

**MIRACH ENERGY LIMITED**  
**First Quarter Financial Statement for the period ended 31 March 2009**

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

**Consolidated Statement of Comprehensive Income**

	Note	Group		
		3 months ended 31 March 2009	3 months ended 31 March 2008	+ / (-)
		(Unaudited) RMB'000	(Unaudited and re-stated) RMB'000	Change (%)
<b>Revenue</b>		4,668	7,531	(38)
Cost of sales		(3,143)	(4,861)	(35)
<b>Gross profit</b>		1,525	2,670	(43)
Other income	1	-	720	n.m.
Research and development costs		-	(497)	n.m.
Selling and distribution costs		(831)	(1,161)	(28)
Administrative expenses		(2,775)	(4,430)	(37)
Other operating expenses	2	(94)	-	n.m.
Interest income		2	74	(97)
Finance costs		(11)	(3)	267
Share of losses of associates		(530)	(338)	57
<b>Loss from continuing operations before income tax</b>		(2,714)	(2,965)	(8)
Income tax		-	-	-
<b>Net loss for the period</b>		(2,714)	(2,965)	(8)
Other comprehensive income for the period, after tax:				
Exchange differences on translation of financial statements of overseas subsidiaries		214	(1,497)	n.m.
<b>Other comprehensive income for the period, net of tax</b>		214	(1,497)	n.m.
<b>Total comprehensive income for the period</b>		(2,500)	(4,462)	(44)
<b>Loss attributable to:</b>				
<b>Owners of the parent</b>		(2,714)	(2,686)	1
<b>Minority interests</b>		-	(279)	n.m.
<b>Net loss for the period</b>		(2,714)	(2,965)	(8)
<b>Total comprehensive income attributable :</b>				
<b>Owners of the parent</b>		(2,500)	(4,183)	(40)
<b>Minority interest</b>		-	(279)	n.m.
		(2,500)	(4,462)	(44)

*n.m.: not meaningful*

Notes:

1. Other income comprises :

	<b>Group</b>	
	<b>3 months ended 31 March 2009</b>	<b>3 months ended 31 March 2008</b>
	(Unaudited) RMB'000	(Unaudited) RMB'000
Deferred income reversal	-	246
Foreign exchange gain	-	474
<b>Total</b>	-	720

2. The other operating expense in 1Q09 comprised of foreign exchange loss of RMB88,000 and loss on disposal of property, plant and equipment of RMB6,000.

**Notes to Consolidated Statement of Comprehensive Income :**

	<b>Group</b>		
	<b>3 months ended 31 March 2009</b>	<b>3 months ended 31 March 2008</b>	<b>+ / (-)</b>
	(Unaudited) RMB'000	(Unaudited) RMB'000	Change%
Depreciation of property, plant and equipment	1,631	2,196	(26)
Amortization of intangible assets	-	308	n.m.
Foreign exchange loss/(gain), net	88	(474)	n.m.
Loss on disposal of property, plant and equipment	6	-	n.m.

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

**Statement of Financial Position**

	Group		Company	
	31 March 2009	31 December 2008	31 March 2009	31 December 2008
	(Unaudited) RMB'000	(Audited) RMB'000	(Unaudited) RMB'000	(Audited) RMB'000
<b>Non-current Assets</b>				
Property, plant and equipment	33,077	34,780	157	180
Subsidiaries	-	-	110,940	110,931
Investment in associates	46,067	46,597	46,067	46,597
<b>Total non-current assets</b>	<b>79,144</b>	<b>81,377</b>	<b>157,164</b>	<b>157,708</b>
<b>Current assets</b>				
Inventories	2,085	2,148	776	776
Trade and other receivables	4,545	4,425	1,022	721
Amount due from subsidiaries (non- trade)	-	-	24,249	24,257
Amount due from an associate	61,647	59,505	7,521	6,987
Pledged fixed deposit	5,059	5,059	5,059	5,059
Cash and cash equivalents	70,064	72,798	946	2,012
<b>Total current assets</b>	<b>143,400</b>	<b>143,935</b>	<b>39,573</b>	<b>39,812</b>
<b>Total assets</b>	<b>222,544</b>	<b>225,312</b>	<b>196,737</b>	<b>197,520</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	196,425	196,425	196,425	196,425
Reserves	(13,210)	(11,057)	(65,853)	(64,332)
<b>Total equity</b>	<b>183,215</b>	<b>185,368</b>	<b>130,572</b>	<b>132,093</b>
<b>Current liabilities</b>				
Trade and other payables	38,205	38,820	16,384	16,087
Amounts due to subsidiaries (non-trade)	-	-	49,781	49,340
Amounts due to related companies	624	624	-	-
Amounts due to a director	500	500	-	-
<b>Total current liabilities</b>	<b>39,329</b>	<b>39,944</b>	<b>66,165</b>	<b>65,427</b>
<b>Total liabilities</b>	<b>39,329</b>	<b>39,944</b>	<b>66,165</b>	<b>65,427</b>
<b>Total equity and liabilities</b>	<b>222,544</b>	<b>225,312</b>	<b>196,737</b>	<b>197,520</b>

**1(b) (ii) Aggregate amount of group's borrowings and debt securities.**

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

<b>As at 31 March 2009</b>		<b>As at 31 December 2008</b>	
Secured	Unsecured	Secured	Unsecured
(Unaudited) RMB'000	(Unaudited) RMB'000	(Audited) RMB'000	(Audited) RMB'000
Nil	Nil	Nil	Nil

**Amount repayable after one year**

<b>As at 31 March 2009</b>		<b>As at 31 December 2008</b>	
Secured	Unsecured	Secured	Unsecured
(Unaudited) RMB'000	(Unaudited) RMB'000	(Audited) RMB'000	(Audited) RMB'000
Nil	Nil	Nil	Nil

**Details of any collateral:**

Not applicable.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Consolidated Statement of Cash Flows (cont'd on next page)**

	<b>Group</b>	
	<b>3 months ended 31 March 2009</b>	<b>3 months ended 31 March 2008</b>
	<b>(Unaudited) RMB'000</b>	<b>(Unaudited and re-stated) RMB'000</b>
<b>Cash flow from operating activities</b>		
<b>Loss from ordinary activities before income tax</b>	<b>(2,714)</b>	<b>(2,965)</b>
<b>Adjustments for :</b>		
Depreciation of property, plant and equipment	1,631	2,196
Amortization of intangible assets	-	308
Finance costs	11	3
Interest income	(2)	(74)
Share option recognized	347	35
Deferred income reversal	-	(246)
Share of losses of associates	530	338
Loss on disposal of property, plant and equipment	6	-
<b>Operating loss before working capital changes</b>	<b>(191)</b>	<b>(405)</b>
Changes in operating assets and liabilities :		
Inventories	63	(117)
Trade and other receivables	(119)	(1,407)
Amount due from an associate	(2,142)	(469)
Trade and other payables	(616)	(3,388)
Amount due to directors	-	(7,533)
<b>Cash used in operations</b>	<b>(3,005)</b>	<b>(13,319)</b>
Interest received	2	74
Interest paid	(11)	(3)
<b>Cash flows used in operating activities</b>	<b>(3,014)</b>	<b>(13,248)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(2)	(4,613)
Proceed from disposal of property, plant and equipment	68	-
<b>Cash flows generated from/ (used in) investing activities</b>	<b>66</b>	<b>(4,613)</b>

**Consolidated Statement of Cash Flows (cont'd from previous page)**

<b>Cash flow from financing activities</b>		
Pledged fixed deposit	-	(37)
<b>Cash flows used in financing activities</b>	-	<b>(37)</b>
<b>Net decrease in cash and Cash equivalents</b>	<b>(2,948)</b>	<b>(17,898)</b>
Cash and cash equivalents at beginning of the period	72,798	116,683
Effect of foreign exchange rates changes	214	(1,497)
<b>Cash and cash equivalents at end of the period</b>	<b>70,064</b>	<b>97,288</b>

**1d(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**

<-----Attributable to owners of the parent----->

The Group	Share capital	Merger reserve	Statutory /equity reserve	Foreign exchange reserve	Accumulated profits/(loss)	Total	Minority interest	Total equity
	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000
<b>At 1 January 2008</b>	196,425	5,055	9,004	(4,200)	36,773	243,057	6,657	249,714
Share options reserve recognized	-	-	35	-	-	35	-	35
Total comprehensive income for period	-	-	-	(1,497)	(2,686)	(4,183)	(279)	(4,462)
<b>At 31 March 2008</b>	196,425	5,055	9,039	(5,697)	34,087	238,909	6,378	245,287
<b>At 1 January 2009</b>	196,425	5,055	9,497	(6,879)	(18,730)	185,368	-	185,368
Share options reserve recognized	-	-	347	-	-	347	-	347
Total comprehensive income for period	-	-	-	214	(2,714)	(2,500)	-	(2,500)
<b>At 31 March 2009</b>	196,425	5,055	9,844	(6,665)	(21,444)	183,215	-	183,215

The Company	Share capital	Statutory/equity reserve	Accumulated losses	Total
	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000
<b>At 1 January 2008</b>	196,425	3,216	(25,937)	173,704
Total comprehensive income for the period	-	-	(1,336)	(1,336)
Share options reserve recognized	-	35	-	35
<b>At 31 March 2008</b>	196,425	3,251	(27,273)	172,403
<b>At 1 January 2009</b>	196,425	3,709	(68,041)	132,093
Total comprehensive income for the period	-	-	(1,868)	(1,868)
Share options reserve recognized	-	347	-	347
<b>At 31 March 2009</b>	196,425	4,056	(69,909)	130,572

- 1(d) (ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, 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. Stated 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.**

There was no change in the Company's issued share capital since 31 December 2008.

- 1(d)(iii) 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.**

The Company does not have any treasury shares. Total number of issued share as at 31 March 2009 and 31 December 2008 were 290,960,419.

- 1(d)(iv) 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.**

Not applicable.

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

The figures have not been audited or reviewed by the Company's auditors.

- 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. **There 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.**

Not applicable.

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.**

	<b>3 months ended 31 March 2009</b>	<b>3 months ended 31 March 2008</b>
<b>Loss per ordinary share for the period based on net loss attributable to equity holders of the Company:</b>		
<b>Basic and fully diluted (RMB cents) (Note 1)</b>	<b>(0.93)</b>	<b>(0.92)</b>
Note 1:		
Basic and fully diluted loss per share were based on:		
<b>Net loss for the period (RMB'000)</b>	<b>(2,714)</b>	<b>(2,686)</b>
	<b>No. of shares</b>	<b>No. of shares</b>
Shares outstanding at beginning of the period	290,960,419	290,960,419
Weighted average number of new shares issued during the period	-	-
<b>Weighted average number of shares issued during the period (basic and diluted)</b>	<b>290,960,419</b>	<b>290,960,419</b>

**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.**

	<b>Group</b>		<b>Company</b>	
	<b>31 March 2009</b>	<b>31 December 2008</b>	<b>31 March 2009</b>	<b>31 December 2008</b>
<b>Net asset value per ordinary shares (RMB cents)</b>	62.97	63.71	44.88	45.40
<b>Net asset value (RMB'000)</b>	183,215	185,368	130,572	132,093
<b>Issued and fully paid ordinary shares</b>	290,960,419	290,960,419	290,960,419	290,960,419

**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**

<b>Revenue (RMB'000)</b>	<b>1Q2009</b>	<b>1Q2008</b>	<b>+ / (-) % change</b>
Oil Production contracts	3,164	4,774	(34)
Oilfield services	1,504	1,707	(12)
Software & related services	-	1,050	n.m.
<b>Total</b>	<b>4,668</b>	<b>7,531</b>	<b>(38)</b>

The Group registered total revenue of RMB4.7 million in 1Q09 (versus RMB7.5 million in 1Q08), gross profit of RMB1.5 million (versus RMB2.7 million in 1Q08), net loss of RMB2.7 million (versus net loss of RMB3.0 million in 1Q08) and loss attributable to owners of the parent company of RMB2.7 million (no change from loss attributable to owners of the parent company of RMB2.7 million in 1Q08).

### Oil production contracts

As a result of the downward adjustment of oil delivery prices in January 2009, and a higher number of wells shut down for maintenance work, revenue from oil production contracts in the 33 km<sup>2</sup> working area in Shaanbei registered lower revenue of RMB3.2 million in 1Q09 as compared to RMB4.8 million in 1Q08.

### Oilfield services

Oilfield services recorded revenue of RMB1.5 million in 1Q09, compared to RMB1.7 million in 1Q08. This comprised mainly of revenue derived from technical services provided to associate CPHL (Cambodia) Co., Ltd.

### Software and related services

In December 2008, the Group had disposed off its wholly owned subsidiary Xi'an Cenozoic Oilfield Information Engineering Company Ltd ("XCOIE") which sells software products and solutions. This is part of the Group's ongoing efforts to divest non-core businesses. Subsequently, we do not expect to record any further revenue from software sales and related services.

### **Cost and Earnings Analysis**

Gross profit was down 43% from RMB2.7 million to RMB1.5 million due to lower revenue recorded for the period.

Selling and distribution costs decreased from RMB1.2 million to RMB0.8 million and administrative costs was down 37% from RMB4.4 million to RMB2.8 million in 1Q09, mainly attributable to the divestment of XCOIE in 4Q08.

### **Financial Position and Liquidity**

There were no significant changes in the balance sheet in 1Q09. Cash balance of the Group declined marginally to RMB70.1 million as at 31 March 2009, from RMB72.8 million at 31 December 2008.

Property, plant and equipment, which comprises mainly of development expenditures in the Shaanbei Oil Production Contract was reduced from RMB34.8 million at 31 December 2008 to RMB33.1 million 31 March 2009 due to depreciation charges.

Trade receivables and other receivables were marginally higher at RMB4.5 million as compared to RMB4.4 million as at 31 December 2008. Trade receivables were recorded at RMB2.8 million as compared to RMB3.3 million as at 31 December 2008.

Trade and other payables were also slightly lower at RMB38.2 million from RMB38.8 million at 31 December 2008.

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

The Group did not make any forecast or prospect statement in the last results announcement dated 23 February 2009.

**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.**

The oil and gas industry continues to adjust to volatile oil prices and uncertain global economic outlook. We observe that oil companies remain conservative and some are putting on hold their investments in oil and gas assets. In addition, oil services companies may also be adjusting their equipment and service fees downwards due to weak demand.

As mentioned in our FY2008 final year results announcement, the volatile oil prices have led to our customer in Shaanbei to adjust the oil delivery prices downward. This is expected to continue to have an impact on the revenue from our oil production contract segment. We continue to look at ways to improve the production output with minimum costs outlay.

In April 2009, the Group has also concluded its 3-for-1 rights issue which helped to boost its cash position. The proceeds would be used for investment in an exploratory wells drilling program in relation to the Offshore Oil Block D in Cambodia and the remaining amount would be deployed as working capital of the Group.

**11. Dividend**

**(a) Current Financial Period Reported On**

**Any dividend declared for the current financial period reported on?** None

**(b) Corresponding Period of the Immediately Preceding Financial Year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?** None.

**(c) Date payable**

Not applicable.

**(d) Book Closure Date**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect.**

No dividend was declared for the 3 months ended 31 March 2009.

**Statement by Directors**

**Pursuant to Rule 705(4) of the Listing Manual of the SGX-ST**

To the best of our knowledge and belief, nothing has come to the attention of the Directors of the Company which may render the First Quarter Results of the Group for the financial period ended 31 March 2009 to be false or misleading. The financial statements and other information included in this report, present fairly in all material respects the financial condition, results of operations and cash flows of the Group of, and for, the period presented in this report.

**By Order of the Board**

**William Chan Shut Li**  
**Executive Chairman & CEO**

**Lui Che Kin**  
**Director & CFO**

**11 May 2009**