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MX Oil PLC
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MX Oil plc ("MX Oil" or the "Company")

Assignment of three Mexican assets, increase in interest in Tecolutla to 66.6% and update on sale of Nigerian investment

MX Oil, the AIM quoted oil and gas investing company, is pleased to announce that it has signed a binding agreement (the "Agreement") with its local partner, Geo Estratos ("Geo"), to assign the Company's 55% working interest ("WI") in three of the four Land Contract Areas (the "LCAs") in onshore Mexico that it was awarded in December 2016 for a total consideration of US\$1.8 million, and an increase in MX Oil's WI in the Tecolutla LCA from 55% to 66.6%. Furthermore, the Company has appointed ERC Equipoise to complete a Competent Person's Report on the asset which is expected to be delivered in April 2016.

After having carried out further assessment on the four LCAs, the Company has decided that it was best to focus its resources properly on what it believes to be the most attractive investment opportunity being Tecolutla. It has therefore decided to assign its interests in the three other LCAs it had been awarded, to its local partner Geo for a consideration of US\$1.8million and an increase in its WI in Tecolutla. Geo will remain as the operator of Tecolutla, and will still maintain a significant investment in this asset thereby continuing to allow the Company to benefit from its local knowledge and expertise. Geo will also fully finance its pro rata share of the cost of the development of the asset going forward. The Company will, however, have the option to become the operator of Tecolutla, subject to the appropriate regulatory approvals and process. This transaction will effectively enable the Company to more than recover the investment made to date in securing assets in Mexico whilst, at the same time, increasing its position in what it believes to be the most attractive asset.

Tecolutla forms part of the prolific Golden Lane fields which have produced in excess of 4 billion barrels. Up until January 2014, 1.9 million barrels of oil ("MMbo") and 1.7 BCF of

gas had been recovered from the Tecolutla LCA from vertical development wells with limited completion intervals at top reservoir. The Company and its partner Geo have defined significant field development potential at Tecolutla including drilling horizontal wells at reservoir crest locations which are expected to significantly enhance production and recovery rates. Additional upside has also been identified on 3-D seismic. Geo, as operator of Tecolutla, submitted a "Provisional Plan" to the National Hydrocarbons Commission ("CNH") on 8 March 2016, setting out its proposed near term plans to assess the potential for early production from the asset.

The Agreement is subject to approval from CNH regarding the reassignment of the leases, which is expected on 12 May 2016. The consideration of US\$1.8 million will be placed in escrow until this approval is received. In addition, MX Oil is due to receive US\$195,000 from CNH, which represents the US\$65,000 it was required to deposit in the form of a Letter of Credit for each of the three blocks prior to bidding in the licensing round.

The four LCAs were awarded to the MX Oil/Geo JV during the third phase of the Bid Round 1 Licensing Round for onshore conventional concessions in Mexico (see announcement of 16 December 2015). The four LCAs awarded namely Tecolutla, La Laja, Ponton, and Paso de Oro, are all located in the prolific Tampico-Misantla Basin which has, to date, produced around six billion barrels of oil and currently produces approximately 70,000 barrels of oil per day.

Nigeria

As announced on 26 February 2016, the Company entered into an agreement with GEC Petroleum Development Company ("GPDC") whereby they would have the option to acquire its Nigerian investment for an overall consideration of US\$18 million.

The first payment of US\$2 million from GPDC to secure the option is now due to be paid. GPDC has informed the Company that they are in the process of finalising funding of US\$10 million to cover both the initial payments to secure the option and the payment on exercise of the option to acquire the Company's Nigerian investment.

Notwithstanding the recovery in the oil price and the close proximity of the Company's investment to expected oil production, the Company continues to believe that this transaction with GPDC is an attractive option for MX Oil. It also believes that GPDC is committed to effecting the transaction particularly, as previously announced, this acquisition is key to GPDC's strategy going forward. GPDC has now indicated it intends to make the initial payment of US\$2 million within the next seven days and, for additional comfort, has provided the Company with a corporate guarantee from Global Energy Company Limited to

support the total initial payments to secure the option of US\$3.5 million. The Company will provide a further update in due course.

MX Oil's Chief Executive Officer Stefan Olivier said:

"This is an exciting time for MX Oil. We continue to believe that GPDC is committed to acquire our Nigerian investment and are pleased that they are putting in place funding now to cover both the initial and option exercise payments. This, combined with our agreement to assign three out of our four onshore Mexican assets, if completed, will leave us with a strong cash position to advance our preferred investment, Tecolutla in Mexico, where multiple low cost/high impact development opportunities have been identified. With this in mind we are looking forward to receiving ERC Equipose's CPR on the asset, which we believe has the potential to be a company-making investment. I look forward to providing updates on progress."

Tecolutla

As announced on 7 January 2016, the following has been extracted from the dataroom of the CNH with regards to Tecolutla:

- El Abra Cretaceous reef reservoir discovered in 1956 and last drilled in 1973 - forms part of The Golden Lane fields which have produced in excess of 4 billion barrels
- Historic Tecolutla production of 1.9 million barrels of oil ("MMbo") of oil and 1.7 BCF of gas up to January 2014 from vertical development wells with limited completion intervals at top reservoir
 - o Total production per well of 0.3-0.5 MMbo
 - o Maximum production of 932 bopd achieved in 1972
 - o Oil gravity API: 28
- The most recent production has been from one well, Tecolutla 2, which was in production during 2014; there are two further reusable wells, Tecolutla 7 and 9, which are currently closed in
- 3-D seismic survey acquired and processed following the drilling and completion of the Tecolutla wells
- Significant field development potential:
 - o Horizontal wells drilled at reservoir crest expected to significantly enhance production and recovery rates

o Additional upside to the North West and West identified from 3-D seismic

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