



MIRACH ENERGY LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200305397E)

KM13-A in Kampung Minyak Oil Field (KM) Completed Drilling

Mirach Energy is pleased to announce that its subsidiary, Prisma Kampung Minyak Limited (**PKM**), has completed the drilling and received the Final Well Report for KM13-A. KM13-A is the Group's first new deep well drilled in **KM**, South Sumatra, Indonesia. KM13-A drilling plan targeted to drill 990 metres of Suban-8 to Suban-13 layers of Air Benakat Formation. It was completed with final drill depth at 1020 metres. PT Daqing Jaya Petroleum Engineering was the drilling contractor

PT Henan Petroleum Indonesia, the firm contracted to assist in the mud logging and interpretation of mud log, has submitted a Final Well Report to PKM. From the report, it was noted that there are oil and gas shown in 5 sandstone layers in the developed Muara Enim Formation at Suban-1, Subab-6, Suban-7, Suban-7B and Suban-7C, aggregating 18.6 metres. The deeper Air Benakat formation shows a total of 23.6 metres of oil sands, distributed in 5 sandstone layers at Suban-8, Suban-9, Suban-10 and Suban-13. In addition, there are 2 Coal Bed Methane (CBM) layers that aggregate 12.6 metres in total.

PT Elnusa Tbk will interpret the well-testing log before production work commence. Meanwhile, PKM is making preparations for pressure kill, perforations and production testing for the various layers, starting from Suban-13 at around 950 metres. Production is planned to commence in the next two weeks. Production results from Suban-13 shall be further interpreted for guidance on production plan for the other layers in the wellbore. The Company will make further announcement on new findings in the wellbore.

"The drilling completion of KM13-A is another milestone for the Group. In the past, the Group only drilled new shallow wells. The shallow wells had been tapping into a contingent resource of 2.6MMbbl crude oil (best estimate) in the KM Block according to the Competent Person's Report "Kampung Minyak, Indonesia as of December, 2013" provided by McDaniel & Associates Consultants Limited. KM13-A is the Group's first new deep well that

taps into the “KM Deep” mean prospective resource (comprising crude oil and condensate) amounting 37.9MMbbl.

The Group had reported its first incremental oil as revenue in the 2Q2014 results announcement. It believes that the drilling of deep wells and adoption of enhanced oil recovery techniques can help to increase the Group’s current production and add value to our shareholders.” said Mr William Chan, Chief Executive Officer of Mirach Energy Limited.

By order of the Board of Mirach Energy Limited

Chan Shut Li, William- Executive Chairman and Chief Executive Officer

13 October 2014