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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**

Total revenue for the Group reported was US\$0.303 million for the financial period ended 30 September 2017.

The Group’s Exploration and Production (E&P) activities in Kampung Minyak (KM) Oil Field generated US\$56,000 in 9M2017.

There was revenue from Oilfield Services In 3Q2017. The proceeds were contributed by PT. Prima Petroleum Services amounting to US\$58,000 in 3Q2017 and totalled US\$247,000 for 9M2017.

Production expenses fell by US\$1.015 million or 87% for in comparison with 9M2016. This was due to the cessation of production activities at the KM Oil Field during 9M2017.

Staff costs were further reduced to US\$0.907 million for 9M2017 as compared to US\$1.549 million for 9M2016.

Depreciation also declined by 90% in 9M2017 as compared to that of 9M2016.

The total loss for 9M2017 was US\$0.615 million.

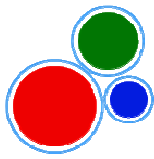
The current assets of the Group as at 30 September 2017 decreased by US\$2.321 million as compared to 31 December 2016. This was largely due to a net decrease in cash and short-term deposits by US\$2.903 million.

The non-current assets decreased by US\$2.779 million in 3Q2017 compared to end 2016. This was due to a write down on KM Oil Field properties amounting to US\$2.404 million in 2Q2017.

Cash used in operating activities was US\$2.896 million for 9M2017.

However, the cash balance of US\$1.793 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 3Q2017/9M2017 ended 30 September 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 into 3Q2017.

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 thus decided to return the KM Oil Field back to Pertamina.

However 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 had ceased operations in early 2017 and we have applied with ACRA in July 2017 for the said subsidiaries to commence proceedings to be struck off.

PT. Prima Petroleum Service (PPPS, or formerly known as PT. Kampung Minyak Energy) had sold off its inventories to another oil and gas operator as the Group moves to contain and cut off non-profitable Oil and Gas business units.

However, the Group still retains minority ownership of the GKM Oil Field in Indonesia. The Group is still seeking new business opportunities especially in the Energy sector.

#### New business venture with Malaysia listed company

As previously announced in late August 2017, the Group had entered into a conditional shareholder's agreement with a Malaysian company, PRG Construction Sdn Bhd, a wholly-owned 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 Company, Premier Mirach Sdn Bhd was set up 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 individual residential unit of townhouses in West Malaysia.

The Group will update more on the above new project as it materializes.

**By Order of the Board  
Chan Shut Li, William, Chairman of the Board  
8 November 2017**