

**27 September 2018**

**"MX Oil" or the "Company"**

**Half-yearly report for the six months to 30 June 2018**

MX Oil plc, an AIM quoted oil and gas investing company, is pleased to announce its unaudited half-year results for the six months to 30 June 2018.

**Highlights**

- Oil is being produced at a stable rate from two wells in the Aje Field, part of OML 113, in which the Company has an investment
- An updated CPR has been prepared showing a significant increase in reserves
- The renewal of the OML 113 licence for another 20 years has been approved by the Minister of Petroleum Resources
- The plan for the next phase of the Aje Field expansion is being developed

**Chairman's statement**

**Introduction**

During the first six months of 2018, MX Oil plc has continued to pursue its strategy as an oil and gas investing company. Currently, the Company is principally focused on developing its investment in Nigeria. During the first six months of 2018, the Company made a total comprehensive loss of £1,147,000 (2017: £800,000).

**Review of activities**

During the first six months of 2018, the Company has continued to make good progress with regard to its investment in OML 113. The two wells in the Aje Field within the OML 113 licence area have continued to produce, at a relatively stable rate of around 3,300 bopd (165 bopd net to MX Oil).

As part of the oil production process, new data about the underlying reservoir and related geology has been collected. Consequently, the partners in the licence commissioned the preparation of an updated Competent Person's Report ("CPR") in order to take into account this new data and to provide a more accurate update of the future potential of the field.

In February 2018, the Company announced that it had raised £500,000 to assist with the further development of the Aje project.

In May 2018, the details of the revised CPR were announced. The revised CPR is an update to the CPR prepared previously in July 2014 and incorporates all the developments and new data generated by the project since that date. The level of reserves reported in this latest CPR represents a significant increase compared to the previous report and highlights the future potential of the Aje Field.

In August 2018, the Company announced that it had received consent from the Minister of Petroleum Resources for the renewal of the OML 113 licence for another term of 20 years. The renewal is subject to the satisfaction of certain conditions, including a commitment to develop the gas potential of the licence.

## **Outlook**

Now that the Company has received the updated CPR, work is currently underway on modelling the potential for new oil wells in both the Turonian and Cenomanian. Subject to the outcome of this modelling work, the Company expects to see further development drilling in 2019.

N Lee  
Non-Executive Chairman

For further information please visit [www.mxoil.co.uk](http://www.mxoil.co.uk) or contact:

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**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2018**

	Notes	Unaudited 6 months ended 30 June 2018 £'000	Unaudited 6 months ended 30 June 2017 £'000	Audited Year ended 31 December 2017 £'000
<b>Continuing operations</b>				
Revenue		968	377	1,727
Operating costs		(1,422)	–	(2,565)
Administrative expenses		(693)	(656)	(1,495)
<b>Operating loss</b>		<b>(1,147)</b>	<b>(279)</b>	<b>(2,333)</b>
Other gains and losses	2	–	–	27
Finance costs		–	(521)	(1,129)
<b>Loss on ordinary activities before taxation</b>		<b>(1,147)</b>	<b>(800)</b>	<b>(3,435)</b>
Taxation		–	–	–

<b>Loss for the period</b>	<b>(1,147)</b>	(800)	(3,435)
<b>Other Comprehensive income:</b>			
Exchange translation movement	150	–	(746)
<b>Total comprehensive loss for the period</b>	<b>(997)</b>	(800)	(4,181)
<b>Basic and diluted loss per share</b>			
	3		
From continuing and total operations	<b>(0.07)p</b>	(0.06)p	(0.24)p

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2018**

	Share capital £'000	Share premium £'000	Reserve for options granted £'000	Reserve for warrants issued £'000	Exchange translation reserve £'000	Retained deficit £'000	Total equity £'000
<b>At 1 January 2017</b>	8,336	25,460	172	783	–	(22,497)	12,254
Loss for the year	–	–	–	–	–	(3,435)	(3,435)
Exchange translation movement	–	–	–	–	(746)	–	(746)
<b>Total comprehensive expense for the year</b>	–	–	–	–	(746)	(3,435)	(4,181)
Issue of new shares	53	6,522	–	–	–	–	6,575
Share issue costs	–	(449)	–	–	–	–	(449)

<b>At 31 December 2017</b>	<b>8,389</b>	<b>31,533</b>	<b>172</b>	<b>783</b>	<b>(746)</b>	<b>(25,932)</b>	<b>14,199</b>
Loss for the period	–	–	–	–	–	(1,147)	(1,147)
Exchange translation movement	–	–	–	–	150	–	150
Total comprehensive expense for the period	–	–	–	–	150	(1,147)	(997)
Issue of new shares	10	490	–	–	–	–	500
Share issue costs	–	(60)	–	–	–	–	(60)
<b>At 30 June 2018</b>	<b>8,399</b>	<b>31,963</b>	<b>172</b>	<b>783</b>	<b>(596)</b>	<b>(27,079)</b>	<b>13,642</b>

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

	<b>Unaudited 6 months ended 30 June 2018 £'000</b>	Unaudited 6 months ended 30 June 2017 £'000	Audited Year ended 31 December 2017 £'000
<b>NON-CURRENT ASSETS</b>			
Development costs	<b>15,561</b>	16,461	14,984
Investment in subsidiaries	–	–	–
	<b>15,561</b>	16,461	14,984
<b>CURRENT ASSETS</b>			
Investments held for trading	<b>200</b>	–	179
Trade and other receivables	<b>31</b>	69	35

Cash and cash equivalents	94	24	50
	<b>325</b>	93	264
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CURRENT LIABILITIES			
Trade and other payables	2,244	549	1,049
	<b>2,244</b>	549	1,049
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NET CURRENT LIABILITIES	<b>(1,919)</b>	(456)	(785)
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NET ASSETS	<b>13,642</b>	16,005	14,199
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EQUITY			
Ordinary share capital	8,399	8,369	8,389
Share premium	31,963	29,978	31,533
Reserve for options granted	172	172	172
Reserve for warrants issued	783	783	783
Exchange translation reserve	(596)	–	(746)
Retained deficit	<b>(27,079)</b>	(23,297)	(25,932)
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Equity attributable to owners of the Company and total equity	<b>13,642</b>	16,005	14,199
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**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 JUNE 2017**

Unaudited 6 months ended	Unaudited 6 months ended	Audited Year ended 31 December
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	30 June 2018 £'000	30 June 2017 £'000	2017 £'000
<b>OPERATING ACTIVITIES</b>			
Loss for the period	(1,147)	(800)	<b>(3,435)</b>
Adjustments for:			
Profit on disposal of investments	–	–	<b>(7)</b>
Finance costs	–	521	<b>1,129</b>
Foreign exchange adjustments	–	(21)	<b>(35)</b>
Operating cashflow before working capital changes	(1,147)	(300)	<b>(2,348)</b>
Decrease in receivables	4	130	<b>164</b>
Increase/(decrease) in trade and other payables	882	(1,586)	<b>(1,072)</b>
Net cash outflow from operating activities	(261)	(1,756)	<b>(3,256)</b>
<b>INVESTMENT ACTIVITIES</b>			
Proceeds on disposal of investments	4	–	303
Purchase of investments	(25)	–	(475)
Development costs	(104)	(2,000)	(1,113)
Net cash outflow from investment activities	(125)	(2,000)	(1,285)
<b>FINANCING ACTIVITIES</b>			
Issue of ordinary share capital	500	5,000	6,575
Share issue costs	(60)	(449)	(449)
Net proceeds from short term borrowings	–	–	1,710
Repayment of short term borrowings	–	(584)	(2,919)
Finance costs paid	–	(521)	(504)
Net cash inflow from financing activities	440	3,446	4,413
<b>Net increase/(decrease) in cash and cash equivalents from continuing and total operations</b>	<b>54</b>	<b>(310)</b>	<b>(128)</b>

Exchange translation difference	(10)	–	(156)
Cash and cash equivalents at beginning of period	50	334	334
Cash and cash equivalents at end of period	94	24	50

#### NOTES TO THE HALF-YEARLY REPORT

- 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 2017, 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 2017. 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.

- Other gains and losses**

Six months ended 30 June 2018 (unaudited) £'000	Six months ended 30 June 2017 (unaudited) £'000	Year ended 31 December 2017 (audited) £'000



Net gain on disposal of investments	–	–	7
Refund of FX margin deposit previously written off	–	–	20
	–	–	27

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 2018 (unaudited)	Six months ended 30 June 2017 (unaudited)	Year ended 31 December 2017 (audited)
Weighted average number of shares in the period	1,743,172,868	1,389,760,115	1,439,477,518
Loss from continuing and total operations	(£1,147,000)	(£800,000)	(£3,435,000)
<b>Basic and diluted loss per share:</b>			
From continuing and total operations	(0.07)p	(0.06)p	(0.24)p

4. No interim dividend will be paid.

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

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