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If you have sold or otherwise transferred all of your shares in MX Oil plc (the “Company”), please forward this document and the accompanying documents to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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## **MX OIL PLC**

*(registered in England and Wales with company number 5311866)*

### **Proposed Share Capital Reorganisation and Notice of General Meeting**

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**Notice of a General Meeting of the Company, to be held at the offices of Adams & Remers LLP, Dukes Court, 32 Duke Street, St James’s, London SW1Y 6DF at 10.00 a.m. on 18 February 2016 is set out at the end of this document.**

In case you are unable to attend and vote at the General Meeting, a Form of Proxy for use at the meeting is enclosed. To be valid, Forms of Proxy should be completed, signed and returned so as to be received by the company secretary, Lorraine Young Company Secretaries Limited, 190 High Street, Tonbridge, Kent TN9 1BE (“the Company Secretary”), as soon as possible, but in any event so as to be received not later than 48 hours before the time of the General Meeting, being 10 a.m. on 16 February 2016. Please refer to the detailed notes contained in the notice of General Meeting and Form of Proxy. Completion and return of the Form of Proxy will not preclude a shareholder from attending in person and voting at the General Meeting.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	2 February 2016
Latest time and date for receipt of Forms of Proxy in respect of the General Meeting	10 a.m. on 16 February 2016
Admission and dealings in the Placing Shares following Admission	8 a.m. on 8 February 2016
General Meeting	10 a.m. on 18 February 2016
Record date for the Share Capital Reorganisation	6 p.m. on 18 February 2016
Effective date for the Share Capital Reorganisation	6 p.m. on 18 February 2016

*Each of the times and dates in the above timetable is based on current expectations and is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified by announcement on a regulatory information service. All references in this document to times are to London time unless otherwise stated. All events in the above timetable following the General Meeting are conditional on the approval by the Shareholders of the Resolution as set out in the notice to the General Meeting at the end of this document.*

## KEY STATISTICS

Existing Ordinary Shares as at the date of this document	379,295,737
Placing Shares	44,800,000
Ordinary Shares in issue prior to Share Capital Reorganisation (assuming Admission)	424,095,737
New Ordinary Shares in issue following the Share Capital Reorganisation	424,095,737
Existing Deferred Shares as at the date of this document	3,865,491,544
New Deferred Shares prior to the Share Capital Reorganisation	4,198,547,826
Deferred Shares following the Share Capital Reorganisation	8,064,039,370

## DEFINITIONS

“Act”	the Companies Act 2006 (as amended)
“Admission”	the admission of the Placing Shares to trading on AIM
“AIM”	the AIM market operated by the London Stock
“AIM’ Rules”	Exchange the AIM Rules for Companies, incorporating guidance notes, published by the London Stock Exchange governing, inter alia, admission to AIM, as amended or reissued from time to time
“Articles”	the articles of association of the Company
“the Board” or “the Directors”	the directors of the Company at the date of this document as set out on page 3
“Company”	MX Oil plc, company number 5311866
“Consolidation”	the proposed consolidation of the deferred shares of 0.01 pence arising from the Sub-division as described in this document on the basis of one New Deferred Share for every ten deferred shares of 0.01 pence each arising from the Sub-division
“Convertible Loan Notes”	Series A and Series B Convertible Fixed Rate Loan Notes constituted by instruments dated 17 December 2015
“Deferred Shares”	existing Deferred Shares and/or New Deferred Shares (as the context requires)
“Existing Ordinary Shares”	the existing ordinary shares of 1 pence each in the capital of the Company which as at the date of this document amount to 379,295,737
“Existing Deferred Shares”	the existing deferred shares of 0.1 pence each in the capital of the Company which as at the date of this document amount to 3,865,491,544
“Form of Proxy”	the form of proxy enclosed with this document for use at the General Meeting
“General Meeting” or “Meeting”	the general meeting of the Company, convened for 10.00 a.m. on 18 February 2016, and any adjournment thereof, notice of which is set out at the end of this document
“Group”	the Company and its subsidiary undertakings (as defined in the Act)
“New Ordinary Shares”	the 424,095,737 new ordinary shares of 0.01 pence nominal value each in the capital of the Company following Admission and the Share Capital Reorganisation
“New Deferred Shares”	the 4,198,547,826 new deferred shares of 0.1 pence nominal value each in the capital of the Company following Admission and the Share Capital Reorganisation
“Notice of General Meeting”	the notice convening the General Meeting on page 6 of this document
“Ordinary Shares”	Existing Ordinary Shares and/or New Ordinary Shares (as the context requires)
“Placing”	the conditional placing of the Placing Shares at the Placing Price
“Placing Shares”	the 44,800,000 new Ordinary Shares of 1 pence each to be issued at 1.25 pence each pursuant to the Placing
“Record Date”	close of business on 18 February 2016

“Resolution”	the resolution to be proposed at the General Meeting, details of which are set out in the Notice of General Meeting at the end of this document
“Share Capital Reorganisation”	the re-organisation of the Existing Ordinary Shares pursuant to the Sub-division and the Consolidation
“Sub-division”	the proposed sub-division of each Existing Ordinary Share into New Ordinary Shares and new deferred shares of 0.01 pence each in the capital of the Company as described in this document
“Warrants”	warrants entitling the holders thereof to subscribe for Ordinary Shares

# LETTER FROM THE CHAIRMAN

## MX OIL PLC

*(Incorporated and registered in England and Wales under the Companies Act 1985, Company number 5311866)*

### *Directors*

Nicholas Lee  
Stefan Olivier  
Sergio Edgar Lopez  
Nigel Bruce McKim

*Registered Office*  
17th Floor  
110 Bishopsgate  
London  
EC2N 4AY

2 February 2016

*To the holders of Existing Ordinary Shares and for information only to holders of Warrants and Convertible Loan Notes*

Dear Shareholders

### **Proposed Share Capital Reorganisation and Notice of General Meeting**

#### **1. Introduction**

As previously announced, the Company has been seeking to raise funds to complete the financing of its investment in Nigeria, which is expected to commence production within the next couple of months, and provide working capital. The Company has also been successful in winning four concessions in Mexico and is in the process of carrying out further analysis on these assets.

On 25 January 2016, the Company announced that it had received a formal proposal for its Nigerian investment in the proven Aje Field, offshore Nigeria, on terms that the Directors believe are attractive, particularly against the background of the Company's current market valuation. The Directors are pleased to announce that they have now signed a term sheet with the proposed purchaser who is part of an established international oil and gas group.

As announced today, under the terms of the proposal, the Company will receive US\$18 million for the sale of its investment. Initially up to US\$3.5 million will be advanced to the Company in two stages after the signing of binding legal documentation. These funds will be used to finance the remaining cash calls expected to be required for the investment in order to bring the underlying asset into production.

The proposed purchaser will then have the right to acquire the investment, which is most likely to be when initial oil production commences. On exercise of this acquisition right, the Company will receive one payment of US\$5.75 million and then a second payment of US\$5.75 million six months later. The balance of US\$3 million will then be paid in three annual US\$1 million instalments from the date of the exercise of the acquisition right, although these payments may be accelerated in the event that the oil price exceeds US\$45 per barrel for a three month period.

If, for whatever reason, the purchaser decides not to exercise its acquisition right then the amount initially advanced will either be repaid, converted into a loan in the company holding the investment or become a secured loan to be repaid from the cash flow generated from oil production.

Clearly, whilst good progress has been made so far and the Company is moving towards the signing of legal documentation within the next few weeks, the transaction is still subject to contract and the completion of due diligence and therefore there can be no guarantee that a transaction will either be completed at all or on the above terms.

The Company is also pleased to announce that it has raised £560,000 (before expenses) from a placing of 44.8 million ordinary shares at a price of 1.25 pence per share. Application has been made for the Placing Shares to be admitted to trading on AIM and it is expected that Admission will become effective on or around 8 February 2016. The Placing Shares will rank pari passu with the existing ordinary shares of the Company of 1 pence each.

In accordance with the terms of the Convertible Loan Notes the Company issued in December 2015, certain holders of Convertible Loan Notes have the right to convert their notes at the price of the first placing that takes place subsequent to their issue but prior to redemption. Such holders of Convertible Loan Notes therefore have 20 business days to decide whether to convert their Convertible Loan Notes at a price of 1.25 pence per share.

Following the Placing but before the conversion of any Convertible Loan Notes, the Company will have 424,095,737 Ordinary Shares in issue, each share carrying the right to one vote. The Company does not hold any Ordinary Shares in treasury. Following Admission, the above figure of 424,095,737 Ordinary Shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure and Transparency Rules.

Against this background, the Company is continuing to review all of its financing options and, in order to maintain maximum flexibility, it intends to proceed with a reorganisation of its share capital so that in the event that it decides to pursue a further share placing, it is able to do so, if necessary, at a price below the current nominal value of its Ordinary Shares. The Company is therefore seeking shareholder approval now for the Share Capital Reorganisation as set out in this circular.

## **2. Share Capital Reorganisation**

The issue of shares at a price which is less than the current nominal value is prohibited by English company law. At present, the issued ordinary share capital of the Company consists of 379,295,737 Ordinary Shares of 1 pence each which will increase to 424,095,737 following Admission of the Placing Shares. Accordingly, it is proposed that:

- a) each of the existing Ordinary Shares at the time of the General Meeting be sub-divided into:-
  - (i) one new ordinary share of 0.01 pence each in the capital of the Company, such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the Existing Ordinary Shares as set out in the Articles; and
  - (ii) ninety nine new deferred shares of 0.01 pence each; and
- b) the new deferred shares of 0.01 pence each arising from the sub-division referred in paragraph (ii) above be consolidated into New Deferred Shares of 0.1 pence each on the basis of one New Deferred Share for every ten deferred shares of 0.01 pence arising from the sub-division referred in paragraph (ii) above, such shares having the same rights and being subject to the same restrictions as the Existing Deferred Shares of 0.1 pence each as set out in the Company's Articles.

The New Ordinary Shares and the New Deferred Shares shall have the same rights and shall be subject to the same restrictions (save as to nominal value) as the Existing Ordinary Shares and Existing Deferred Shares (respectively). The rights attaching to such shares are outlined in the Company's Articles. The New Deferred Shares created will be effectively valueless as they will not carry any voting or dividend rights.

To effect the Share Capital Reorganisation, it will be necessary to issue an additional number of Existing Ordinary Shares so that the Company's issued ordinary share capital at the time of the Capital Reorganisation is exactly divisible by 10. Based on the number of Existing Ordinary Shares of the Company in issue as at the date of this document and the Placing Shares, three additional Existing Ordinary Shares will be issued to the company secretary of the Company and sold in the market for the benefit of the Company.

The Reorganisation is subject to the approval of Existing Shareholders at the General Meeting to be held on 18 February 2016.

For Shareholders who currently hold Existing Ordinary Shares in certificated form, no new share certificates will be issued and the certificates currently held will remain valid, the new nominal value will be shown on any new certificates issued from 18 February 2016. Existing holders of Ordinary Shares with certificated shares on 18 February 2016 will retain the same number of shares following the Capital Reorganisation. Shareholders who hold their Existing Ordinary Shares in uncertificated form through CREST will retain their existing shares and the security description will be updated to reflect the new Nominal Value of the shares from 18 February 2016.

No application will be made to the London Stock Exchange for the New Deferred Shares to be admitted to trading on AIM. No CREST accounts of shareholders will be credited in respect of any entitlement to any Deferred Shares. No share certificates will be issued for the New Deferred Shares.

### **3. Warrants and Convertible Loan Notes**

The Warrants and the Convertible Loan Notes, and the rights of their respective holders are not expected to be affected by the Share Capital Reorganisation. Such holders will still be able to exercise their rights under the Warrants and the Convertible Loan Notes (as applicable), save that, subject to certification by the auditors or an independent accountant, such Warrants and the conversion rights in respect of such Convertible Loan Notes shall each be for the equivalent number of new ordinary shares of 0.01 pence.

### **4. General Meeting**

A notice of General Meeting of MX Oil plc to be held at the offices of Adams & Remers LLP, 32 Duke Street St James's, London SW1Y 6DF on 18 February 2016 at 10.00 a.m. is set out at the end of this document. At the General Meeting the Resolution will be proposed.

### **5. Action to be taken by Shareholders**

A Form of Proxy is enclosed for use at the General Meeting. **Whether or not you intend to be present at the Meeting you are requested to complete, sign and return the Form of Proxy to the company secretary, Lorraine Young Company Secretaries Limited, 190 High Street, Tonbridge, Kent TN9 1BE as soon as possible but in any event so as to arrive not later than 10 a.m. on 16 February 2016 in accordance with the notes to the Form of Proxy.** The

completion and return of a Form of Proxy will not preclude you from attending the meeting and voting in person should you subsequently wish to do so. Your attention is drawn to the detailed notes to the Notice of General Meeting and Form of Proxy.

## **6. Recommendation**

The Directors believe the Share Capital Reorganisation is in the best interests of the Company and its shareholders as a whole and unanimously recommend that Shareholders vote in favour of the Resolution to be proposed at the General Meeting.

Yours faithfully

Nicholas Lee  
Non-executive Chairman

Company Number: 5311866

## MX OIL PLC (the “Company”)

### Notice of General Meeting

Notice is given that a General Meeting of MX Oil plc will be held at 10.00 am on Thursday 18 February 2016 at the offices of Adams & Remers LLP, Dukes Court, 32 Duke Street St James’s, London SW1Y 6DF to consider, and if thought fit, pass the following resolution which will be proposed as an ordinary resolution:

#### Ordinary Resolution

THAT:

- a. each of the issued ordinary shares of 1 pence each in the capital of the Company be and is hereby sub-divided into:-
  - (i) one new ordinary share of 0.01 pence each in the capital of the Company, such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the existing ordinary shares of 1 pence each as set out in the Company’s articles of association for the time being; and
  - (ii) ninety nine new deferred shares of 0.01 pence each; and
- b. immediately following the Sub-division in paragraph (a) above the resulting issued deferred shares of 0.01 pence each be consolidated into deferred shares of 0.1 pence each so that 10 deferred shares of 0.01 pence each becomes one deferred share of 0.1 pence each having all of the rights and being subject to the same restrictions attaching to the existing deferred shares of 0.1 pence each as set out in the Articles of Association of the Company.

By order of the Board

Lorraine Young Company Secretaries Limited  
Secretary

*Registered Office:*  
17<sup>th</sup> Floor  
110 Bishopsgate  
London  
EC2N 4AY

2 February 2016

#### Notes:

##### 1. Right to attend, speak and vote

If you want to attend, speak and vote at the General Meeting (“GM”) you must be on the Company’s register of members at 6pm on 16 February 2016. This will allow us to confirm how many votes you have on a poll. Changes to the entries in the register of members after that time, or, if the GM is adjourned, 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend, speak or vote at the GM.

##### 2. Appointment of proxies

If you are a member of the Company you may appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at the meeting. You may only appoint a proxy using the procedures set out in these notes and in the notes on the proxy form, which you should have received with this notice of meeting.

A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes on the form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

You may appoint more than one proxy in relation to the GM provided that each proxy is appointed to exercise the rights attached to a different share or shares which you hold. If you wish to appoint more than one proxy, you may photocopy the proxy form.

### **3. Appointment of proxy**

The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you do not indicate on the proxy form how your proxy should vote, they will vote or abstain from voting at their discretion. They will also vote (or abstain from voting) at they think fit in relation to any other matter which is put before the meeting.

To appoint a proxy using the proxy form, the form must be completed and signed and received by Lorraine Young Company Secretaries Limited no later than 48 hours before the meeting. Any proxy forms (including any amended proxy appointments) received after the deadline will be disregarded.

The completed form may be returned by either of the following methods:

- Sending or delivering it to Lorraine Young Company Secretaries Limited at 190 High Street, Tonbridge, Kent TN9 1BE
- Scanning it and sending it by email to proxies@lorraineyoung.co.uk

If the shareholder is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer or attorney. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

### **4. Appointment of proxy by joint members**

In the case of joint holders, where more than one joint holder purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

### **5. Changing your instructions**

To change your proxy instructions simply submit a new proxy appointment using the methods set out above. The amended instructions must be received by the Company Secretary by the same cut-off time noted above. Where you have appointed a proxy using a hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact the Company Secretary on +44 (0) 1732 366561. If you submit more than one valid proxy form, the one received last before the latest time for the receipt of proxies will take precedence.

### **6. Termination of proxy appointments**

In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Lorraine Young Company Secretaries Limited at 190 High Street, Tonbridge, Kent TN9 1BE. Alternatively, you may scan the notice and send it by email to proxies@lorraineyoung.co.uk. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer or attorney. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

In either case, your revocation notice must be received by the Company Secretary no later than 48 hours before the meeting. If your revocation is received after the deadline, your proxy appointment will remain valid. However, the appointment of a proxy does not prevent you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

### **7. Communications with the Company**

Except as provided above, members who have general queries about the meeting should telephone the Company Secretary on +44 (0) 1732 366561 (no other methods of communication will be accepted). You may not use any electronic address provided either in this notice of general meeting; or any related documents (including the proxy form), to communicate with the Company for any purposes other than those expressly stated.

### **8. Issued shares and total voting rights**

As at 5.00 pm on the day immediately prior to the date of posting of this notice of meeting, the Company's issued share capital comprised 379,295,737 ordinary shares of 1p each and 3,865,491,544 deferred shares of 0.1p each. Each ordinary share carries the right to one vote at a general meeting of the Company and the deferred shares have no voting rights, therefore, the total number of voting rights in the Company at that time was 379,295,737.

# MX OIL PLC Proxy Form

I/We, \_\_\_\_\_ (insert full name in BLOCK CAPITALS)

of \_\_\_\_\_ (insert address in BLOCK CAPITALS)

\_\_\_\_\_ Postcode \_\_\_\_\_

being (a) holder(s) of ordinary shares in MX Oil Plc appoint the Chairman of the meeting or the following person:

<i>Name</i>	<i>Number of Shares*</i>

as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the General Meeting of the Company to be held at 10.00 a.m. on Thursday 18 February 2016 and at any adjournment of that meeting. I/We request my/our proxy to vote on the following resolution as indicated below:

RESOLUTION	For	Against	Vote Withheld
1. To reorganise the Company's existing ordinary shares			

Please tick here if the proxy appointment is one of multiple appointments being made and state in the box above the number of shares to which this proxy relates. Also, see note 7 below

**SIGNATURE** \_\_\_\_\_ **DATE** \_\_\_\_\_

**NOTES:**

1. A proxy need not be a member of the Company.
2. Please indicate with an 'X' in the appropriate box above how you wish your votes to be cast. Unless otherwise instructed the proxy may vote or abstain from voting as they think fit. The 'vote withheld' option is provided so that you may abstain on any particular resolution: this is not a vote in law and will not be counted in the calculation of the proportion of votes 'for' and 'against' a resolution.
3. To be effective this proxy form must be deposited with Lorraine Young Company Secretaries Limited, 190 High Street, Tonbridge, Kent TN9 1BE, not less than 48 hours before the time fixed for the meeting being 10 a.m. on 16 February 2016.
4. The proxy form must be signed by the member or the member's attorney duly authorised in writing or, if the member is a corporation, it must be either under its common seal or signed on its behalf by an attorney or officer duly authorised whose capacity should be stated.
5. In the case of joint members the vote of the senior joint member who signs a proxy form will be accepted to the exclusion of others, seniority being determined by the order of names in the register.
6. If you wish to appoint someone other than the Chairman as your proxy, delete "the Chairman of the meeting (or)" and insert the name of your proxy in the box provided.
7. If the proxy is being appointed in relation to only some of your shares, please write the number of shares in respect of which they are authorised to act in the box next to their name. If this box is left blank, your proxy will be deemed to be authorised to act in respect of all of your shares.
8. To appoint additional proxies, this form may be photocopied or additional copies obtained from the Company Secretary. On each form, please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act and ensure that each form bears an original signature. If you wish to terminate the proxy appointment you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment. Your revocation notice must be received by the Company Secretary no later than 48 hours before the meeting.
9. Completion and return of a proxy form will not prevent you from attending and voting in person at the meeting should you subsequently decide to do so.
10. Any alteration made to this proxy form should be initialled.
11. As at 5.00pm on the day immediately prior to the date of posting of this notice of meeting, the Company's issued share capital comprised 379,295,737 ordinary shares of 1p each and 3,865,491,544 deferred shares of 0.1p. There were no shares held in treasury. Each ordinary share carries the right to one vote at a general meeting of the Company and the deferred shares have no voting rights, therefore the total number of voting rights at that time was 379,295,737. Following completion of the Placing referred to in the circular to shareholders dated 2 February 2016 the number of ordinary shares in the Company will have increased to 424,095,737 ordinary shares of 1 pence each.