



Mirach Energy Limited

Annual General Meeting 2015



Singapore

Hong Kong

Beijing

Jakarta

Phnom Penh

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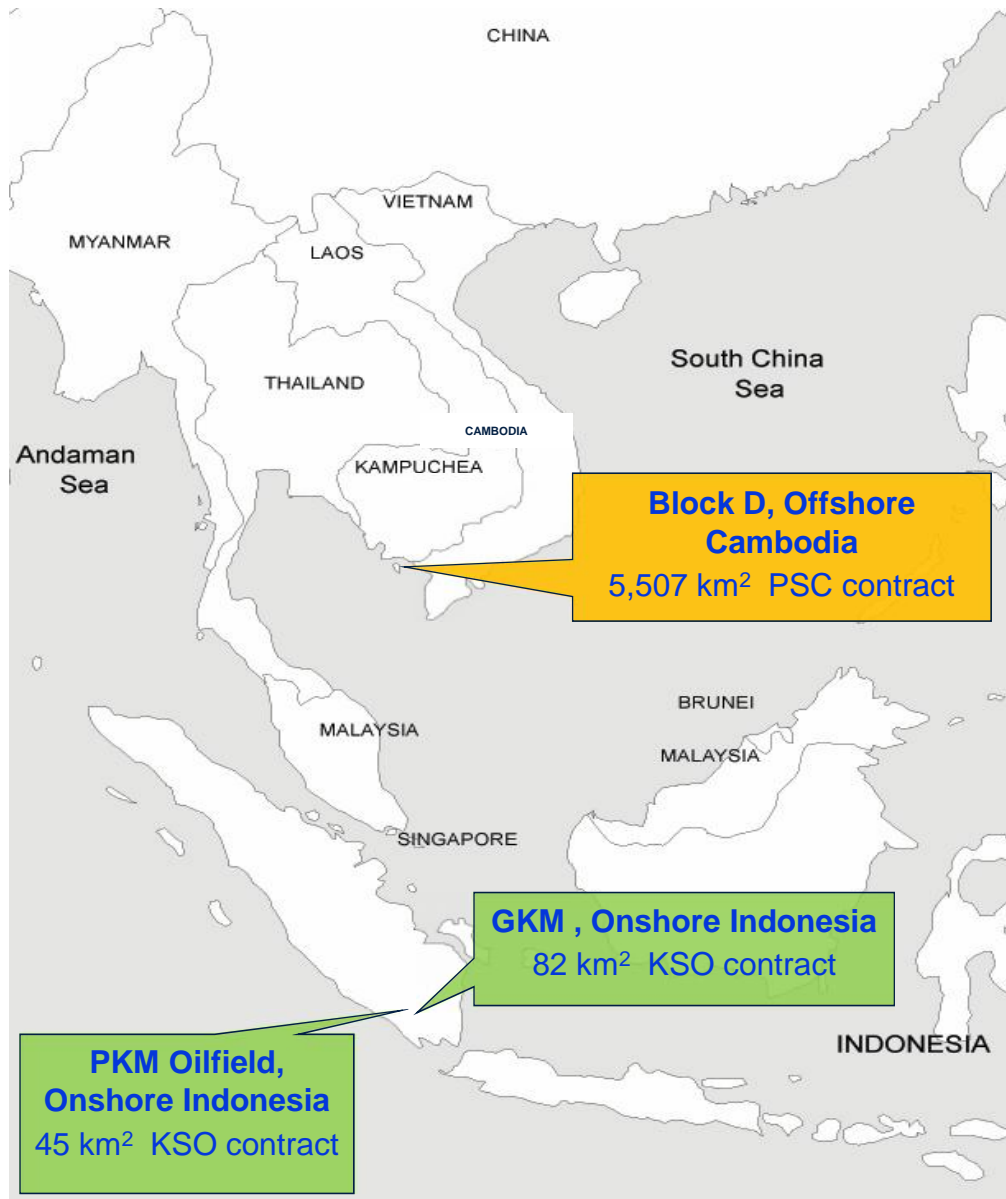
■ Operations update

2 to 10 (Next...)

■ FY14 results

12 to 15

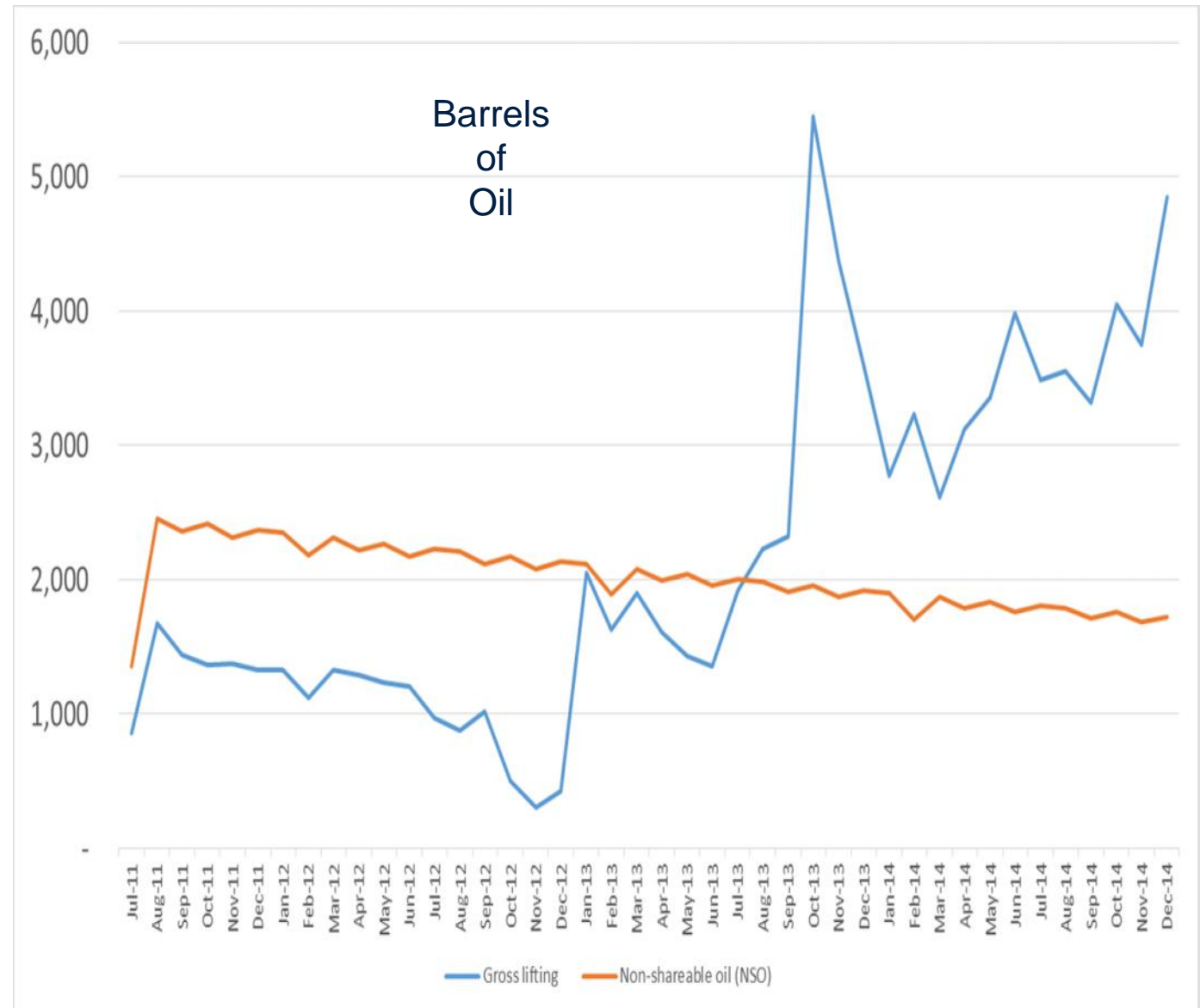
Operations at a glance



- 2 oil blocks in South Sumatra
- 1 offshore oil block in Offshore Cambodia (Block D)
- Company P50: 433 million barrels of oil equivalent (*P50: the probability of the reserves exceeding 433mmboe is 50% or more*)
- Current monthly production: +/- 4200 barrels of oil

Improving Monthly Production

- Many oil blocks in the area
- Mirach took over Kampung Minyak and has worked on 29 wells
- Incremental production is improving over the years (see next slide)

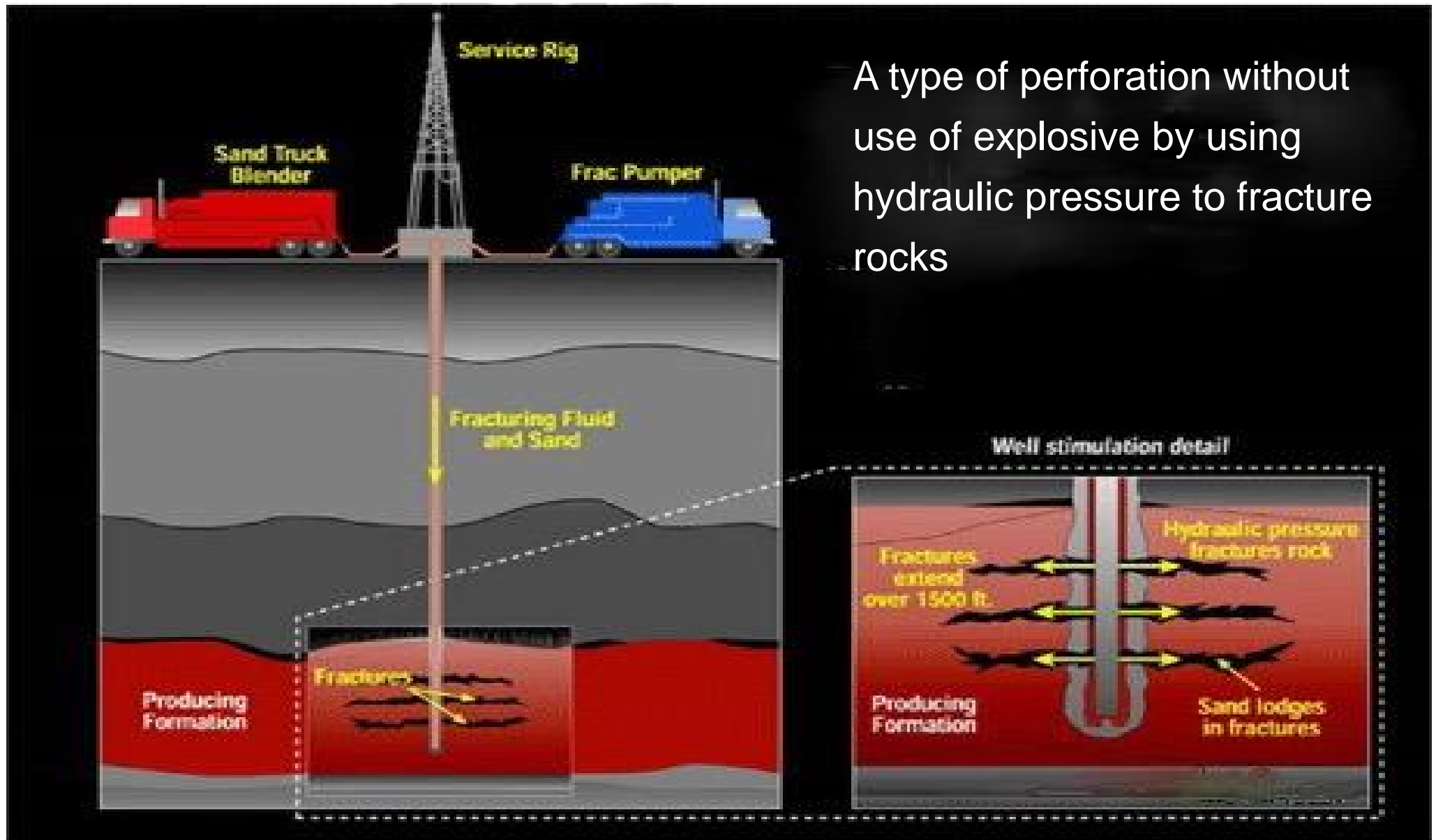


Plans for enhancing production

Kampung Minyak Oil Block- 2015

- **Reactivate old wells at low cost instead of drilling new deep wells**
- **Plans to reactivate up to 27 old wells in 2015**
- **Plan to reactivate 2 injection wells in 2015**
- **To do a Simulation Reservoir and Field Evaluation Formation**
- **Enhancing oil production with slot drilling to further open up production**
- **To commence hydro-injecting pilot program at certain wells**

Hydro-Slotting Perforation

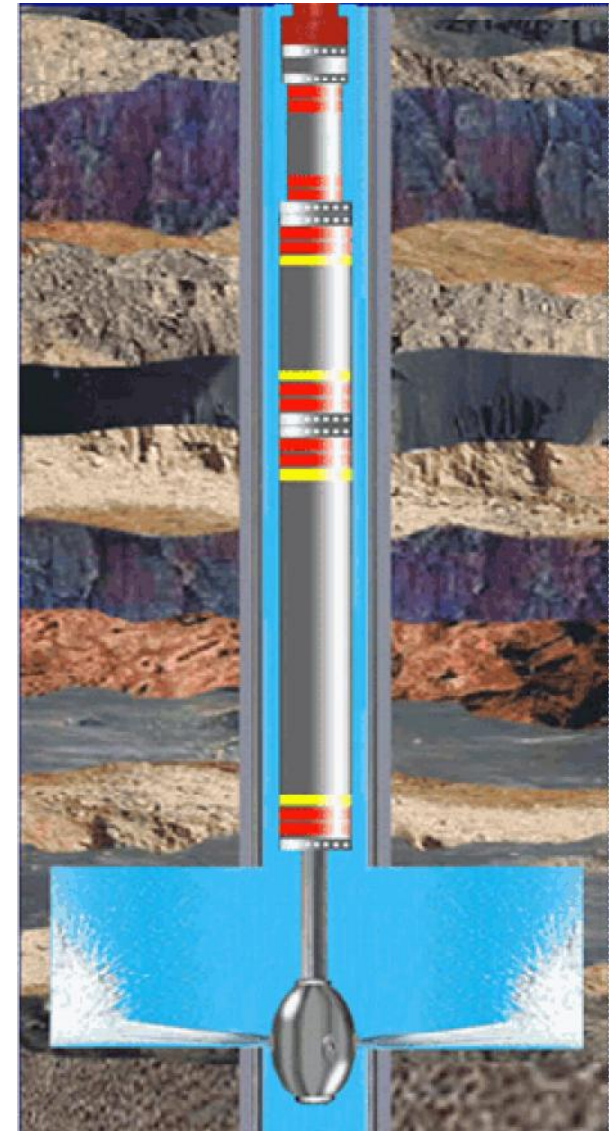


A type of perforation without use of explosive by using hydraulic pressure to fracture rocks

Hydro-Slotting Perforation

Advantage

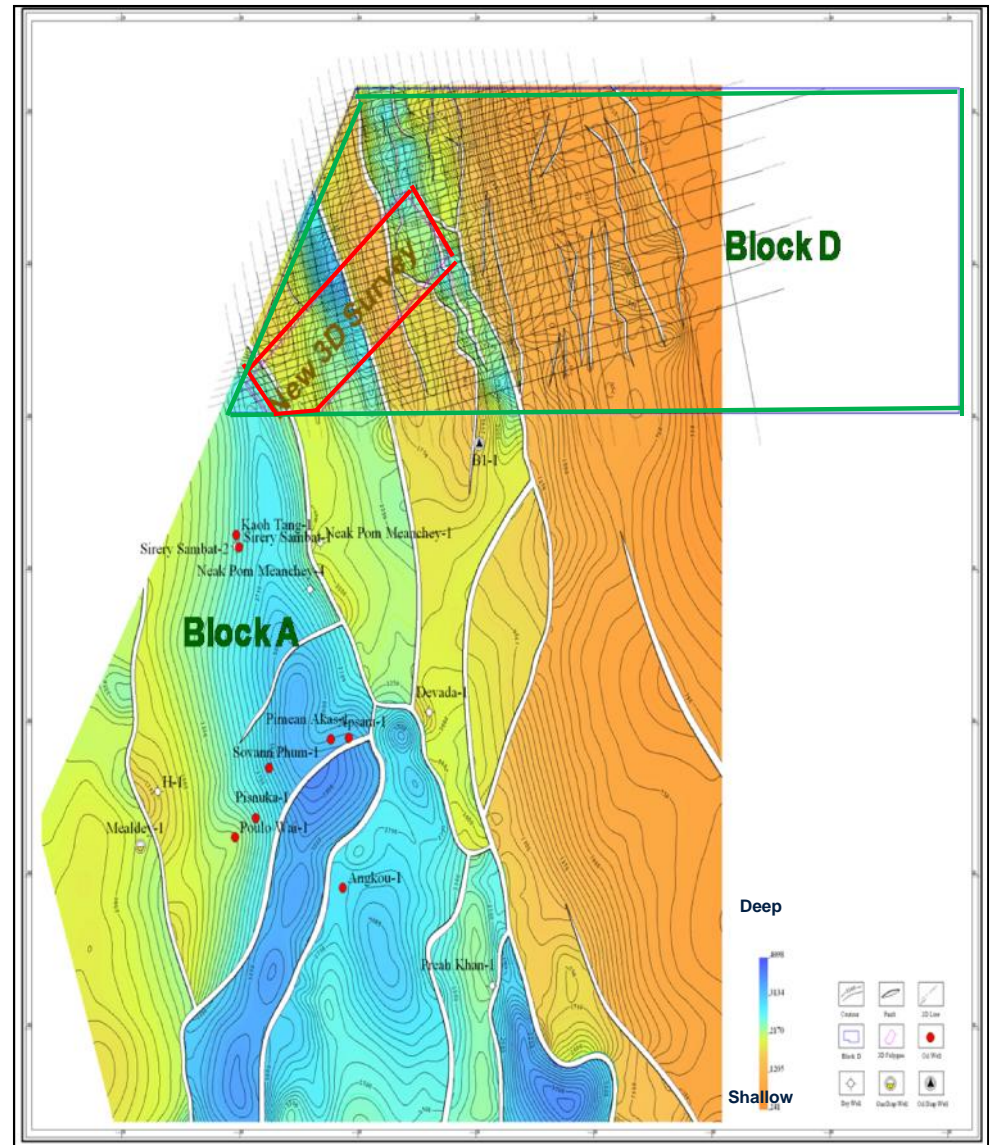
- As no explosives will be used, there is no need to wait for explosive permit approvals before perforation
- Cost is low
- Enhance production by unloading and increasing permeability in order to discharge the near wellbore zone of the productive layer



Block D Offshore Cambodia

Work done to date

- 6700 km 2-D seismic lines covered
- 400 sq km 3 -D seismic survey in block
- Prospects identified
- Five drilling targets identified
- Completed environmental and social impact assessment
- Waiting for further extension before moving forward



Local top basement structural map, offshore Cambodia

Other business development work

- Acrux is a wholly-owned subsidiary set up by MEL to handle energy products procurement for its existing network.
- The main objective is to develop future sustainable business
- Below is the commodities types Acrux is developing with its clients in China

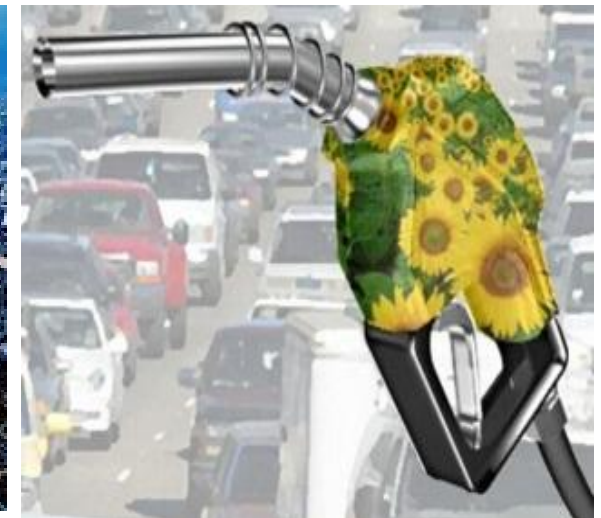


Acrux Procurement (Singapore) Pte. Ltd.

LNG procurement

Bio Diesel

Crude

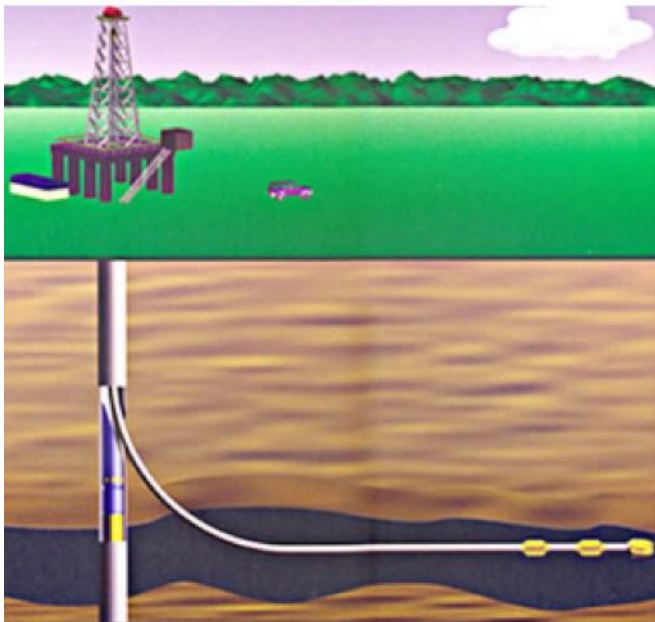


Other business development work



UniTEQ Energy Services Pte. Ltd.

Directional Drilling



Well Engineering & optimization services



Drilling Consultancy



Prospects for FY2015

KM Field

- Stabilise operations and improving operational reliability
- Further reactivate old wells to increase total production
- Introduce new slot drilling

Cambodia Block D

- Completed and received approval for the Initial Environmental Social Impact Assessment Report from Ministry of Environment in Cambodia
- Awaiting finalization of extension contract

Sustainability – new business

- Constantly sourcing for new asset concessions/ investment to expand portfolio
- Set up Acrux to develop procurement of energy products, and to develop China as the first market
- Set up UniTEQ to develop oilfield services business & complement core oil and gas exploration and production

P&L Overview

	2014	2013	
	US\$'000	(Restated) US\$'000	Remarks
Revenue	1,704	5,399	One-off advisory service fee US\$4.14m in FY13
Other income	86	233	
Production expenses	(1,086)	(979)	Increase in maintenance cost for well servicing
Staff cost	(2,172)	(1,606)	Increase headcount in Uniteq and KM Field
Depreciation and amortisation	(1,464)	(1,160)	Due to production increase
Other expense	(1,393)	(1,712)	
Finance costs	(52)	(4,640)	Once-off cost due to early redemption of CB in FY13
Share of loss of associates	(575)	(517)	
Loss before income tax	<u>(4,952)</u>	<u>(4,982)</u>	
Income tax	(67)	0	
Total loss for the financial year	<u>(5,019)</u>	<u>(4,982)</u>	

*PL presentation changed from by function to by nature

E&P revenue increased due to higher incremental oil (gross lifting less non-shareable oil "NSO").

Balance Sheet

	31-Dec-14	31-Dec-13	Diff	
	US\$'000	(Restated) US\$'000	US\$'000	Remarks
<u>Non-current assets</u>				
Oil and gas properties	8,113	6,944	1,169	Drilling activities at KM Field
Intangible assets	8,003	8,696	(693)	Amortisation
Investment in associates	5,547	6,122	(575)	Share of losses
Amounts due from associates	19,674	18,512	1,162	Technical service fee charged to CPHLC
Others	2,718	2,631	87	
	<u>44,055</u>	<u>42,905</u>	1,150	
<u>Current assets</u>				
Cash and short-term deposits	12,627	6,902	5,725	Proceeds from convertible loans
Others	2,582	1,705	877	
	<u>15,209</u>	<u>8,607</u>	6,602	
Current liabilities	8,497	8,565	(68)	
Non-current liabilities	481	388	93	Provision for decommissioning
Net assets	<u>50,286</u>	<u>42,559</u>	7,727	
<u>Equity attributable to owners of the Company</u>				
Share capital	81,249	66,406	14,843	Proceeds from convertible loans
Accumulated losses	(29,854)	(23,917)	(5,937)	
Other reserves	(768)	329	(1,097)	
	<u>50,627</u>	<u>42,818</u>	7,809	
Non-controlling interests	(341)	(259)	(82)	
	<u>50,286</u>	<u>42,559</u>	7,727	

Cash flow statement

	2014	2013	
	US\$'000	(Restated) US\$'000	Remarks
<u>Operating activities</u>			
Loss before tax	(4,952)	(4,982)	
Adjustments for:			
Depreciation and amortisation	1,464	1,160	
Finance costs	52	4,640	
Working capital changes	(1,433)	2,603	
Others	318	778	
Net cash flows (used in)/generated from operating activities	<u>(4,551)</u>	<u>4,199</u>	
<u>Investing activities</u>			
Investment in an associate	0	(3,000)	Investment in associate (Gunung Indah Lestari)
Additions to oil and gas properties	(1,840)	(4,767)	Drilling activities at KM Field
Others	(187)	83	
Net cash flows used in investing activities	<u>(2,027)</u>	<u>(7,684)</u>	
<u>Financing activities</u>			
Proceeds from Convertible Loan	13,843	9,565	Draw down of 2 tranches in 2013 and 3 tranches in 2014
Proceeds from new shares/ESOS/call options	0	15,316	
Repayment of CB principal and interest	0	(17,639)	
Increase in amounts due from associates	(1,409)	(2,248)	
	<u>12,434</u>	<u>4,994</u>	
Net increase in cash and cash equivalents	5,856	1,509	
Effect of exchange rate changes on cash and cash equivalents	(131)	(157)	
Cash and cash equivalents at beginning of the financial year	6,902	5,550	
Cash and cash equivalents at end of the financial	<u><u>12,627</u></u>	<u><u>6,902</u></u>	

Use of Proceeds

	US\$' million
Net proceeds from placement and drawdowns of loans	37.46
Less use of proceeds:	
Repayment of senior bonds due April 2014	(17.44)
Investment in 10% stake in associate company, Gunung Indah Lestari Limited	(3.00)
Loan to associate company Gunung Indah Lestari Limited	(1.11)
Exploration, drilling and testing activities at KM Field	(2.91)
Working capital (staff/office cost, production costs)	(3.07)
Balance as at 31 December 2014	9.93

Thank you



What lovely
subjects
you find in
Sumatra
besides oil
and gas 😊

