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$56,000 for the financial year ended 31 December 2017.

The Group's Exploration and Production (E&P) activities in Kampung Minyak (KM) Oil Field generated US$56,000 in 2017.

Production expenses fell by US$1.216 million or 89% in comparing with FY2016. This was due to the cessation of production activities at the KM Oil Field during the year of 2017.

Staff costs were further reduced to US$1.203 million for FY2017 as compared to US$2.116 million for FY2016.

Depreciation and amortization also declined by 90% for FY2017 as compared to FY2016.

The total loss for FY2017 was US$9.605 million.

The current assets of the Group as at 31 December 2017 decreased by US$3.569 million as compared to 31 December 2016. This was largely due to a net decrease in cash and short-term deposits by US$2.342 million.

The non-current assets decreased by US$4.671 million in FY2017 compared to FY2016. This was due to the written down on KM Oil Field properties amounting to US$3.020 million and the impairment of investment in associate at the amount of US$1.280 million.

Cash used in operating activities was US$2.296 million for FY2017.

However, the cash balance of US$2.354 million will be sufficient for the Group to take on new businesses.

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

3. UPDATE ON FUTURE DIRECTION

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 services due to prudent financial management in the past years with zero gearing.

KM Oil Field

Weak economic climate in the Indonesian Oil Exploration sector continued in 2017. The reason the Group had ceased production since February 2017 was two-fold, i) to further limit losses, and ii) to diversify its revenue source. The Group had decided to surrender the KM Oil Field back to PT Pertamina EP. Notwithstanding, the Group will still continue to look for new opportunities in the oil and gas service sector.

Oil field services and trading

The Group's subsidiaries UniTEQ and Acrux ceased operations in early 2017 and were struck off in November 2017. PT. Prima Petrolium Service (PPPS, or formerly known as PT. Kampung Minyak Energy) is in progress of being sold to an individual subject to approval being obtained as the Group intends to hive off non-profitable Oil and Gas business units. However, the Group still retains minority ownership of the GKM Oil Field in Indonesia. Notwithstanding, the Group will still seek new profitable business opportunities in the Energy sector.

New business venture with Malaysia listed company

In 2017, the Group entered into a conditional shareholder's agreement with a Malaysian company, PRG Construction Sdn Bhd, a whollyowned subsidiary of PRG Holdings Berhad which is a public limited liability company listed on the Main Market of Bursa Malaysia Securities Berhad. The purpose is to seek partnership via a joint venture company for housing development contracts in Malaysia.

The Joint Venture ("JV") Company, Premier Mirach Sdn Bhd was incorporated in Malaysia to undertake housing development contracts in Malaysia.

On 20 October 2017, the first housing project situated in the Malaysian State of Perak and valued at RM$20.5 million was awarded to JV Company Premier Mirach Sdn Bhd.

On 1 November 2017, JV Company Premier Mirach Sdn Bhd had entered into a conditional partnership agreement with another Malaysian company, Pacific Vintage Sdn Bhd, to jointly develop and construct individual residential unit of townhouses in West Malaysia.

On behalf of the Board of Directors
Chan Shut Li, William
Chairman of the Board

1 March 2018