

RNS Number : 0233S
MX Oil PLC
28 September 2017

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**MX Oil / Ticker: MXO / Index: AIM / Sector: Oil & Gas
MX OIL PLC**

"MX Oil" or the "Company"

Half-yearly report for the six months to 30 June 2017

MX Oil plc, the AIM quoted oil and gas investing company, is pleased to announce its unaudited half-year results for the six months to 30 June 2017.

Highlights

- Oil is being produced from two wells in the Aje Field, part of OML 113, in which the Company has an investment
- Production economics are steadily improving against the background of a rising oil price and reductions in operating costs
- The next phase of the Aje Field expansion, most likely with an increased focus on gas, is being developed

Chairman's statement

Introduction

During the first six months of 2017, MX Oil plc has continued to pursue its strategy as an oil and gas investing company. Currently, the Company is focused on principally on developing its investment in Nigeria. During the first six months of 2017, the Company made a total comprehensive loss of £800,000 (2016: £1,831,000).

Review of activities

As has been previously announced, the Aje-4 well continues to produce, and the Aje-5 well has now re-commenced production after completion of a subsurface intervention - a lifting of oil has since taken place in July 2017. Also, given that the Aje Field is believed to hold significant resources of gas, the partnership is continuing to progress plans for the development of the gas and to discuss the best strategy for the development of the licence going forward. The recent increase in the oil price along with reductions in operating costs are helping to improve the economics of production.

On 12 September 2017, the Company announced that it was convening a general meeting of shareholders for Friday 29 September 2017 in order to seek approval to broaden its investing policy to enable the Company to invest in sectors adjacent to the natural resources sector. These sectors would include oil services, energy, power and related technologies. The Company believes that investments in these areas can have the potential to generate attractive returns on a lower risk basis than may be achieved in the traditional natural resources sector.

Outlook

The Company has continued to make good progress and has an investment in an oil and gas licence that is currently in production. The Company is also actively reviewing other interesting investment opportunities that could create additional value for shareholders going forward.

N Lee
Non-executive Chairman

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**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2017**

	Notes	Unaudited 6 months ended 30 June 2017 £'000	Unaudited 6 months ended 30 June 2016 £'000	Audited Year ended 31 December 2016 £'000
Continuing operations				
Revenue		377	–	1,571
Administrative expenses		(656)	(1,362)	(2,311)
Share based payment expense		–	(129)	(146)
Operating loss		(279)	(1,491)	(886)
Share of joint venture losses		–	–	–
Investment income		–	–	–
Other gains and losses	2	–	(69)	(54)
Finance costs		(521)	(271)	(396)
Loss on ordinary activities before taxation		(800)	(1,831)	(1,336)
Taxation		–	–	–
Loss for the period and total comprehensive loss		(800)	(1,831)	(1,336)
Basic and diluted loss per share	3			
From continuing and total operations		(0.06)p	(0.26)p	(0.14)p

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2017**

	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 1 January 2016	7,659	19,714	31	172	637	(21,192)	7,021
Loss for the year	–	–	–	–	–	(1,336)	(1,336)
Issue of new shares	677	6,321	–	–	–	–	6,998
Share issue costs	–	(575)	–	–	–	–	(575)
Redemption and conversion of loan notes	–	–	(31)	–	–	31	–
Issue of warrants	–	–	–	–	146	–	146
At 31 December 2016	8,336	25,460	–	172	783	(22,497)	12,254
Loss for the period	–	–	–	–	–	(800)	(800)
Issue of new shares	33	4,967	–	–	–	–	5,000
Share issue costs	–	(449)	–	–	–	–	(449)
At 30 June 2017	8,369	29,978	–	172	783	(23,297)	16,005

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	Unaudited 6 months ended 30 June 2017 £'000	Unaudited 6 months ended 30 June 2016 £'000	Audited Year ended 31 December 2016 £'000
NON-CURRENT ASSETS			
Development costs	16,461	–	14,461
Available for sale investments	–	11,567	–
	16,461	11,567	14,461
CURRENT ASSETS			
Financial assets	–	22	–
Trade and other receivables	69	188	199
Cash and cash equivalents	24	638	334
	93	848	533
CURRENT LIABILITIES			
Trade and other payables	549	519	2,156
Borrowings	–	129	584
	549	648	2,740
NET CURRENT (LIABILITIES)/ASSETS	(456)	200	(2,207)
NET ASSETS	16,005	11,767	12,254
EQUITY			
Ordinary share capital	8,369	8,336	8,336
Share premium	29,978	25,513	25,460
Loan note equity reserve	–	3	–
Reserve for options granted	172	172	172
Reserve for warrants issued	783	766	783
Retained deficit	(23,297)	(23,023)	(22,497)
Equity attributable to owners of the Company and total equity	16,005	11,767	12,254

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2017**

	Unaudited 6 months ended 30 June 2017 £'000	Unaudited 6 months ended 30 June 2016 £'000	Audited Year ended 31 December 2016 £'000
OPERATING ACTIVITIES			
Loss for the period	(800)	(1,831)	(1,336)
Adjustments for:			
Share based payment expense	–	129	146
Loss/(profit) on disposal of investments	–	52	54
Movement in fair value of investments	–	17	–
Finance costs	521	271	396
Foreign exchange movement in liabilities	(21)	50	108
Impairment of joint venture investment	□□□□□□□□□□ –	–	–
Operating cashflow before working capital changes	(300)	(1,312)	(632)
Decrease/(increase) in receivables	130	183	172
(Decrease)/increase in trade and other payables	(1,586)	(518)	(380)
Net cash outflow from operating activities	(1,756)	(1,647)	(840)
INVESTMENT ACTIVITIES			
Proceeds on disposal of investments)□□□□□□□□□□□□□□□□ –	35	72
Purchase of investments)□□□□□□□□□□□□□□□□ –	(87)	(87)
Development costs	(2,000)	□ –	(4,459)
Investment in Nigerian asset)□□□□□□□□□□□□□□□□ □ –	(3,035)	□ –
Net cash outflow from investment activities	(2,000)	(3,087)	(4,474)

FINANCING				
ACTIVITIES				
Issue of ordinary share capital	5,000		6,666	6,666
Share issue costs		(449)	(521)	(575)
Net proceeds from short term borrowings	□□□□□□□□□□	–	536	1,098
Repayment of short term borrowings		(584)	(1,457)	(1,676)
Finance costs paid		(521)	(76)	(89)
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Net cash inflow from financing activities	3,446		5,148	5,424
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Net (decrease)/increase in cash and cash equivalents from continuing and total operations	(310)		414	110
Cash and cash equivalents at beginning of period	334		224	224
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Cash and cash equivalents at end of period	24		638	334
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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 2016, 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 2016. 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 2017 (unaudited) £'000	Six months ended 30 June 2016 (unaudited) £'000	Year ended 31 December 2016 (audited) £'000
Net (losses)/gains investments	–	(52)	(54)
Movement in fair value of trading investments	–	(17)	–
	–	(69)	(54)

3. **Earnings per share**

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 2017 (unaudited)	Six months ended 30 June 2016 (unaudited)	Year ended 31 December 2016 (audited)
Weighted average number of shares in the period	1,389,760,115	700,222,402	921,886,563
Loss from continuing and total operations	(£800,000)	(£1,831,000)	(£1,336,000)
Basic and diluted loss per share:			
From continuing and total operations	(0.06)p	(0.26)p	(0.14)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.

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