

ANNOUNCEMENT

MIRACH ENERGY LIMITED

(Incorporated in the Republic of Singapore on 11 June 2003)
(Company Registration No. 200305397E)

PROPOSED PLACEMENT OF AN AGGREGATE OF 73,500,000 NEW ORDINARY SHARES IN THE CAPITAL OF MIRACH ENERGY LIMITED (THE "PLACEMENT SHARES")

1. INTRODUCTION

The Board of Directors of Mirach Energy Limited (the "Company", and together with its subsidiaries, the "Group") wishes to announce that the Company has entered into separate subscription agreements with Mr. Zhang Deda ("Mr. Zhang"), Ms. Cao Hai Xia ("Ms. Cao") and Mr. Qin Feng ("Mr. Qin", and, together with Mr. Zhang and Ms. Cao, the "Subscribers") on 12 September 2009 (the "Subscription Agreements"). Subject to and upon the terms and conditions of the respective Subscription Agreements, each of Mr. Zhang, Ms. Cao and Mr. Qin has agreed to subscribe and pay for 31,500,000 Placement Shares, 30,000,000 Placement Shares and 12,000,000 Placement Shares respectively at an issue price ("Issue Price") of S\$0.1031 per Placement Share (the "Placement"). The consideration for the Placement Shares is payable in full on the allotment and issue of the Placement Shares.

2. Issue Price

The Issue Price represents a discount of approximately 9.94% to the volume weighted average price of approximately S\$0.1145 for all trades done for the existing ordinary shares of the Company (the "Shares") on the SGX-ST on 11 September 2009 (being the preceding market day prior to the signing of the Subscription Agreements) .

3. Authority to issue Placement Shares

The Placement Shares will be issued pursuant to the general mandate authorising the directors of the Company to issue new Shares and convertible securities, which was granted by the shareholders of the Company by way of an ordinary resolution at the annual general meeting of the Company held on 27 April 2009.

The Placement Shares represent approximately 10.60% of the existing issued share capital of the Company and approximately 9.59% of the issued share capital of the Company after the Placement. The Placement Shares when issued and fully paid will rank *pari passu* in all respects with the existing Shares as at the date of issue of the Placement Shares except for any dividends, distributions or entitlements the record date of which falls before such date of issue.

4. Conditions Precedent

The Placement is subject to certain conditions precedent more particularly set out in the Subscription Agreements, including in-principle approval from the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of the Placement Shares on the Main Board of the SGX-ST being obtained and such approval not having been revoked or amended, and conditions for the listing and quotation of the Placement Shares are fulfilled, prior to completion of the Placement.

The Company will be making an application to the SGX-ST for the Placement Shares to be admitted to the Official List of the SGX-ST and the listing and quotation of the Placement Shares on the SGX-ST.

5. Information on the Subscribers

Mr. Zhang is a controlling shareholder of Deda Group, a Chinese corporation which invests in the property development and minerals industries. Ms. Cao and Mr. Qin are Chinese investors who focus their investments in the energy industry. The Subscribers were identified through business meetings and subsequent negotiations with Mr. Chan Shut Li William, the Executive Chairman and Chief Executive Officer of the Company. The Placement is undertaken to raise funds for the business development of the Company.

6. Moratorium

Each of the Subscribers has agreed with, and undertaken to, the Company that he will not sell, transfer or otherwise dispose of more than 50.0% of his interest in the Placement Shares for a period of six (6) months commencing from the date of listing of the Placement Shares on SGX-ST.

7. Use of Proceeds

The estimated aggregate net proceeds ("**Net Proceeds**") raised from the Placement will amount to approximately S\$7.17 million after deducting estimated expenses of approximately S\$0.40 million incurred in relation to the Placement. The Company intends to use the Net Proceeds for general working capital purposes.

Pending the deployment of Net Proceeds from the allotment and issue of the Placement Shares as aforementioned, the Net Proceeds may be placed in short-term deposits with banks and financial institutions as the Board of Directors of the Company deem fit in their absolute discretion.

8. Financial Impact

The Placement Shares will increase the existing issued share capital of the Company from RMB236,093,000 comprising 693,168,356 Shares to RMB270,542,344 comprising 766,668,356 Shares.

Based on the audited financial statements of the Group for the financial year ended 31 December 2008, the issue of the Placement Shares will:

- (i) decrease the net tangible asset per Share of the Company and the Group as at 31 December 2008 from RMB0.4540 to RMB0.2172 and from RMB0.6371 to RMB0.2867 respectively;
- (ii) decrease the loss per share of the Company and the Group as at 31 December 2008 from RMB0.1447 to RMB0.0549 and from RMB0.1908 to RMB0.0724 respectively.

Based on the unaudited financial statements of the Group for the financial period ended 30 June 2009, the issue of the Placement Shares will:

- (i) increase the net tangible asset per Share of the Company and the Group as at 30 June 2009 from RMB0.2444 to RMB0.2659 and from RMB0.3186 to RMB0.3330 respectively; and
- (ii) decrease the loss per Share of the Company and the Group as at 30 June 2009 from RMB0.0041 to RMB0.0037 and from RMB0.0121 to RMB0.0061 respectively.

9. Interests of Directors and Substantial Shareholders

None of the Directors or substantial shareholders of the Company or their associates has any interest, direct or indirect, in the Placement (other than through their shareholding in the Company).

By Order of the Board

Lotus Isabella Lim Mei Hua
14 September 2009