

12 June 2015

MX Oil plc ('MX Oil' or the 'Company')
Update on Mexican Joint Venture

MX Oil plc is pleased to announce it has agreed a number of amendments to its Joint Venture Agreement ('JVA') with its local partner Geo Estratos ('Geo'), which include an increase in MX Oil's interest in any concessions or E&P Contracts to 55% from 51% and the removal of MX Oil's obligation to fund Geo's share of costs from the point of award of the contract thereby significantly reducing the cost burden to MX Oil. In return for the improved terms, MX Oil has agreed that, once a minimum of two assets have been delivered by Geo under the JVA, Geo will no longer be required to work alongside MX Oil on an exclusive basis. Geo and MX Oil still intend to bid for up to 5 blocks in the current bid round.

Key changes to JVA:

- MX Oil and Geo will jointly participate in the attainment of Concessions and E&P Contracts as a non-regulated consortium under Mexican law (the 'Consortium') in which MX Oil will have a 55% interest and Geo 45% - previously under the JVA, both parties had agreed to pursue concessions in Mexico through a Joint Venture company ('the JVCo'), 51% owned by MX Oil and 49% by Geo
- Within the Consortium, MX Oil will be the financial partner and Geo will be the operator or technical partner
- Geo agrees to work with MX Oil on an exclusive basis to secure E&P Contracts from the CNH until a minimum of two concessions have been awarded to the Consortium
- MX Oil will continue to fund all costs relating to the securing of concessions and E&P Contracts (the 'Consortium Costs') however once a concession has been awarded, the costs of development will be funded by both MX Oil and Geo in accordance with their respective participation percentage in the Consortium – previously MX Oil was responsible for funding 100% of the costs of development

As announced on 9 June 2015, both MX Oil and Geo have each been formally listed as interested parties by the National Hydrocarbons Commission ('CNH') in Phase III of Bid Round 1 which is focused on the tender for mature onshore conventional fields in Mexico. As a result both MX Oil and Geo are able to access the relevant data rooms to undertake due diligence on concessions of interest. This process is already underway.

MX Oil's Chief Executive Officer Stefan Olivier said, "These changes to our Mexican Joint Venture Agreement with our local partner Geo will increase MX Oil's interest at the same time as significantly reducing our share of development costs, thereby ensuring more value is retained for our shareholders. We are delighted with the progress we have made to date in Mexico. In Geo we have a partner with an established relationship with Pemex, the state-owned oil company, proven expertise in the provision of oil and gas services to local operators, and a comprehensive database on onshore Mexican concessions. In addition both MX Oil and Geo have formally been recognised by CNH as two of 16 interested parties in tendering for mature onshore concessions, and as a result we have both been granted access to the relevant data rooms.

"Combined with our on-going due diligence on a near term, cash generative investment opportunity outside of the Americas, which would provide MX Oil with a cash flow generative platform from which to develop concessions in Mexico, the momentum behind the Company is gathering pace. I look forward to providing further updates on our progress as we look to build an oil and gas company where Mexico will be a key focus."

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