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MX Oil PLC
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29 June 2017

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

Final Results for the Year Ended 31 December 2016 and

Notice of AGM

MX Oil plc, the AIM quoted oil and gas investing company, announces its final results for the year ended 31 December 2016.

The Company will today post its Report and Accounts for the year ended 31 December 2016 ("Report and Accounts") to all shareholders together with a Notice of Annual General Meeting which will be held at the offices of Adams & Remers LLP, Quadrant House, 55-58 Pall Mall, London SW1Y 5JH on Monday 24 July 2017 at 11:30 a.m.

This announcement contains an extract of the Report and Accounts. A complete version of the Report and Account, which should be read in full, together with the Notice of Annual General Meeting will shortly be available from the Company's website www.mxoil.co.uk.

Enquiries:

MX Oil PLC

Stefan Olivier, CEO

+44 20 7571 0473

Cairn Financial Advisers LLP

(Nominated Adviser) +44 20 7213 0880

Jo Turner/James Caithie

Cornhill Capital +44 20 7710 9612

(Broker)

Nick Bealer

Extract of the Report and Accounts

Chairman's Statement

Introduction

During the year, MX Oil plc has continued to pursue its strategy as an oil and gas investing company. The Group is now focused principally on its investment in Nigeria having, for the time being, decided not to proceed any further with its interests in Mexico.

Review of activities

In July 2015, the Group indirectly invested into a non-operated 5% revenue interest in OML 113, offshore Nigeria which includes the Aje Field. Two wells, Aje 4 and Aje 5, have now been drilled and, in May 2016, oil production commenced. Aje-4, the first well to go into production, has continued to produce since the date of first production. After an initial period of decline, associated with rising water, production has now stabilised. As previously

announced, production from Aje-5 has been limited and has required subsurface intervention. This intervention is now completed and this well will be recommencing production.

The Group has, to date, been investing indirectly into OML 113 through Jacka Resources Nigeria Holdings Limited ("JRNH"), a wholly owned subsidiary of Jacka Resources Limited ("Jacka"). JRNH owns 100% of PR Oil and Gas Limited, the holder of the interest in OML 113. In August 2016, the Board decided to implement the final stage of its investment process by exercising its right to take full control of this investment through the acquisition of JRNH, for a nominal sum, from Jacka.

The Aje Field is believed to hold significant resources of gas and so in terms of next steps, the partnership has been progressing the field development plan for the development of the gas and has also held discussions with various potential gas off-takers. The partners in the Aje Field are therefore currently considering whether it would be more appropriate for the next stage of the field development to focus on gas production rather than drilling additional oil wells. It is expected that a CPR will be updated shortly with a focus on the gas using the new data obtained from the recent operational work on Aje 5. Previously, it was anticipated that a further well, Aje 6, would be drilled in the short term to increase oil production from the field, however, until the partners have concluded as to the most appropriate next steps, the drilling of this well will be deferred.

Also during 2016, the Group announced that it had signed a non-binding memorandum of understanding ("MOU") with the Government of Grenada with regard to making an investment in the exploration and development of hydrocarbons in a subterranean area adjoining the maritime boundary with Trinidad and Tobago. The area covered by the MOU includes underexplored prospective Grenada Tobago Basin acreage adjacent to the Venezuelan/Trinidadian Patao - Poinsettia gas trend. The MOU will form the basis for the negotiation of a more detailed Production Sharing Agreement ("PSA") which, if signed, is likely to occur during 2017. It is expected that the PSA will cover matters including, but not limited to, tenure and work programme including 2D seismic and, subject to these results proving encouraging, further exploratory phases including 3D seismic data acquisition.

Management

During the year, the board has been further strengthened by the appointment of Richard Carter as a non-executive director.

Financing

During 2016, the Group has raised over £7 million. These funds have principally been used to complete the financing of the Group's share of expenditure in connection with the Aje Field and for general working capital purposes.

Outlook

The Group has made good progress and has an investment in an oil and gas licence which has now commenced production. The Group is also actively reviewing other interesting investment opportunities that could create additional value for shareholders going forward.

Nicholas Lee

Non-executive Chairman

Group Income Statement

For the year ended 31 December 2016

	2016	2015
	£'000	£'000
Continuing operations		
Revenue	1,571	-
Administrative expenses	(2,311)	(1,233)
Share based payment expense	(146)	(400)
Operating loss	(886)	(1,633)
Joint venture losses	-	(806)
Investment income	-	1
Other gains and losses	(54)	(450)
Finance costs	(396)	(11)
loss on ordinary activities before taxation	(1,336)	(2,899)
Taxation	-	-
Loss for the year	(1,336)	(2,899)
Basic and diluted loss per share:		
From continuing and total operations	(0.14)p	(1.02)p

Group and Company Statement of Financial Position

As at 31 December 2016

	GROUP		COMPANY	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
NON-CURRENT ASSETS				
Development costs	14,461	-	-	-
Available for sale investments	-	8,532	-	8,532
Investment in subsidiaries	-	-	11,554	-
	14,461	8,532	11,554	8,532
CURRENT ASSETS				
Investments held for trading	-	39	-	39
Trade and other receivables	199	371	66	371
Cash and cash equivalents	334	224	334	224
	533	634	400	634
CURRENT LIABILITIES				
Trade and other payables	2,156	310	674	310
Borrowings	584	1,158	584	1,158
	2,740	1,468	1,258	1,468
NET CURRENT LIABILITIES				
	(2,207)	(834)	(858)	(834)
NON-CURRENT LIABILITIES				
Deferred consideration	-	677	-	677
	-	677	-	677
NET ASSETS				
	12,254	7,021	10,696	7,021
EQUITY				
Share capital	8,336	7,659	8,336	7,659
Share premium	25,460	19,714	25,460	19,714
Loan note equity reserve	-	31	-	31
Reserve for options granted	172	172	172	172
Reserve for warrants issued	783	637	783	637
Retained deficit	(22,497)	(21,192)	(24,055)	(21,192)
Equity attributable to owners of the Company and total equity	12,254	7,021	10,696	7,021

Group Statement of Changes in Equity

For the year ended 31 December 2016

Share	Share	Loan note	Reserve for	Reserve for	Retained	Total
		equity	options	warrants	deficit	

	capital premium reserve			granted	issued		equity
	£'000	£'000		£'000	£'000	£'000	£'000
At 1 January 2015	5,879	13,967	-	172	237	(18,293)	1,962
Loss for the year and total comprehensive expense	-	-	-	-	-	(2,899)	(2,899)
Issue of new shares	1,780	6,185	-	-	-	-	7,965
Share issue costs	-	(438)	-	-	-	-	(438)
Issue of warrants	-	-	-	-	400	-	400
Issue of convertible loan notes	-	-	31	-	-	-	31
At 31 December 2015	7,659	19,714	31	172	637	(21,192)	7,021
Loss for the period and total comprehensive income	-	-	-	-	-	(1,336)	(1,336)
Issue of new shares	677	6,321	-	-	-	-	6,998
Share issue costs	-	(575)	-	-	-	-	(523)
Issue of warrants	-	-	-	-	146	-	146
Redemption and conversion of loan notes	-	-	(31)	-	-	31	-
At 31 December 2016	8,336	25,460	-	172	783	(22,497)	12,254

Group and Company Statements of Cash Flows

For the year ended 31 December 2016

	GROUP		COMPANY	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
OPERATING ACTIVITIES				
Loss for the period	(1,336)	(2,899)	(2,894)	(2,899)
Adjustments for:				
Share based payment expense	146	400	146	400
Loss/(gain) on disposal of investments	54	16	12	16
Movement in fair value of quoted investments	-	79	-	79
Joint venture expenses	-	-	-	902
Provision for amount due from joint venture partner	-	-	-	374
Investment income	-	(1)	-	(103)
Finance costs	396	11	368	11
Foreign exchange movement in liabilities	108	37	108	37
Impairment of joint venture investment	-	-	-	6
Operating cashflow before working capital changes	(632)	(2,357)	(2,190)	(1,177)
Decrease/(increase) in receivables	172	(79)	305	(347)
Increase/(decrease) in trade and other payables	(380)	246	(392)	246
Net cash outflow from operating activities	(840)	(2,190)	(2,277)	(1,278)

INVESTMENT ACTIVITIES

Proceeds from disposal of investments	72	227	72	227
Purchase of investments held for trading	(87)	(147)	(87)	(147)
Development costs	(4,459)	-	-	-
Investment in Nigerian asset	-	(5,940)	-	(5,940)
Loans to subsidiary operation	-	-	(3,022)	-
Advances to joint venture operation	-	-	-	(912)
Investment income	-	1	-	1
Net cash outflow from investment activities	(4,474)	(5,859)	(3,037)	(6,771)

FINANCING ACTIVITIES

Continuing operations:

Issue of ordinary share capital	6,666	6,013	6,666	6,013
Share issue costs	(575)	(438)	(575)	(438)
Net proceeds from short term borrowings	1,098	1,178	1,098	1,178
Repayment of short term borrowings	(1,676)	-	(1,676)	-
Finance costs paid	(89)	-	(89)	-
Net cash inflow from financing activities	5,424	6,753	5,424	6,753
Net increase/(decrease) in cash and cash equivalents from continuing and total operations	110	(1,296)	110	(1,296)
Cash and cash equivalents at beginning of period	224	1,520	224	1,520
Cash and cash equivalents at end of period	334	224	334	224

Notes

1. General Information

The Company is a public limited company incorporated in the United Kingdom and its shares are listed on the AIM market of the London Stock Exchange.

The Company is an investing company, mainly investing in natural resources, minerals, metals, and oil and gas projects.

The above information is an extract from the Report and Accounts, which should be read in full together with the accompanying notes.

2. Principal Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied throughout all periods presented in the financial statements.

As in prior periods, the Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

The current period covered by these financial statements is the year to 31 December 2016. The comparative figures relate to the year ended 31 December 2015.

The financial statements are presented in pounds sterling (£) which is the functional currency of the Group.

An overview of standards, amendments and interpretations to IFRSs issued but not yet effective, and which have not been adopted early by the Group are presented below under 'Statement of Compliance'.

Going Concern

The Group has cash balances at the period end of £334,000 and since the year end, the Group has raised £5 million of new funding. Furthermore, the Directors have prepared cash flow forecasts through to 30 September 2017 which demonstrate that the Group is able to meet its liabilities as they fall due. On this basis, the Directors have a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Group's financial statements.

3. Earnings Per Share

The basic and diluted earnings per share is calculated by dividing the loss attributable to owners of the Group by the weighted average number of ordinary shares in issue during the year.

	2016 £'000	2015 £'000
Loss attributable to owners of the Group		
- Continuing operations	(1,336)	(2,899)
Continuing and discontinued operations	(1,336)	(2,899)
	2016	2015
Weighted average number of shares for calculating basic and fully diluted earnings per share	921,886,563	283,826,937
	2016	2015
	pence	pence
Earnings per share:		

Loss per share from continuing and total operations	(0.14)	(1.02)
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The weighted average number of shares used for calculating the diluted loss per share for 2015 and 2016 was the same as that used for calculating the basic loss per share as the effect of exercise of the outstanding share options was anti-dilutive.

4. Posting of Accounts and Notice of AGM

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A full copy of the Annual Report and the Notice of AGM will shortly be available from the Company's website www.mxoil.co.uk.

This information is provided by RNS
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