

4 February 2019

MX OIL PLC
("MXO" or the "Company")

Aje Investment and Corporate Update

MXO plc, an oil and gas investing company quoted on AIM, is pleased to provide the following update.

Highlights

- **Continued production from the Aje field of around 3,150 bopd (158bopd net to MXO)**
- **Completion on 9th lifting from Aje field in late November 2018 with total offtake of c. 315,000 bbls**
- **Joint venture anticipates that the next lifting will take place in the last week of February 2019**
- **Aje partnership has fully paid the \$9.8m licence renewal fee thereby securing a 20 year extension of OML 113 (Aje field) licence**
- **RPS technical work now expected to conclude in Q1 2019 to support a decision on Aje Phase 2 development; targeting estimated gross production of 8-12,000 bopd**
- **Joint venture partners planning to undertake a flow assurance study, during Q1 2019, planned to be concluded by Schlumberger for potential modest increase in daily oil rate and meaningful reduction in operation expenditure**
- **Encouraging interest from potential project finance providers given the very stable oil production and potential significant near-term production upside**
- **Company has continued to maximise its cash positions through undertaking a full review of its operating cost base**
- **Monthly burn rate reduced by 66% compared to its 2018 position**

Aje Investment Operations Update

During 2018, operations at the OML 113 licence continued to make good progress underpinned by strong performance of the Turonian and Cenomanian reservoirs which continue in line with the operating partners' expectations. Production from the two wells in the Aje field within the OML 113 licence area has continued at a very stable rate achieving a total produced volume for 2018 of approximately 1,200,000 barrels of oil. Currently the field is producing around 3,150 bopd (158 bopd net to MXO).

The partnership successfully completed the 9th lifting from the Aje field in late November 2018 offtaking approximately 315,000 barrels of oil. The 10th lifting is scheduled to occur in late February 2019.

Following the announcement in August 2018 that consent from the Minister of Petroleum Resources had been received for the renewal of the OML 113 licence for another term of 20 years, the Aje partners have now fully paid the \$9.8m licence renewal fee.

The continuous oil production of Aje-4 and Aje-5 is above initial expectations and has encouraged the operating partner group to approach RPS Group with the purpose to establishing the viability of additional development of Aje. RPS Group was appointed in late October 2018 to conduct an assessment of the potential development activity associated with the additional upside oil resources. The modelling work conducted to date has reinforced the partners' view of the potential for new oil wells in both the Turonian and Cenomanian. RPS Group's work is now expected to conclude in Q1 2019 and will form the basis for a decision on further drilling in 2019 ("Phase 2") with a view to a full development project thereafter.

The operating partners continue to assess the viability that these two development phases. The operating partners consider that the initial development drilling may result in peak oil production rates of 8,000 to 12,000 barrels of oil per day and the full development drilling may increase production to 20,000 barrels of oil per day and 100 million standard cubic feet per day of gas. The partnership expects that the initial development drilling is likely to require one new development well in the Cenomanian reservoir and one horizontal side track development well in the Turonian reservoir. The full development project will be subject to the availability of project finance in the future to allow a number of new wells to be developed.

Project Financing

The operating partners continue to assess options to meet the funding requirements for the completion of the additional wells expected in Phase 2 and later to the full field development. The operating partners continue to be cognisant of the impracticality of funding projects the size of the Aje development by equity and the partners have commenced steps to procure debt funding for Phase 2 and, potentially, the future stages of development.

In furthering these conversations at the joint venture partnership level and supported by advisers, MXO is exploring the option to secure project financing at the asset level.

These exploratory discussions are expected to continue throughout H1 2019 so as to ensure the funding solutions and the technical output of the RPS modelling work are in place in order that a decision on Phase 2 development can be taken by the partnership quickly.

Operating costs and business objectives review

The Board has undertaken a full review of its operating costs and business objectives in order to ensure that the Company is best set up to execute its investment plan in the most cost effective and efficient manner with a core focus on preserving cash. The result of this comprehensive review has been a significant reduction in the monthly operating expenses, which are 66% lower than incurred in 2018 and, in turn, the cash burn rate of the Company.

The Board considers that this operating model significantly strengthens the Company's position, ahead of the critical decision on the Phase 2 development, whilst maintaining sufficient focus on its investment in Aje.

Board and Key Personnel

In respect of providing its technical appraisal of its continued investment in Aje, the Company is very pleased to retain the services of Wim Burgers as a consultant. Wim has more than 40 years' international exploration and production experience as a geologist and geophysicist in the oil and gas industry. Wim was employed by ExxonMobil for the majority of his career before his retirement in 2014. He started to work for the Company in 2015 as a production and development geoscientist on the Aje project. This has allowed him to develop a geological model of the Aje oil and gas field such that he is also strongly involved within the partnerships subsurface technical committee. He earned his master degree in geology and geophysics at the University of Leiden, the Netherlands.

In regard to its previous commitment to corporate governance and to strengthening the Board, the Company maintains its intention to do so at the appropriate time in advance of the next stage of development later this year. The Company intends to appoint a Chairman with the suitable industry, technical, commercial and operational experience to support and direct the Company as the partners develop the Aje project. As previously announced, the Company regards the appointment of a new Chairman as a key step at the appropriate time and is pleased that Richard Carter will continue in the role of Non-Executive Chairman in the interim.

Stefan Oliver, the Company's CEO commented:

"The Aje partnership has continued to make significant progress towards the realisation of a Phase 2 development of Aje. 2019 is poised to be an important year for the Company and its stakeholders as we expect to see continued encouraging progress through the work undertaken by RPS Group towards an investment decision on the Phase 2 development. With the continued stable production from the field, the current well economics and the work to increase production rates, MXO is well positioned to see a potential significant revaluation of its investment in Aje arising from the development strategy of the Aje field."

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 and the person who arranged for release of this announcement on behalf of the Company was Stefan Olivier, Chief Executive Officer of the Company. Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

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MX Oil's classification of reserves and resources are based on the definitions set by the Petroleum Resources Management System (PRMS-2007), sponsored by the Society of Petroleum Engineers/World Petroleum Council/American Association of Petroleum Geologists/Society of Petroleum Evaluation Engineers (SPE/WPC/AAPG/SPEE) as issued in March 2007.

Glossary of key terms

bbls	barrels
bopd	barrels of oil per day
Mscf	Thousand standard cubic feet
MMboe	Million barrels of oil equivalent

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