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

Update on production at Nigerian investment

MX Oil, the AIM quoted oil and gas investing company is pleased to note the announcement by Panoro Energy with regard to the Aje Field located in block OML 113 offshore Lagos, Nigeria. MX Oil has been investing indirectly into OML 113 through PR Oil and Gas Limited, a wholly owned subsidiary of Jacka Resources Limited.

The commissioning of the Front Puffin floating production, storage and offloading vessel ("FPSO") has now been completed following the 72-hour test. Whilst targeted stabilised production rates have not yet been achieved, due to mechanical issues and Nigerian regulatory approvals, production is expected to be maintained at a restricted rate of approximately 7,000-8,000 barrels of oil per day until the outstanding issues are resolved, which could take until the end of Q4 2016. The lifting of the first crude oil from the FPSO is expected to take place at the end of August 2016.

The performance of the reservoir to date has been encouraging and material reductions in operating costs have also been achieved and continuing efforts are being made to secure further savings. Laboratory assays have been received on the crude oil produced which show it to be a high quality grade of approximately 42 degrees API as expected. Several international oil companies and trading houses have expressed interest in purchasing crude oil from the Aje Field.

Work is continuing with regard to the planning of phase 2 (additional Cenomanian oil wells) and phase 3 (Turonian gas and condensate) developments and the evaluation of the wider exploration potential of OML 113

The Aje Field is an offshore field located in OML 113 in the western part of Nigeria in the Dahomey Basin. The field is situated in water depths ranging from 100 to 1,000 metres about 24 km from the coast. The Aje Field contains hydrocarbon resources in sandstone reservoirs in three main levels: a Turonian gas condensate reservoir, a Cenomanian oil reservoir, and an Albian gas condensate reservoir.

MX Oil's Chief Executive Officer Stefan Olivier said:

"We are very pleased that oil production has properly commenced from the Aje Field and we look forward to these production rates increasingly in the short to medium term and to first revenue from oil produced to date."

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