

MIRACH ENERGY LIMITED
Second Quarter Financial Statement for the period ended 30 June 2009

1(a) A consolidated statement of comprehensive income (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			Group		
		3 months ended	3 months ended	Change (%)	6 months ended	6 months ended	Change (%)
		30-June	30-June		30-June	30-June	
		2009	2008	+ / (-)	2009	2008	+ / (-)
		(Unaudited)	(Unaudited and re-stated)		(Unaudited)	(Unaudited and re-stated)	
		RMB'000	RMB'000		RMB'000	RMB'000	
Revenue		3,809	11,864	(68)	8,477	19,395	(56)
Cost of sales		(2,672)	(8,024)	(67)	(5,815)	(12,885)	(55)
Gross profit		1,137	3,840	(70)	2,662	6,510	(59)
Other income	1	1,061	1,139	(7)	967	1,859	(48)
Research and development costs		-	(310)	n.m.	-	(807)	n.m.
Selling and distribution costs		(857)	(1,845)	(54)	(1,688)	(3,006)	(44)
Administrative expenses		(2,641)	(3,207)	(18)	(5,416)	(7,637)	(29)
Other operating expenses		-	(11)	n.m.	-	(11)	n.m.
Interest income		4	40	(90)	6	114	(95)
Finance costs		(1)	(40)	(98)	(12)	(43)	(72)
Share of losses of associates		(688)	(443)	55	(1,218)	(781)	56
Loss from continuing operations before income tax		(1,985)	(837)	137	(4,699)	(3,802)	24
Income tax		-	-	-	-	-	-
Net loss for the period		(1,985)	(837)	137	(4,699)	(3,802)	24

1(a) (continue)

		Group			Group		
		3 months ended	3 months ended		6 months ended	6 months ended	
		30 June	30 June		30 June	30 June	
		2009	2008	+ / (-)	2009	2008	+ / (-)
		(Unaudited)	(Unaudited and	Change	Unaudited	Unaudited and	Change
			re-stated)	(%)		re-stated)	(%)
	Note	RMB'000	RMB'000		RMB'000	RMB'000	
Other comprehensive income for the period, after tax :							
Exchange differences on translation of oversea subsidiaries		(230)	(1,058)	(78)	(16)	(2,555)	(99)
Other comprehensive income for the period, net of tax		(230)	(1,058)	(78)	(16)	(2,555)	(99)
Total comprehensive income for the period		(2,215)	(1,895)	17	(4,715)	(6,357)	(26)
Loss attributable to:							
Owners of the parent		(1,985)	(837)	137	(4,699)	(3,523)	33
Minority interests		-	-	-	-	(279)	n.m.
Net loss for the period		(1,985)	(837)	137	(4,699)	(3,802)	24
Total comprehensive income attributable :							
Owners of the parent		(2,215)	(1,895)	17	(4,715)	(6,078)	(26)
Minority interest		-	-	-	-	(279)	n.m.
		(2,215)	(1,895)	17	(4,715)	(6,357)	(26)

n.m.: not meaningful

Notes:

1. Other income comprises :

	3 months ended	3 months ended	6 months ended	6 months ended
	30 June 09	30 June 08	30 June 09	30 June 08
	Unaudited	Unaudited	Unaudited	Unaudited
	RMB'000	RMB'000	RMB'000	RMB'000
Disposal gain of subsidiary	-	573	-	573
Gain on disposal of property, plant and equipments	51	-	45	-
Foreign exchange (loss)/gain, net	1,010	-	922	-
Deferred income reversal	-	-	-	246
Others	-	566	-	1,040
	1,061	1,139	967	1,859

Notes to Consolidated Statement of Comprehensive Income :

	Group			Group		
	3 months ended 30	3 months ended 30	+ / (-)	6 months ended 30	6 months ended 30	+ / (-)
	June-09	June-08		June-09	June-08	
	Unaudited	Unaudited		Unaudited	Unaudited	
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Foreign exchange loss/(gain), net	(1,010)	342	n.m.	(922)	(132)	598
Depreciation of property, plant and equipment	1,615	2,929	(45)	3,246	5,125	(37)
Amortization of intangible assets	-	15	n.m.	-	323	n.m.
Loss /(Gain) on disposal of property, plant and equipment, net	(51)	11	n.m.	(45)	11	n.m.

1(b)(i) A statement of financial position (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	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
	(Unaudited) RMB'000	(Audited) RMB'000	(Unaudited) RMB'000	(Audited) RMB'000
Current assets				
Cash and cash equivalents	104,538	72,798	35,238	2,012
Pledged fixed deposit	9,176	5,059	9,176	5,059
Trade and other receivables	4,380	4,425	721	721
Amount due from an associate	63,247	59,505	7,802	6,987
Amount due from subsidiaries (non- trade)	-	-	24,253	24,257
Inventories	2,126	2,148	776	776
Total current assets	183,467	143,935	77,966	39,812
Non-current Assets				
Property, plant and equipment	31,386	34,780	134	180
Subsidiaries	-	-	110,940	110,931
Investment in associates	45,379	46,597	45,379	46,597
Total non-current assets	76,765	81,377	156,453	157,708
Total assets	260,232	225,312	234,419	197,520
Equity attributable to equity holders of the Company :				
Share capital	236,093	196,425	236,093	196,425
Reserves	(15,251)	(11,057)	(66,666)	(64,332)
Total equity	220,842	185,368	169,427	132,093
Current liabilities				
Trade and other payables	38,266	38,820	15,423	16,087
Amounts due to subsidiaries (non-trade)	-	-	49,569	49,340
Amounts due to related companies	624	624	-	-
Amounts due to a director	500	500	-	-
Total current liabilities	39,390	39,944	64,992	65,427
Total liabilities	39,390	39,944	64,992	65,427
Total equity and liabilities	260,232	225,312	234,419	197,520

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

Amount repayable in one year or less, or on demand

As at 30 June 2009		As at 31 December 2008	
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

As at 30 June 2009		As at 31 December 2008	
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

	Group		Group	
	3 months ended	3 months ended	6 months ended	6 months ended
	30-June-09	30-June-08	30-June-09	30-June-08
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flow from operating activities				
Loss from ordinary activities before income tax	(1,985)	(837)	(4,699)	(3,802)
Adjustments for :				
Depreciation of property, plant and equipment	1,615	2,929	3,246	5,125
Amortization of intangible assets	1	15	-	323
Finance costs	1	40	12	43
Interest income	(4)	(40)	(6)	(114)
Share option recognized	174	-	521	35
Deferred income reversal	-	-	-	(246)
Share of losses of associates	688	443	1,218	781
Loss /(Gain) on disposal of property, plant and equipment	(51)	11	(45)	11
Gain on disposal of subsidiary	-	(573)	-	(573)
Operating cash flow before working capital changes	438	1,988	247	1,583
Changes in working operating assets and liabilities :				
Inventories	(41)	1,206	22	1,089
Trade and other receivables	164	11,334	45	9,929
Amount due from an associate	(1,600)	(5,540)	(3,742)	(6,009)
Trade and other payables	61	(6,440)	(555)	(9,828)
Amount due to directors	-	-	-	(7,533)
Cash (used in)/ generated from operations	(978)	2,548	(3,983)	(10,769)
Interest received	4	40	6	114
Interest paid	(1)	(40)	(12)	(43)
Cash flows (used in)/generated from operating activities	(975)	2,548	(3,989)	(10,698)

1(c) (continue)

Cash flows from investing activities				
Purchase of property, plant and equipment	(11)	(7,392)	(13)	(12,007)
Proceed from disposal of property, plant and equipment	139	58	207	58
Net cash outflow on disposal of a subsidiary	-	(5,531)	-	(5,531)
Cash flows generated from / (used in) investing activities	128	(12,865)	194	(17,480)
Cash flow from financing activities				
Pledged fixed deposit	(4,117)	-	(4,117)	-
Net proceed from Rights issue	39,668	-	39,668	-
Cash flows generated from financing activities	35,551	-	35,551	-
Net increase/(decrease) in cash and Cash equivalents	34,704	(10,317)	31,756	(28,178)
Cash and cash equivalents at beginning of the period	70,064	102,279	72,798	121,637
Effect of foreign exchange rates changes	(230)	(1,058)	(16)	(2,555)
Cash and cash equivalents at end of the period	104,538	90,904	104,538	90,904

1(d)(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 profit/(loss)	Total	Minority interests	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
At 1 January 2008	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 the period	-	-	-	(1,497)	(2,686)	(4,183)	(279)	(4,462)
At 31 March 2008	196,425	5,055	9,039	(5,697)	34,087	238,909	6,378	245,287
Disposal of subsidiary	-	-	-	-	-	-	(6,378)	(6,378)
Total comprehensive income for the period	-	-	-	(1,058)	(837)	(1,895)	-	(1,895)
At 30 June 2008	196,425	5,055	9,039	(6,755)	33,250	237,014	-	237,014
At 1 January 2009	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 the period	-	-	-	214	(2,714)	(2,500)	-	(2,500)
At 31 March 2009	196,425	5,055	9,844	(6,665)	(21,444)	183,215	-	183,215
Net proceeds from Rights issue	39,668	-	-	-	-	39,668	-	39,668
Transfer of share option reserve	-	-	(1,267)	-	1,267	-	-	-
Share options reserve recognized	-	-	174	-	-	174	-	174
Total comprehensive income for the period	-	-	-	(230)	(1,985)	(2,215)	-	(2,215)
At 30 June 2009	236,093	5,055	8,751	(6,895)	(22,162)	220,842	-	220,842

The Company	Share capital	Statutory/equity reserve	Accumulated losses	Total
	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000
At 1 January 2008	196,425	3,216	(25,937)	173,704
Total comprehensive income for the period	-	-	(1,336)	(1,336)
Share options reserve recognized	-	35	-	35
At 31 March 2008	196,425	3,251	(27,273)	172,403
Total comprehensive income for the period	-	-	(1,629)	(1,629)
At 30 June 2008	196,425	3,251	(28,902)	170,774
At 1 January 2009	196,425	3,709	(68,041)	132,093
Total comprehensive income for the period	-	-	(1,868)	(1,868)
Share options reserve recognized	-	347	-	347
At 31 March 2009	196,425	4,056	(69,909)	130,572
Net proceeds from Rights issue	39,668			39,668
Transfer of share option reserve	-	(1,267)	1,267	-
Total comprehensive income for the period	-	-	(987)	(987)
Share options reserve recognized	-	174	-	174
At 30 June 2009	236,093	2,963	(69,629)	169,427

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.

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On 20 April 2009, the Company allotted and issued 402,207,937 ordinary shares at an exercise price of S\$0.022 per share pursuant to the Rights issue. The net proceed of the new issued shares was S\$8,633,439 (RMB 39,667,619).

As at 30 June 2009, the Company's issued and paid-up capital was S\$48,486,351 (RMB236,093,000) (31 December 2008: S\$39,852,912 (RMB196,425,000)) comprising 693,168,356 ordinary shares (31 December 2008: 290,960,419 ordinary shares).

There were no outstanding convertibles as at 30 June 2009 and 30 June 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 30 June 2009 was 693,168,356 and 31 December 2008 was 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.

Except as disclosed in paragraph 5 below, there has been no change in the accounting policies and methods of computation in the financial statements as compared with the audited annual financial statements for the year ended 31 December 2008.

5. Whether there are 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.

The Group and the Company adopted the new or revised International Financial Report Standards that are effective for annual periods beginning on or after 1 January 2009 as follow:

IAS 1 - Presentation of Financial Statements (Revised)
IFRS 8 - Operating Segments

The adoption of the above standard did not result in any substantial change to the Group's and the Company's accounting policies nor any significant impact on the financial statements except for the following:

IAS 1 - Presentation of Financial Statement (Revised)
IAS 1 (revised) changes the basis for presentation and structure of the financial statements. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other IASs.

IFRS 8 - Operating Segments

IFRS 8 supersedes IAS 14 - Segment Reporting. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

In contrast, IAS 14 requires an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. As a result, following the adoption of IFRS 8, the identification of the Group's reportable segments may change.

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.

	3 months ended 30 June 2009	3 months ended 30 June 2008	6 months ended 30 June 2009	6 months ended 30 June 2008
Loss per ordinary share for the period based on net loss attributable to owners of the parent :				
Basic and fully diluted (RMB cents) (Note 1)	(0.33)	(0.29)	(1.04)	(1.21)
Note 1:				
Basic and fully diluted loss per share were based on:				
Net loss for the period (RMB'000)	(1,985)	(837)	(4,699)	(3,523)
	No. of shares	No. of shares	No. of shares	No. of shares
Shares outstanding at beginning of the period	290,960,419	290,960,419	290,960,419	290,960,419
Weighted average number of new shares issued during the period	318,230,455	-	159,994,317	-
Weighted average number of shares issued during the period (basic and diluted)	609,190,874	290,960,419	450,954,736	290,960,419

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.

	Group		Company	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
Net asset value per ordinary shares (RMB cents)	31.86	63.71	24.44	45.4
Net asset value (RMB'000)	220,842	185,368	169,427	132,093
Issued and fully paid ordinary shares	693,168,356	290,960,419	693,168,356	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

Revenue (RMB'000)	2Q09	2Q08	Change %	1H09	1H08	Change%
Oil Production contracts	2,552	5,590	(54)	5,716	10,364	(45)
Oilfield services	1,257	6,232	(80)	2,761	7,939	(65)
Software & related services	-	42	n.m.	-	1,092	n.m.
Total	3,809	11,864	(68)	8,477	19,395	(56)

The Group recorded total revenue of RMB3.8 million in 2Q09 (versus RMB11.9 million in 2Q08 and RMB4.7 million in 1Q09), gross profit of RMB1.1 million in 2Q09 (versus RMB3.8 million in 2Q08 and RMB1.5 million in 1Q09), net loss of RMB2.2 million in 2Q09 (versus net loss of RMB1.9 million in 2Q08 and RMB2.5 million in 1Q09).

The Group registered a decrease in gross profit from RMB3.8 million in 2Q08 and RMB1.5 million in 1Q09 to RMB1.1 million in 2Q09 due to lower oil delivery prices, lower oil production volume and lower oil services revenue for the period.

Selling and distribution costs decreased from RMB1.8 million in 2Q08 to RMB0.9 million in 2Q09 and administrative costs was down 18% from RMB3.2 million in 2Q08 to RMB2.6 million in 2Q09.

Oil production contracts

Revenue recorded from oil production contracts in the 33 square kilometers working area in Shaanbei decreased from RMB3.2 million in 1Q09 to RMB2.6 million in 2Q09 as the area continue to see a declining rate of oil production. The downward adjustment of oil delivery prices in January 2009 put further downward pressure on 1H09 revenue of RMB5.7 million, a decrease of 45% when compared with revenue recorded in 1H08 of RMB10.4 million.

Oilfield services

Oilfield services revenue was RMB1.3 million in 2Q09 compared to RMB 6.2 million in 2Q08 and RMB1.5 million in 1Q09. This comprised mainly of revenue recorded from technical services provided to associate CPHL Cambodia Company Ltd ("CPHL").

Software and related services

The group will no longer record any segmental revenue for software and related services in 2Q09 and 1H09 as it has disposed off its wholly owned subsidiary Xi'an Cenozoic Oilfield Information Engineering Company Ltd which sold software products and solutions.

Financial Position and Liquidity

Group cash position was at RMB104.5 million as at 30 June 2009, compared to RMB72.8 million as at 31 December 2008. The increase was mainly due to a rights issue that was completed in April 2009. The group has not deployed much of the amount from the rights issue yet, which was slated for investment in a drilling program by associate company CPHL. There was also a pledged deposit of RMB9.2 million which was related to the concession for an oil and gas field in Kamundan, Indonesia.

Property, plant and equipment, which comprises mainly of development expenditures in the Shaanbei Oil Production Contract stood at RMB31.4 million as at 30 June 2009 versus RMB34.8 million at 31 December 2008.

Trade receivables were recorded at RMB3.0 million at 30 June 2009 as compared to RMB2.8 million as at 31 March 2009. Other receivables stood at RMB1.4 million. There was also an amount due from an associate of RMB63.2 million that relate mainly to CPHL.

The Group remained debt free as at 30 June 2009.

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 11 May 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.

In 2009, the Company is focused on developing the Cambodia Offshore Oil Field Block D ("Block D"). Due to the financial meltdown in the last two years, the plan for an exploration drilling program in Cambodia has been delayed. With stabilizing crude oil prices and the more realistic prices of supplies for drilling programs, management sees it as a good time to push for the exploration drilling program in Cambodia. A rights issue has been conducted in 1Q09 in expectation of further investment in CPHL for the purpose of an exploration drilling program.

In the first half of the year, Mirach's E&P team was focused on appointing a suitable and reputable drilling management company. In its continual focus on minimizing risks in the event of a drilling program embarkation, the Company conducts ongoing studying, processing and reprocessing of the 3D seismic data at Block D. There is also extensive consultation with various industry experts in China, on top of the 3D seismic data collected and processed by Petroleum Geo-Services. These efforts are expected to follow through in the second half of the year.

Revenue and Financial Performance

The Company makes an effort to maintain its healthy balance sheet. However, revenue and profit performance continue to be a challenge for the year, as Shaanbei oil production rate remains low while the oil delivery prices had been adjusted downward early this year. This is expected to impact negatively on the oil production contract segment revenue and the Group's revenue and profitability as a whole.

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 30 June 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 Second Quarter Results of the Group for the financial period ended 30 June 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

13 August 2009