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MX Oil PLC
23 September 2016

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MX OIL PLC

("MX Oil" or the "Company")

Results for the half year to 31 June 2016

MX Oil plc, the AIM quoted oil and gas investing company, is pleased to announce its unaudited half-year results for the six-month period to 30 June 2016.

Key points

- Aje Field, part of OML 113, commenced production in May 2016
- Next phase of the Aje Field expansion being developed
- Over £7 million of new funding raised before expenses
- Repayment of loan notes to reduce gearing to a negligible level
- Strengthening of the management team

MX Oil's Chief Executive Officer Stefan Olivier said:

"With the Aje Field commencing production, the year to date has been an exciting period for the Company. We continue to look at opportunities in Mexico whilst, at the same time, further opportunities are now presenting themselves in other parts of the world. We are delivering on our objective to build a leading oil and gas investing company and I look forward to providing further updates on our progress."

Chairman's statement

During 2016, MX Oil's indirect investment in the OML 113 licence in Nigeria achieved an important milestone with the start of production from the Aje Field. Consequently, MX Oil now has an investment in a producing oil and gas asset and we are very much looking forward to receiving revenue from this investment in the short term. As previously announced, the Company agreed to acquire the company that indirectly holds the interest in OML 113 and has begun the notification and change of control process with the relevant authorities.

At the start of this year, we were pleased to have been awarded four licences in the bid rounds for certain Mexican onshore licences. It was disappointing, for the various reasons previously outlined, that we were not ultimately able to secure a licence or sell our interests. We have, however, gained invaluable experience from this exercise and maintain our belief that Mexico will provide some interesting opportunities in the future and we continue to monitor developments closely.

More generally, we are pleased to report that we are seeing an increasing number of interesting investment opportunities and hope to be able to update the market on these if and when they come to fruition.

In the first half of the year, we raised over £7 million through the issue of both new equity and debt, principally to invest in OML 113 as it progressed towards production. The loan notes which were raised earlier in the year have now either been repaid or converted, reducing the Company's gearing to a negligible level. As part of our fund raising activities, we are pleased to welcome a number of new investors as shareholders in the Company.

We are also pleased that we have been able to strengthen the board with both technical and strategic skills which will stand us in good stead going forward.

During the first six months of 2016, the Company made a total comprehensive loss of £1,831,000 (2015: £718,000). This increase in the level of losses compared to the previous year is principally due to the increased level of activity at the Company during this period compared to the same period last year. The most significant areas of cost included our activities in Mexico and the costs of fund raising, along with associated professional fees, given the Company's requirement to raise significant new funds for investment. Employee and related costs have also increased as the board has been strengthened and the Company's infrastructure has been further developed to support these increased levels of activity.

As 2016 progresses, we are looking forward to further developments at the Aje Field and to getting involved in other exciting investment opportunities as they arise.

Nicholas Lee
Chairman
23 September 2016

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For further information please visit www.mxoil.co.uk or contact:

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UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Notes	Unaudited 6 months ended 30 June 2016 £'000	Unaudited 6 months ended 30 June 2015 £'000	Audited Year ended 31 December 2015 £'000
Continuing operations				
Administrative expenses		(1,362)	(455)	(1,233)
Share based payment expense		(129)	–	(400)
Operating loss		(1,491)	(455)	(1,633)
Share of joint venture losses		–	(247)	(806)
Investment income		–	38	1
Other gains and losses	2	(69)	(54)	(450)
Finance costs		(271)	–	(11)
Loss on ordinary activities before taxation		(1,831)	(718)	(2,899)
Taxation		–	–	–
Loss for the period and total comprehensive loss		(1,831)	(718)	(2,899)
Basic and diluted loss per share	3			
From continuing and total operations		(0.26)p	(0.36)p	(1.02)p

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Share capital	Share premium	Loan note equity reserve	Reserve for options granted	Reserve for warrants issued	Retained deficit	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 31 December 2014	5,879	13,967	–	172	237	(18,293)	1,962
Loss for the year	–	–	–	–	–	(2,899)	(2,899)
Issue of new shares	1,780	6,185	–	–	–	–	3,050
Share issue costs	–	(438)	–	–	–	–	(219)
Issue of warrants	–	–	–	–	400	–	237
Issue of convertible loan notes	–	–	31	–	–	–	237
At 31 December 2015	7,659	19,714	31	172	637	(21,192)	7,021
Loss for the period	–	–	–	–	–	(1,831)	(1,831)
Issue of new shares	675	5,992	–	–	–	–	6,667
Share issue costs	–	(523)	–	–	–	–	(523)
Conversion and repayment of convertible loan notes	3	329	(28)	–	–	–	304
Issue of warrants	–	–	–	–	129	–	129
At 30 June 2016	8,337	25,512	3	172	766	(23,023)	11,767

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Unaudited 6 months ended 30 June 2016 £'000	Unaudited 6 months ended 30 June 2015 £'000	Audited Year ended 31 December 2015 £'000
NON-CURRENT ASSETS			
Available for sale investments	11,567	–	8,532
Investment in joint venture	–	422	–
	11,567	422	8,532
CURRENT ASSETS			
Financial assets	22	60	39
Trade and other receivables	188	20	371
Cash and cash equivalents	638	800	224
	848	880	634
CURRENT LIABILITIES			
Trade and other payables	519	58	310
Borrowings	129	–	1,158
	648	58	1,468
NET CURRENT ASSETS/(LIABILITIES)	200	822	(834)
NONDEFERRED LIABILITIES			
Deferred consideration	–	–	677
	–	–	677
NET ASSETS	11,767	1,244	7,021
EQUITY			
ORDINARY SHARE CAPITAL	8,337	5,879	7,659
SHARE PREMIUM	25,512	13,967	19,714
LOAN NOTE EQUITY RESERVE	3	–	31

RESERVE FOR OPTIONS GRANTED	172	172	172
RESERVE FOR WARRANTS ISSUED	766	237	637
Retained deficit	(23,023)	(19,011)	(21,192)
Equity attributable to owners of the Company and total equity	11,767	1,244	7,021

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Unaudited 6 months ended 30 June 2016 £'000	Unaudited 6 months ended 30 June 2015 £'000	Audited Year ended 31 December 2015 £'000
OPERATING ACTIVITIES			
Loss for the period	(1,831)	(718)	(2,899)
Adjustments for:			
Share based payment expense	129	–	400
Loss/(profit) on disposal of investments	52	17	16
Movement in fair value of investments	17	57	79
Share of joint venture losses	□□□□□□□□□□□□□□□□□□□□□□□□□□□□–	247	–
Investment income	□□□□□□□□□□□□□□□□□□□□□□□□□□□–	(38)	(1)
Finance costs	271		11
Foreign exchange movement in respect of deferred liability	50	–	37
Impairment of joint venture investment	□□□□□□□□□□□□□□□□□□□□□□□□□□–	–	–
Operating cash flow before working capital changes	(1,312)	(435)	(2,357)
Decrease/(increase) in receivables	183	4	(79)
(Decrease)/increase in trade and other payables	(518)	(12)	246
Net cash outflow from operating activities	(1,647)	(443)	(2,190)
INVESTMENT ACTIVITIES			
Proceeds on disposal of investments	35	227	227
Purchase of investments	(87)	(147)	(147)
Investment in Nigerian asset	(3,035)	–	(5,940)
Advances to joint venture operation	–	(357)	–
Investment income	–	–	1
Net cash outflow from investment activities	(3,087)	(277)	(5,859)
FINANCING ACTIVITIES			
Issue of ordinary share capital	6,668	–	6,013
Share issue costs	(523)	–	(438)
Net proceeds of issue of convertible loan notes	536	–	1,178
Repayment of convertible	(1,457)	–	–

loan notes			
Finance costs paid	(76)	–	–
Net cash inflow from financing activities	5,148	–	6,753
Net increase/(decrease) in cash and cash equivalents from continuing and total operations	414	(720)	(1,296)
Cash and cash equivalents at beginning of period	224	1,520	1,520
Cash and cash equivalents at end of period	638	800	224

NOTES TO THE HALF-YEARLY REPORT

1. The financial information set out in this interim report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The group's statutory financial statements for the period ended 31 December 2015, prepared under International Financial Reporting Standards (IFRS), have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

   The interim financial information has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) and on the same basis and using the same accounting policies as used in the financial statements for the year ended 31 December 2015. The interim financial statements have not been audited or reviewed in accordance with the International Standard on Review Engagement 2410 issued by the Auditing Practices Board.

   The financial statements have been prepared on a going concern basis under the historical cost convention. The Directors believe that the going concern basis is appropriate for the preparation of the financial statements as the Company is in a position to meet all its liabilities as they fall due.

2. **Other gains and losses**

	Six months ended 30 June 2015 (unaudited) £'000	Six months ended 30 June 2015 (unaudited) £'000	Year ended 31 December 2015 (audited) £'000
Net (losses)/gains investments	(52)	(74)	12
Net loss on derivative contracts	–	20	20
Movement in fair value of trading investments	(17)	–	(108)
Provision for amount owed by Mexican partner	–	–	(374)
	(69)	(54)	(450)

3. The basic loss per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of shares in issue.

	Six months ended 30 June 2016 (unaudited)	Six months ended 30 June 2015 (unaudited)	Year ended 31 December 2015 (audited)
Weighted average number of shares in the period	700,222,402	201,332,190	283,826,937
Loss from continuing and total operations	(£1,831,000)	(£718,000)	(£2,899,000)
Basic and diluted loss per share:			
From continuing and total operations	(0.26)p	(0.36)p	(1.02)p

4. No interim dividend will be paid.

5. Copies of the interim report can be obtained from: The Company Secretary, MX Oil plc, 17th Floor, 110 Bishopsgate, London, EC2N 4AY and are available to view and download from the Company's website: www.mxoil.com.