 | USD'000 | % | USD'000 | USD'000 | % |
| Revenue | 408 | 1,740 | (77) | 1,247 | 4,856 | (74) |
| Cost of sales | - | - | n.m. | - | - | n.m. |
| Gross profit | 408 | 1,740 | (77) | 1,247 | 4,856 | (74) |
| Other income | - | - | - | 68 | 208 | (67) |
| Selling and distribution expenses | (51) | (4) | n.m. | (64) | (55) | 16 |
| Administrative expenses | (1,314) | (758) | 73 | (3,529) | (2,160) | 63 |
| Other operating expenses | (916) | (655) | 40 | (2,368) | (1,318) | 80 |
| (Loss) / Profit from operating activities | (1,873) | 323 | n.m. | (4,646) | 1,531 | n.m. |
| Finance income | 16 | 16 | - | 45 | 45 | - |
| Finance costs | 1,001 | 4,112 | (76) | 1,001 | 4,598 | (78) |
| Share of loss of an associate | (42) | (54) | (22) | (120) | (135) | (11) |
| Loss before income tax | (2,900) | (3,827) | (24) | (5,722) | (3,157) | 81 |
| Income tax | - | - | - | - | - | - |
| Loss for the period | (2,900) | (3,827) | (24) | (5,722) | (3,157) | 81 |
| Other comprehensive (loss) / income: | | | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | | | |
| Reclassification of currency of translation reserves on disposal of subsidiaries | - | - | - | - | (702) | n.m. |
| Currency translation differences arising from consolidation | - | (14) | n.m. | 5 | 642 | (99) |
| Other comprehensive (loss) / income for the period | - | (14) | n.m. | 5 | (60) | n.m. |
| Total comprehensive loss for the period | (2,900) | (3,841) | (24) | (5,717) | (3,217) | 78 |

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1(a)(i) An income statement (for the group) together with comparative statement for the corresponding period of the immediately preceding financial year (Cont'd)

| | Group | | | Group | | |
|--|-------------------------------|-------------------------------|-------------------|-------------------------------|-------------------------------|-------------------|
| | 3Q2014 | 3Q2013 | + / (-) Change | 9M2014 | 9M2013 | + / (-) Change |
| | 30 Sep 2014 (Unaudited) | 30 Sep 2013 (Unaudited) | | 30 Sep 2014 (Unaudited) | 30 Sep 2013 (Unaudited) | |
| | USD'000 | USD'000 | % | USD'000 | USD'000 | % |
| Net loss attributable to: | | | | | | |
| Equity holders of the Company | (2,869) | (3,804) | (25) | (5,641) | (3,110) | 81 |
| Non-controlling interests | (31) | (23) | 35 | (81) | (47) | 72 |
| | (2,900) | (3,827) | (24) | (5,722) | (3,157) | 81 |
| Total comprehensive loss attributable to: | | | | | | |
| Equity holders of the Company | (2,869) | (3,818) | (25) | (5,636) | (3,170) | 78 |
| Non-controlling interests | (31) | (23) | 35 | (81) | (47) | 72 |
| | (2,900) | (3,841) | (24) | (5,717) | (3,217) | 78 |

n.m.: not meaningful

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

| | Group | | | Group | | |
|---|-------------------------------|-------------------------------|-------------------|-------------------------------|-------------------------------|-------------------|
| | 3Q2014 | 3Q2013 | + / (-) Change | 9M2014 | 9M2013 | + / (-) Change |
| | 30 Sep 2014 (Unaudited) | 30 Sep 2013 (Unaudited) | | 30 Sep 2014 (Unaudited) | 30 Sep 2013 (Unaudited) | |
| | USD'000 | USD'000 | % | USD'000 | USD'000 | % |
| Interest income | (16) | (16) | n.m. | (45) | (45) | n.m. |
| Interest expense | 1,001 | 4,112 | (76) | 1,001 | 4,598 | (78) |
| Foreign exchange (gain)/loss , net | 217 | (15) | n.m. | 149 | (6) | n.m. |
| Depreciation of property, plant and equipment | 15 | 18 | (17) | 49 | 58 | (16) |
| Depreciation of oil and gas properties | 297 | - | n.m. | 865 | - | n.m. |
| Gain on disposal of a subsidiary | - | - | - | - | (45) | n.m. |
| Amortisation of intangible assets | 173 | 173 | n.m. | 520 | 520 | n.m. |

n.m.: not meaningful

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1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

| | Group | | Company | |
|---|-------------------------------|-----------------------------|-------------------------------|-----------------------------|
| | As at | | As at | |
| | 30 Sep 2014 (Unaudited) | 31 Dec 2013 (Audited) | 30 Sep 2014 (Unaudited) | 31 Dec 2013 (Audited) |
| | USD'000 | USD'000 | USD'000 | USD'000 |
| Current assets | | | | |
| Cash and cash equivalents | 15,054 | 6,902 | 12,985 | 5,715 |
| Pledged fixed deposit | 2,501 | 2,501 | – | – |
| Trade and other receivables | 2,668 | 1,590 | 550 | 458 |
| Amounts due from an associate | 19,377 | 18,512 | 6,367 | 6,221 |
| Amounts due from subsidiaries (non-trade) | – | – | 4,431 | 4,130 |
| Inventories | 185 | 178 | – | – |
| | 39,785 | 29,683 | 24,333 | 16,524 |
| Non-current assets | | | | |
| Property, plant and equipment | 226 | 130 | 32 | 16 |
| Intangible assets | 8,176 | 8,696 | – | – |
| Oil and gas properties | 4,922 | 5,587 | – | – |
| Other receivables and prepayments | 113 | 115 | – | – |
| Available-for-sale financial assets | 3,000 | 3,000 | – | – |
| Amount due from a subsidiary | – | – | 23,703 | 19,526 |
| Investment in subsidiaries | – | – | 5,764 | 5,756 |
| Investment in associate | 5,150 | 5,269 | 7,486 | 7,486 |
| | 21,587 | 22,797 | 36,985 | 32,784 |
| Total assets | 61,372 | 52,480 | 61,318 | 49,308 |
| Equity attributable to equity holders of the Company | | | | |
| Share capital | 80,579 | 65,736 | 80,579 | 65,736 |
| Reserves | (25,138) | (19,502) | (24,365) | (22,270) |
| | 55,441 | 46,234 | 56,214 | 43,466 |
| Non-controlling interests | (304) | (223) | – | – |
| Total equity | 55,137 | 46,011 | 56,214 | 43,466 |
| Current liabilities | | | | |
| Trade and other payables | 6,235 | 6,469 | 2,330 | 2,465 |
| Amounts due to subsidiaries (non-trade) | – | – | 2,774 | 3,377 |
| Total liabilities | 6,235 | 6,469 | 5,104 | 5,842 |
| Total equity and liabilities | 61,372 | 52,480 | 61,318 | 49,308 |

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1(b)(ii) Aggregate amount of Group's borrowings and debt securities

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

| As at 30 September 2014 | | As at 31 December 2013 | |
|-----------------------------------|-------------------------------------|---------------------------------|-----------------------------------|
| Secured (Unaudited) USD'000 | Unsecured (Unaudited) USD'000 | Secured (Audited) USD'000 | Unsecured (Audited) USD'000 |
| Nil | Nil | Nil | Nil |

Amount repayable after one year:

| As at 30 September 2014 | | As at 31 December 2013 | |
|-----------------------------------|-------------------------------------|---------------------------------|-----------------------------------|
| Secured (Unaudited) USD'000 | Unsecured (Unaudited) USD'000 | Secured (Audited) USD'000 | Unsecured (Audited) USD'000 |
| Nil | Nil | Nil | Nil |

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1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year

| | Group | | Group | |
|---|----------------|----------------|----------------|----------------|
| | 3Q2014 | 3Q2013 | 9M2014 | 9M2013 |
| | 30 Sep | 30 Sep | 30 Sep | 30 Sep |
| | 2014 | 2013 | 2014 | 2013 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| | USD'000 | USD'000 | USD'000 | USD'000 |
| Cash flows from operating activities | | | | |
| Loss before income tax | (2,900) | (3,827) | (5,722) | (3,157) |
| Adjustments for: | | | | |
| Interest expenses | 1,001 | 4,112 | 1,001 | 4,598 |
| Interest income | (16) | (16) | (45) | (45) |
| Depreciation of property, plant, and equipment | 15 | 18 | 49 | 58 |
| Depreciation of oil and gas properties | 297 | – | 865 | – |
| Option expense recognised | – | 5 | – | 41 |
| Amortisation of intangible assets | 173 | 173 | 520 | 520 |
| Gain on disposal of subsidiary | – | – | – | (45) |
| Share of loss of an associate | 42 | 54 | 120 | 135 |
| Operating cash flows before working capital changes | (1,388) | 519 | (3,212) | 2,105 |
| Changes in operating assets and liabilities: | | | | |
| Inventories | (7) | – | (7) | (48) |
| Trade and other receivables and prepayments | (196) | 2,472 | (1,077) | (508) |
| Amount due from an associate | (259) | (372) | (866) | (1,013) |
| Trade and other payables | 262 | (821) | (234) | (861) |
| Cash (used in) / generated from operations | (1,588) | 1,798 | (5,396) | (325) |
| Interest received | 16 | 15 | 45 | 44 |
| Interest paid | – | – | – | – |
| Cash flows (used in) / generated from operating | (1,572) | 1,813 | (5,351) | (281) |
| Cash flows from investing activities | | | | |
| Purchase of available-for-sale financial assets | – | (3,000) | – | (3,000) |
| Purchase of property, plant, and equipment | (91) | (1) | (144) | (74) |
| Net proceeds from disposal of a subsidiary | – | – | – | 1 |
| Payment for exploration and evaluation expenditures | (88) | – | (200) | – |
| Cash flows used in investing activities | (179) | (3,001) | (344) | (3,073) |
| Cash flows from financing activities | | | | |
| Proceeds from placement | – | 14,332 | – | 14,332 |
| Proceeds from the exercise of call options | – | 937 | – | 937 |
| Proceeds from the exercise of employee shares options | – | 331 | – | 331 |
| Net proceeds from the issuance of convertible loan | 9,243 | 4,738 | 13,842 | 4,738 |
| Payment of convertible bonds interests | – | (318) | – | (600) |
| One-off interest payment for early redemption of convertible bond | – | (3,998) | – | (3,998) |
| Principal payment for the early redemption of convertible bond | – | (13,041) | – | (13,041) |
| Cash flows generated from financing activities | 9,243 | 2,981 | 13,842 | 2,699 |
| Net increase / (decrease) in cash and cash equivalents | 7,492 | 1,793 | 8,147 | (655) |
| Cash and cash equivalents at beginning of the period | 7,562 | 3,055 | 6,902 | 5,550 |
| Effects of exchange rate changes on balances held in foreign currencies | – | (13) | 5 | (60) |
| Cash and cash equivalents at end of the period | 15,054 | 4,835 | 15,054 | 4,835 |

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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) Change in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity

| The Group | Attributable to the equity holders of the Company | | | | | | | | | | |
|---|---|--------------------------|----------------|----------------------------|-----------------|-----------------------|--------------------------|--------------------|---|---------------------------|---------------|
| | Share capital | Convertible Loan reserve | Merger reserve | Statutory /equity reserves | Capital reserve | Share options reserve | Foreign exchange reserve | Accumulated losses | Total attributable to equity holders of the Company | Non-controlling interests | Total equity |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| | USD'000 | USD'000 | USD'000 | USD'000 | USD'00 | USD'00 | USD'00 | USD'000 | USD'000 | USD'000 | USD'000 |
| At 1 January 2013 | 40,855 | – | 763 | 1,341 | 969 | 123 | (927) | (16,896) | 26,228 | (161) | 26,067 |
| Issuance of shares arising from placement | 14,928 | – | – | – | – | – | – | – | 14,928 | – | 14,928 |
| Issuance of shares arising from the exercise of share options | 937 | – | – | – | – | (164) | – | 164 | 937 | – | 937 |
| Issuance of shares pursuant to Employee Share Option Scheme | 331 | – | – | – | – | – | – | – | 331 | – | 331 |
| Share issue expense | (596) | – | – | – | – | – | – | – | (596) | – | (596) |
| Convertible Loan reserves | – | 4,745 | – | – | – | – | – | – | 4,745 | – | 4,745 |
| Convertible Loan expense | – | (7) | – | – | – | – | – | – | (7) | – | (7) |
| Early redemption of convertible bonds | – | – | – | – | (969) | – | – | 425 | (544) | – | (544) |
| Disposal of subsidiary | – | – | – | (874) | – | – | – | 874 | – | – | – |
| Option expense | – | – | – | – | – | 41 | – | – | 41 | – | 41 |
| Total comprehensive income for the period | – | – | – | – | – | – | (60) | (3,110) | (3,170) | (47) | (3,217) |
| At 30 September 2013 | 56,455 | 4,738 | 763 | 467 | – | – | (987) | (18,543) | 42,893 | (208) | 42,685 |

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Statement of Changes in Equity (Cont'd)

| The Group | Attributable to the equity holders of the Company | | | | | | | |
|---|---|----------------|----------------------------|--------------------------|--------------------|---|---------------------------|---------------|
| | Share capital | Merger reserve | Statutory /equity reserves | Foreign exchange reserve | Accumulated losses | Total attributable to equity holders of the Company | Non-controlling interests | Total equity |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| | USD'000 | USD'000 | USD'000 | USD'000 | USD'000 | USD'000 | USD'000 | USD'000 |
| At 1 January 2014 | 65,736 | 763 | 467 | (922) | (19,810) | 46,234 | (223) | 46,011 |
| Issuance of shares arising from the conversion of convertible loans | 15,272 | – | – | – | – | 15,272 | – | 15,272 |
| Share issue expense | (429) | – | – | – | – | (429) | – | (429) |
| Total comprehensive loss for the period | – | – | – | 5 | (5,641) | (5,636) | (81) | (5,717) |
| At 30 September 2014 | 80,579 | 763 | 467 | (917) | (25,451) | 55,441 | (304) | 55,137 |

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Statement of Changes in Equity (Cont'd)

| The Company | Share capital (Unaudited) USD'000 | Capital reserve (Unaudited) USD'000 | Convertible loan reserve (Unaudited) USD'000 | Share options reserve (Unaudited) USD'000 | Statutory/ equity reserves (Unaudited) USD'000 | Accumulated losses (Unaudited) USD'000 | Total equity (Unaudited) USD'000 |
|--|---|---|---|--|---|--|--|
| At 1 January 2013 | 40,855 | 969 | – | 123 | 467 | (21,495) | 20,919 |
| Issuance of shares arising from placement | 14,928 | – | – | – | – | – | 14,928 |
| Issuance of shares arising from the exercise of call options | 937 | – | – | (164) | – | 164 | 937 |
| Issuance of shares pursuant to Employee Share option Scheme | 331 | – | – | – | – | – | 331 |
| Share issue expense | (596) | – | – | – | – | – | (596) |
| Convertible loan reserves | – | – | 4,745 | – | – | – | 4,745 |
| Convertible loan expense | – | – | (7) | – | – | – | (7) |
| Early redemption of convertible bonds | – | (969) | – | – | – | 425 | (544) |
| Option expense recognised | – | – | – | 41 | – | – | 41 |
| Total comprehensive loss for the period | – | – | – | – | – | (1,114) | (1,114) |
| At 30 September 2013 | 56,455 | – | 4,738 | – | 467 | (22,020) | 39,640 |

| The Company | Share capital (Unaudited) USD'000 | Statutory/ equity reserves (Unaudited) USD'000 | Accumulated losses (Unaudited) USD'000 | Total equity (Unaudited) USD'000 |
|---|---|---|--|--|
| At 1 January 2014 | 65,736 | 467 | (22,737) | 43,466 |
| Issuance of shares arising from the conversion of convertible loans | 15,272 | – | – | 15,272 |
| Share issue expense | (429) | – | – | (429) |
| Total comprehensive income / (loss) for the period | – | – | (2,095) | (2,095) |
| At 30 September 2014 | 80,579 | 467 | (24,832) | 56,214 |

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1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-back, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

(A) Movements in issued and paid-up capital

The Company allotted and issued 155,072,448 new ordinary shares at an issue price of S\$0.1242 per new share pursuant to the Convertible Loan ("Loan") agreement in 9M2014. The net proceeds from the Loan was US\$13.84 million. Please refer to the announcements dated 16 July 2014, 29 August 2014 and 29 September 2014 for further details.

(B) Outstanding Convertible Loan

The Company may issue up to 51,690,816 new ordinary shares at an issue price of S\$0.1242 per conversion share pursuant to the Loan. The aggregate principal amount of the outstanding shares is up to S\$6 million plus a flat interest of 7% calculated and payable by shares.

(C) To show the 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.

Details are as follows:

| | As at 30 Sep 2014 | As at 31 Dec 2013 |
|---|----------------------|----------------------|
| Total number of ordinary shares | 1,035,050,000 | 1,035,050,000 |
| Share issuance under the Convertible Loan agreement in 3Q2014 | 155,072,448 | - |
| Total number of issued shares excluding treasury shares | 1,190,122,448 | 1,035,050,000 |

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1(d)(iii) 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.

There was no sale, transfer, disposal, cancellation and/or use of treasury shares during the period ended 30 September 2014.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the Company's auditor.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The same accounting policies and methods of computation in the financial statements have been consistently applied by the Group for the periods presented.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

On 1 January 2014, the Group has adopted all the applicable new and revised Singapore Financial Reporting Standards ("SFRS") 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 2014. The adoption of the new accounting standards has no effect on the financial results of the Group and the Company.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

| | 3Q2014 30 Sep 2014 | 3Q2013 30 Sep 2013 | 9M2014 30 Sep 2014 | 9M2013 30 Sep 2013 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Loss per ordinary share of the Group for the financial period based on net loss attributable to equity holders of the Company: | | | | |
| Basic (USD cents) | 0.27 | 0.47 | 0.53 | 0.38 |
| Fully diluted (USD cents) | 0.26 | 0.47 | 0.50 | 0.38 |
| Basic and fully diluted loss per share were based on: | | | | |
| Net loss for the period (USD'000) | 2,869 | 3,804 | 5,641 | 3,110 |
| | | | | |
| | No. of shares | No. of shares | No. of shares | No. of shares |
| Weighted average number of ordinary shares for basic earnings per share computation | 1,069,463,337 | 814,821,872 | 1,069,463,337 | 814,821,872 |
| Effects of dilution: | | | | |
| - Convertible Loan | 51,690,816 | - | 51,690,816 | - |
| Weighted average number of ordinary shares for fully diluted earnings per share computation | 1,121,154,153 | 814,821,872 | 1,121,154,153 | 814,821,872 |

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7. **Net asset value (for the issuer and Group) per ordinary share based on the total number of issued share excluding treasury share of the issuer at the end of the:- (a) current financial period reported on; and (b) immediately preceding financial year.**

| | Group | | Company | |
|---|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| | 30 September 2014 (Unaudited) | 31 December 2013 (Audited) | 30 September 2014 (Unaudited) | 31 December 2013 (Audited) |
| Net assets value per ordinary share (USD cents) | 4.63 | 4.45 | 4.72 | 4.20 |
| Net assets value (USD'000) | 55,137 | 46,011 | 56,214 | 43,466 |
| Issued and fully paid ordinary shares | 1,190,122,448 | 1,035,050,000 | 1,190,122,448 | 1,035,050,000 |

8. **A review of the performance for the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

(a) any significant factors that affected the turnover, costs, and earnings of the group for current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Revenue Analysis

| Revenue (USD million) | 3Q 2014 | 3Q 2013 | +/-) Change % | 9M2014 | 9M2013 | +/-) Change % |
|--|---------|---------|---------------------|--------|--------|---------------------|
| Oilfield services | 0.24 | 1.74 | -86% | 0.72 | 4.86 | -85% |
| Exploration and Production (E&P) cost recovery | 0.17 | - | n.m. | 0.53 | - | n.m. |
| Total revenue | 0.41 | 1.74 | -76% | 1.25 | 4.86 | -74% |

The Group started to report revenue on its operations at Kampung Minyak Oil Field ("KM Field") in its 2Q2014 results. The Group achieved incremental oil in the nine months ended 30 September 2014 ("9M2014") as its oil production increased and the contractual baseline oil reduced as compared to 9M2013. Based on its contract with Pertamina EP, the Group was entitled revenue on its net shareable oil based on a cost recovery model.

Together with the revenue from oilfield services, the Group registered total revenue amounting to USD0.41 million and USD1.25 million in 3Q2014 and 9M2014 respectively. The decrease in total revenue was due to an advisory service fee of USD1.50 million and USD4.14 million recorded in 3Q2013 and 9M2013 but not repeated in 3Q2014 nor 9M2014.

Cost and Earning Analysis

Other income declined from USD0.21 million in 9M2013 to USD0.07 million in 9M2014 due to a forfeited deposit amounting USD0.16 million from the termination of private placement but not repeated in 9M2014.

Selling and distribution expenses increased 16% to approximately USD0.06 million in 9M2014.

Administrative expenses increased USD1.37 million or 63% in 9M2014 mainly due to the increase in depreciation of oil and gas properties amounting USD0.87 million. Depreciation

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increased in 9M2014 as the capital costs for the drilling of new wells were transferred from exploration and evaluation expenditures to oil and gas properties in December 2013.

Other operating expenses increased USD1.05 million or 80% in 9M2014 mainly due to increase in production expense at the KM Field.

Finance costs decreased USD3.60 million or 78% from USD4.60 million in 9M2013 to USD1.00 million in 9M2014. The decrease was mainly due to an interest expense on early redemption of convertible bonds in 9M2013 amounting USD4.00 million which was not repeated in 9M2014. The finance cost in 9M2014 represented a 7% interest cost arising from the drawdown of convertible loans in 9M2014. This is a non-cash item in the cash flow statement as the interest was paid by shares.

Due to the above, net loss attributable to equity holders of the Company was approximately USD5.72 million in 9M2014.

Financial Position and Liquidity

| | 9M2014 | 9M2013 |
|--|----------------------|----------------------|
| | (USD million) | (USD million) |
| Cash used in operating activities | (5.35) | (0.28) |
| Cash used in investing activities | (0.34) | (3.07) |
| Cash generated from financing activities | 13.84 | 2.70 |
| Net Increase / (decrease) in cash and cash equivalents | 8.15 | (0.66) |
| Cash and cash equivalents at end of period | 15.05 | 4.84 |

There was a net cash outflow of approximately USD5.35 million in operating activities mainly due to the net loss and working capital changes. Working capital changes included USD1.08 million from increase in trade and other receivables and prepayments and USD0.87 million increase in amount due from an associate. Other receivables increased mainly due to increase in VAT and tax receivables and loan to GKM which the Group have a 10% interest.

Cash generated from financing activities amounted to USD13.84 million in 9M2014 due to net proceeds received from the convertible loans as the Company drew down SGD18.00 million of convertible loans.

The Group's current assets as at 30 September 2014 increased by USD10.10 million as compared to 31 December 2013 mainly due to the increase in cash and cash equivalents by USD8.15 million as a result of the drawdown of the Loan. Amount due from an associate company, CPHL (Cambodia) Company Limited ("CPHLC"), increased by USD0.87 million mainly due to the technical service fee charged in 9M2014. Trade and other receivables increased USD1.08 million mainly due to increase in VAT and tax recoverables.

Non-current assets decreased by USD1.21 million in 9M2014 due to depreciation of oil and gas properties and amortisation of intangible assets amounting to USD0.92 million and USD0.52 million respectively. Investment in an associate decreased by USD0.12 million due to the share of losses in the associate. The decrease in non-current assets was partially offset by the increase in property, plant and equipment of USD0.10 million.

The Group's current liabilities (which comprised solely of trade and other payables) decreased by USD0.23 million in 9M2014 mainly due to the payment of accrued expenses as at 31 December 2013.

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

The Group did not make any forecast or prospect statement.

- 10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

KM Oil Field

In 3Q2014, the total production of crude oil was 10,703 barrels and total incremental oil production amounted to 5,046 barrels. Daily production increased to around 140 barrels in October 2014 since the use of crane service for basic well services such as tightening of staffing box and changing rod pumps.

The Group commenced drilling of its first deep well KM-13A (KM612) in September 2014. KM-13A drilling was completed in October with final drill depth at 1020 meters. The interpretation from PT Elnusa TBK was in line with the Group's technical team. Production in the area will commence soon after perforation of the wellbore.

Prisma Kampung Minyak "PKM" had been granted an extension to July 2016 for the fulfilment of the first stage of KSO commitment. Pertamina EP had also approved PKM's proposal to substitute all its work over commitment with another four new drilling programs, which includes KM-13A.

PKM will also be commencing hydro injecting pilot program trials at KM604 to optimize production in 4Q2014.

Directional drilling and well engineering services

In 2Q2014, the Company has set up a new wholly owned subsidiary, Uniteq Energy Services Pte. Ltd., to commence the provision of low environmental impact directional drilling and well engineering services to E&P companies. The Company has recruited a new team that is highly experienced in directional drilling services which has commenced business in 3Q2014.

Cambodia Block D

CPHL Cambodia had met with the General Department of Petroleum (GDP) of Cambodia and received a proposal from GDP for the extension of exploration period in Block D. Management is currently reviewing some terms in the proposal before CPHL Cambodia agree to formally accept the extension agreements. CHPL Cambodia plans to meet GDP in November 2014 to finalise the terms of the proposal. Meanwhile, the Ministry of Environment had approved CHPL Cambodia's Environmental Impact Assessment (EIA) review. With the approval, CHPL Cambodia can carry out its environmental management plan and with the extension of exploration period approved and accepted, it can subsequently commence its drilling plans.

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11. Dividend.

| | (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 dividend has been declared or recommended for the period ended 30 September 2014.

13. Interested Person Transactions

No Interested Person transactions (IPT) were concluded for the quarter ended 30 September 2014.

14. Update on Use of Proceeds from the Placement and Convertible Loans

The Company has raised a total of USD37.46 million from the placement and loans issued in 2H2013-9M2014. The unutilised amount from the proceeds amounted to USD12.36 million as at 30 Sep 2014. The use of proceeds from the placement and loans was in accordance with the intended use.

| | |
|--|--------------|
| | USD' million |
| Net proceeds from drawdown of placement and loans | 37.46 |
| Less use of proceeds: | |
| Repayment of senior bonds due April 2014 | 17.44 |
| Investment in 10% stake in GKM | 3.00 |
| Loan to GKM | 1.04 |
| Exploration, drilling and testing activities at KM Field | 1.91 |
| Working capital | 1.71 |
| Balance as at 30 September 2014 | 12.36 |

Additional Disclosure Required for Mineral, Oil and Gas companies

15a. i. Rule 705 (6) of the Mainboard Listing Rules

For 3Q2014, funds / cash were mainly used for the following activities:-

| Purpose | Amount (USD million) |
|--|----------------------|
| Exploration, drilling and testing activities at Kampung Minyak Oil Field | 0.40 |
| Working Capital | 0.31 |
| Total | 0.71 |

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15a. ii. Project on the use of funds / cash for the next immediate quarter, including principal assumptions:-

For the next immediate quarter (period from 1 October 2014 to 31 December 2014), the Group's use of funds / cash for exploration activities and other expected to be as follows:-

| Purpose | Amount (USD million) |
|--|---------------------------------|
| Investment in new and existing exploration opportunities | 1.00 |
| Working Capital | 1.20 |
| Total | 2.20 |

15b. Rules 705 (6) of the Mainboard Listing Rules

The Board confirms that to the best of their knowledge, nothing has come to their attention which may render the above information provided to be false or misleading in any material aspect.

16a. Rules 705 (7)(a) of the Mainboard Listing Rules

Details of exploration (including geophysical surveys), mining development and / or production activities undertaken by the Company and summary of the expenditure incurred on those activities, including explanation for any material variances with previous projects, for the period under review. If there has been no exploration, development and / or production activity respectively, that the fact must be stated;

Total cash used for exploration, drilling and testing activities at Kampung Minyak Oil Field was USD0.40 million in 3Q2014. This was lower as compared to the earlier forecast of USD0.50 million in the 2Q2014 results announcement. The main reason for the lower cash used was because of the negotiation process which the Group engaged in with respect to the renegotiation of the payment terms with its suppliers.

16b. Rule 705 (7)(b) of the Mainboard Listing Rules

Update on its reserves and resources, where applicable, in accordance with the requirements set out in Practice Note 6.3, including a summary of reserves and resources as set out in Appendix 7.5.

The Group has no material updates on the reserves and resources as set out in the QPR (Qualified Person's Report) dated 31 December 2013 dated 18 March 2014.

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17. Confirmation pursuant to Rule 705(5) of the Mainboard Listing Rules

We, William Shut Li CHAN and Rhoda Mei Ling LIU, 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 third quarter and nine months ended 30 September 2014 to be false or misleading in any material aspect.

On behalf of the Board of Directors

William Shut Li CHAN / Rhoda Mei Ling LIU

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

10 November 2014