

MXO Funding Update - Nigerian Investment – Call Option

Please find below an extract from the release made by MXO Oil Plc, funding partner for Jacka's Aje Project interest in Nigeria.

MX Oil plc (“MX Oil” or the “Company”) Sale of investment in Aje Field offshore Nigeria

MX Oil plc, the AIM quoted oil and gas investing company, is pleased to announce that it has now agreed terms for the sale of its investment in the Aje Field offshore Nigeria to GEC Petroleum Development Company Limited (“GPDC”). GPDC is a Nigerian company actively exploring and developing oil and gas resources in the Niger Delta and Anambra basins. GPDC operates two licences offshore (OPLs 2009 and 2010) and two licences onshore (OPLs 907 and 917), along with OML 149 in joint venture partnership with Eni/Nigerian AGIP and Seven Energy. GPDC holds significant interests in these assets and has 2P Reserves (net) of 16mmboe and 2C Resources (net) of 139mmboe. GPDC has total estimated gas resources of 6.4TCF and oil resources of some 1.3 billion barrels. It is the wholly owned exploration and production subsidiary of Global Energy Company Limited (“GEC”), an energy resources and infrastructure group focused on Africa. GEC has been established for over 23 years.

Further to the announcement of 2 February 2016, under the terms of this agreement, GPDC has the right to acquire the Company's indirect investment in the Aje Field for a total consideration of US\$18 million. Initially up to US\$3.5 million will be advanced to the Company in three stages, with the first payment of US\$2 million expected on or around 14 March 2016. 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.

GPDC 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.

For more information please contact:

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