

25 January 2016

**MX Oil plc (“MX Oil” or the “Company”)
Offer received for Nigerian investment and funding update**

Further to its announcement of 21 January 2016, MX Oil is pleased to provide an update in connection with its Nigerian investment and proposed fundraising. The Company previously announced that it had received expressions of interest to acquire all or part of its Nigerian investment or to invest into the underlying asset directly alongside the Company.

The Company has now received a formal offer and term sheet from a credible third party for the whole of its Nigerian investment. The value of the offer represents several multiples of the Company's current market capitalisation. The Directors believe that selling its investment on these terms, if completed, would be more attractive to shareholders than raising equity to fund its investment to first oil at the current share price. The Directors therefore intend to actively progress discussions in order to conclude a sale in the short term. Whilst the party making the offer has a detailed understanding of the investment, the completion of a transaction is subject to the completion of due diligence and legal documentation and therefore there can be no guarantee that a transaction can be completed in the timeframe available or at all.

Given the conditionality of the offer described above and, the Company's need to secure the funding to bring its investment to first oil this quarter, the Company intends to continue to explore a potential placing, although this may or may not be within the price range or for the amount previously stated. The Company will also continue to explore the other expressions of interest received in connection with its Nigerian investment.

The Directors believe that the offer and expressions of interest received so far support their view that the Company's current share price does not reflect the value of its assets. In the event that neither the offer received nor the other indications of interest result in a sale in the short term, the Company needs to keep all financing options open and therefore the Directors intend to proceed with the convening of a General Meeting to seek shareholder consent for a capital reorganisation which, if passed, would enable the Company to raise equity at a price below the Company's current nominal value of 1.0p per if required.

MX Oil's Chief Executive Officer Stefan Olivier said, “Our Nigerian investment is now close to oil production and even in the current oil price environment, it has a significantly greater value than that implied by our current share price and valuation. We are committed to delivering the best funding option or asset transaction possible in the time available and expect to make further announcements to the market in due course.”

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