30 September 2016

Mayan Energy Ltd / Index: AIM / Epic: NCT / ISIN: VGG6622A1057 / Sector: Oil & Gas

Mayan Energy Ltd ("Mayan" or "the Company")
Interim Results

Oil Production Brought On Line. Gas Contract and Tap Installed. Positioned for Growth.

Mayan Energy Ltd (AIM: MYN), the AIM listed oil and gas company, is pleased to announce its unaudited financial results for the six months ended 30 June 2016. This has been a period which saw commencement of oil production from Shoats Creek Field ("Shoats Creek") (the Lutcher Moore ("LM") 20 well), the announcement of major steps leading to gas sales in the near term, the implementation of a cost cutting regime, two fund raisings and two transactions designed to deleverage the Company's balance sheet and reduce risk.

HIGHLIGHTS:

- LM 20 bought on stream –now producing a steady 120 bopd (24 bopd net to Mayan (20%));
- Disposal of 70% working interest ("WI") in LM 20, for total consideration of US$ 1.03 million, with a corresponding reduction in net current assets/liabilities;
- Raised £0.95 million in new equity capital.

POST PERIOD END:

- Shoats Creek gas tie in contract announced;
- Shoats Creek gas line laid, with first gas sales planned for October 2016;
- Name changed to Mayan Energy Ltd to mark commitment to develop Mexico;
- Raised an additional £0.55 million in new equity capital.

CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT

After almost 18 months of decline, oil prices stabilised during the first half of 2016 and given the consensus medium term outlook, the focus of the Board turned to how to achieve profitability in the current oil price environment. To this end, a change in leadership with a focus on cost cutting, sale of non-core assets, optimising performance from the Shoats Creek field and pursuit of the opportunities associated with Mexican energy sector reforms was embraced and acted upon by the Board.

Management

In September, Mayan appointed Mr. Heriberto Gonzalez ("Eddie") as Chief Executive Officer ("CEO") and Mr. James Doyle McGraw ("JD") as a non-executive director of the Company.

Eddie and JD each have a successful track-record pursuing various business opportunities in the United States of America ("USA"), and importantly, Mexico. Most recently Eddie was involved in a 100,000 MMBTU 2-year natural gas deal between U.S. suppliers and Comisión Federal de Electricidad, the Mexican state owned utility.

At the same time, Mr Randy Connally and Mr Kevin Green stepped down from the Board, with Mr Kevin Green remaining as a consultant. On behalf of the Board, I wish them both well in their future endeavours.

Operations

US – Shoats Creek

The Board believes that Shoats Creek represents an excellent opportunity to create real value for the Company, and be the spring board for Mexico. During the period under review Shoats Creek has been a key area of focus and it will continue to be so for the coming period.

In initiating production at LM 20, the Company took a major step in the development of Shoats Creek. Since his appointment, Stephen Brock, the new Vice President Operations, has been pursuing production and revenue growth by way of low risk, low capital cost work-over and re-entry opportunities, and as these initiatives bear fruit, the Company will continue towards the drilling its next new Frio well, the LM21.

Subject to funding in respect of the medium and longer term plans, the Company will seek to implement the following work program at Shoats Creek:

Short Term (1-3 Months)

- Installation of necessary equipment to permit sales of natural gas;
- Initiate Gas and Oil production from LM 14; and
- Initiate production from RC1 and RC2.

Medium Term: (3-6 Months)

- Acquire rights to additional adjoining acreage to expand the Shoats Creek project area and provide additional prospective drilling locations;
- Subject to the above, re-enter and initiate gas and oil production from an additional two wells;
- Subject to the above, re-enter and convert an existing well bore into a second salt water disposal well, to provide for expanded capacity and redundancy to the existing (LM 15) salt water disposal well.

Longer Term: (More than 6 Months)

- Drill and complete LM 21 and further review other drilling locations post successful completion of LM 21;
- Additional geophysical and engineering work to high grade existing wells and add additional locations in anticipation of a new well drilling program.

US - Other

The Company has undertaken only limited activities in the other assets in its US portfolio. These assets will be sold as and when suitable opportunities arise.

Mexico

In Mexico, the Company's vision is to create an energy services company centred on oilfield services and midstream opportunities. In the short term Mayan Drilling Fluids, the joint venture ("JV") formed with Gaia Ecologica S.A. DE C.V. ("Gaia"), a local oil field and environmental services company with a strong track record, is intended to be the Company's entry platform into the Mexican market. The JV is currently completing its first environmental waste remediation facility capable of recycling oil cuttings. On its completion, Mayan will be paid 85% of distributable cash flow until pay-out, plus a 9.0% internal rate of return on its investment. Following payback, profits will be split 51% to Mayan and 49% to Gaia.

The Company has undertaken the following initiatives regarding the development of its Mexican businesses:

- Entering into a letter of intent with PEMEX, the Mexican national oil company, to provide waste remediation services;
- Offering "public scale" services to trucking companies -utilizing the weigh scales installed at its site in Comalcalco (the location of the planned waste remediation facility);
- Advancing discussions with a range of parties to develop opportunities for the initial remediation facility and to increase the number of other opportunities in Mexico.

Commenting on the above, Mayan's CEO Eddie Gonzalez said:
"Since I have come on board, and started working with Stephen Brock who joined the Company in August, we have been working flat out at getting the gas accessible from our Shoats Creek wells into production. I have to say that although we have been effected by bad weather and other hitches, we have kept to the plan I envisaged. So right now we are looking to get the gas flowing within the next week or so, with sales by the end of October.

"At the same time, I have implemented a regime which has led to considerable cost savings - the benefits of which I expect to see flow through in the coming months. Together with greater revenues from planned increases in production of gas and oil, I am confident that the US will be operationally profitable soon.

"With Shoats now looking like it is on a good track, I am also committed to monetizing our other "non-core" US assets. Also, with the benefit of more capital in hand, I am personally going to revitalise the development of our initiatives in Mexico. It is not going to be easy, but I am excited about it. I think we got a good team now, and a clear plan. In my opinion, the future is now beginning to look much brighter."

FINANCIAL REVIEW

During the period, Mayan raised £450,000 via the issue of 1,428,571,429 new ordinary shares and £500,000 via the issue of 1,587,301,587 new ordinary shares.

The Group generated a gross loss in the period of US$1,279,000 (30 June 2015: US$2,141,000 Loss), an improvement of US$862,000 compared to the previous period. The reduction in losses is attributable to cost savings made, and lower operational losses suffered. As to the reduction in revenue numbers, this is attributable to the decline in performance of Mayan's other (non-core) interests, with production from Shoats presently limited to LM20, which only came on stream in late April 2016.

As reported in January and in March 2016 the Company announced two transactions which had the effect of reducing Mayan's working interest in LM 20, from 97% to 20% for a total consideration of US$ 1.03 Million. For the purposes of preparing these interim financial statements, it has been assumed that the above has been settled by offsets against amounts payable to Southern Coastal Development Inc. the operator of Shoats Creek-in connection with the transaction with them, while remaining outstandings from the other transaction are included as a deduction from trade payables.

FUTURE PROSPECTS

Post period end the Group has continued to implement further steps to improve operational and financial performance in the USA, and the recent progress at Shoats Creek will be an important driver of this change. At the same time, steps being taken now will, it is hoped, soon lead to the divestiture of non-core assets. Taken together is expected that the benefits of these actions will lead to improved results for the second half of the year and beyond.

Ross Warner Eddie Gonzalez

Chairman	Chief Executive Officer
30 September 2016	30 September 2016

A copy of this announcement and the Interim results will be available on the Company's website. For further information visit www.Mayan energy.com or contact the following:

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Notes:

Mayan Energy Limited is an AIM listed (London Stock Exchange) oil and gas energy company with a vision of building a midstream service (oil and gas waste management) and downstream operations business in Mexico ,exploiting the opportunities arising from the liberalisation of that country's energy sector. This vision will complement the Company's present operations which are focussed on the redevelopment and enhancement of its upstream oil and gas interests in Oklahoma and Louisiana.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Income
for the Interim six months period ended 30 June 2016

	Notes	Six Months to 30 June 2016 (Unaudited) US$ 000's	Six Months to 30 June 2015 (Unaudited) US$ 000's	Year Ended 31-Dec 2015 (Audited) US$ 000's
Revenue		**50**	349	841
Cost of Sales		**(241)**	(599)	(961)
Gross Profit		**(191)**	(250)	(120)
Other Operating Income			-	
Administrative expenses				
Impairment of property, plant and equipment		**-**	-	(1,361)
Other administrative expenses		**(1,064)**	(1,537)	(4,299)
Total Administrative expenses		**(1,064)**	(1,537)	(5,660)
Operating loss		**(1,255)**	(1,787)	(5,780)
Finance Income		**-**	3	20
Finance Costs		**(24)**	(357)	(428)
Loss before income tax		**(1,279)**	(2,141)	(6,188)
Income tax expense		**-**	-	-
Loss for the period from continuing operations		**(1,279)**	(2,141)	(6,188)
Attributable to owners of the parent		**(1,279)**	(2,141)	(6,137)
Attributable to non-controlling interest		**-**	-	(51)
Loss for the period from continuing operations		**(1,279)**	(2,141)	(6,188)
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences		**-**	164	254
Revaluation gains		**-**	66	-
Other comprehensive income for the period, net of tax		**(1,279)**	(1,911)	(5,934)
Total comprehensive income for the period				
Attributable to owners of the parent		**(1,279)**	(1,911)	(5,883)
Attributable to non-controlling interest			-	(51)
Loss per share from continuing and discontinued operations		**(1,279)**	(1,911)	(5,934)
attributable to the owners of the parent during the period				
(expressed in cents per share)				

- Basic and diluted	4	**-0.0167**	-0.0554	-0.1234

Group Statement of Financial Position
As at 30 June 2016

	Notes	Six Months to 30 June 2016 (Unaudited) US$ 000's	Six Months to 30 June 2015 (Unaudited) US$ 000's	Year to 31 Dec 2015 Audited US$ 000's
ASSETS				
Non-current assets				
Property, plant and equipment		**6,141**	5,522	6,601
Available for sale investments		**-**	534	-
Total non-current assets		**6,141**	6,056	6,601
Current assets				
Inventories		**18**	33	31
Trade and other receivables		**331**	464	325
Available for sale financial investments		**-**	-	-
Cash & cash equivalents		**50**	2,348	91
Total current assets		**399**	2,845	447
TOTAL ASSETS		**6,540**	8,901	7,048
LIABILITIES				
Non-Current Liabilities				
Provisions		**(684)**	(684)	(1,030)
Total non-current liabilities		**(684)**	(684)	(1,030)
Current liabilities				
Trade and other payables		**(1,861)**	(1,719)	(2,006)
Borrowings		**-**	(361)	(236)
Provisions		**(566)**	(160)	(220)
Total current liabilities		**(2,427)**	(2,240)	(2,462)
TOTAL LIABILITIES		**(3,111)**	(2,924)	(3,492)
NET ASSETS		**3,429**	5,977	3,556

EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT				
Share Capital	**5**	**-**	**-**	-
Share premium		**31,800**	29,363	30,633
Foreign exchange reserve		**314**	239	329
Reverse acquisition reserve		**(8,202)**	(8,202)	(8,202)
Retained earnings		**(20,792)**	(15,423)	(19,513)
Total Equity attributable to the equity owners of the parent		**3,120**	5,977	3,247
Non-controlling interest		**309**	-	309
TOTAL EQUITY		**3,429**	5,977	3,556

Group Statement of changes in equity
For the six months interim period ended 30 June 2016

	Share capital	Share premium	Foreign exchange reserve	Reverse Acquisition Reserve	Retained earnings	Non-Controlling Interests	Total equity
	US$ 000's	US$ 000's	US$ 000's	US$ 000's	US$ 000's	US$ 000's	US$ 000's
As at 1 January 2015 (audited)	**-**	**21,244**	**75**	**(8,202)**	**(13,711)**		**(594)**
Loss for the period	-	-	-	-	(2,141)	-	(2,141)
Items that may be reclassified subsequently to profit or loss						-	-
Gain on available for sale investments	-	-	-	-	66	-	66
Currency translation differences	-	-	164	-	-	-	164
Total comprehensive income for the period	**-**		**164**	**-**	**(2,075)**		**(1,911)**
Issue of Shares	-	9,030	-	-	-	-	9,030
Share issue costs	-	(621)	-	-	-	-	(621)
Issue of warrants	-	(290)	-	-	363	-	73
As at 30 June 2015 (unaudited)	**-**	**29,363**	**239**	**(8,202)**	**(15,423)**		**5,977**
As at 1 January 2016 (audited)	**-**	**30,633**	**329**	**(8,202)**	**(19,513)**	**309**	**3,556**
Loss for the period	-	-	(15)	-	(1,279)	-	**(1,294)**
Items that may be reclassified subsequently to profit or loss							**-**
Gain on available for sale investments	-	-	-	-	-	-	**-**
Currency translation differences	-	-	-	-	-	-	**-**
Total comprehensive income for the period	**-**	**-**	**(15)**	**-**	**(1,279)**	-	**(1,294)**
Issue of Shares	-	1,455	-	-	-	-	**1,455**
Share issue costs	-	(288)	-	-	-	-	**(288)**

As at 30 June 2016 (unaudited)	**-**	**31,800**	**314**	**(8,202)**	**(20,792)**	**309**	**3,429**

Group Statement of Cash Flows for the six months interim period ended 30 June 2016

	Six Months to 30 June 2016 (Unaudited) US$ 000's	Six Months to 30 June 2015 (Unaudited) US$ 000's	Year to 31 Dec 2015 Audited US$ 000's
Cash flows from operating activities			
(Loss) before tax	**(1,279)**	(2,141)	(6,188)
Adjustments for:			
Depreciation	**-**	50	-
Impairment	**-**	-	1,359
Loss on disposal of property, plant and equipment	**-**	66	-
Share based payment expense	**-**	83	-
Finance cost	**24**	357	428
Finance income	**-**	(3)	(20)
Operating loss before changes in working capital	**(1,255)**	(1,588)	(4,421)
Change in working capital items			
Decrease/(increase) in inventories	**13**	18	20
(Increase)/decrease in trade and other receivables	**(6)**	(41)	68
(Decrease)/increase in trade and other payables	**(73)**	(141)	(47)
Net cash used in operating activities	**(1,321)**	(1,752)	(4,380)
Cash flows used in investing activities			
Acquisition of subsidiary (net of cash)	**-**	1	(360)
Purchases of property, plant and equipment	**-**	(56)	(1,153)
Exploration and evaluation -tangible assets	**(43)**	-	-
Proceeds from farm-in/sale	**(100)**	45	-
Purchase of available for sale investments	**-**	(468)	-
Interest received	**-**	3	-
Net cash used in investing activities	**(143)**	(475)	(1,513)
Cash flows from financing activities			
Proceeds from issue of share capital	**1,539**	6,785	7,999
Share issue costs	**(288)**	(621)	(703)
Repayment of borrowings	**211**	(1,579)	(1,311)
Finance cost	**(24)**	(36)	(22)
Net cash generated from financing activities	**1,438**	4,549	5,963

Net increase in cash and cash equivalents	**(26)**	2,322	70
Cash and cash equivalents at beginning of period	**91**	5	5
Effect of foreign exchange rate changes	**(15)**	21	16
Cash and cash equivalents at end of period	**50**	2,348	91

Notes to the consolidated financial statements (unaudited)
For the six months ended 30 June 2016

1. Basis of presentation

The condensed consolidated interim financial statements has been prepared under the historical cost convention and on a going concern basis and in accordance with International Financial Reporting Standards and IFRIC interpretations adopted for use in the European Union ("IFRS").

The condensed consolidated interim financial statements contained in this document do not constitute statutory accounts, for the current reporting period, or for earlier periods, but is derived from those accounts where applicable. In the opinion of the directors, the condensed consolidated interim financial statements fairly presents the financial position, result of operations and cash flows for the period.

A copy of this Interim Financial Report is available on the Company's website: www.mayanenergy.co.uk and was approved by the Board of Directors on 30 September 2016.

Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with the requirements of the AIM Rules for Companies. As permitted, the Company has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing these interim condensed consolidated interim financial statements. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with IFRS as adopted by the European Union.

Accounting policies

The condensed consolidated interim financial statements for the period ended 30 June 2016 has not been audited or reviewed in accordance with the International Standard on Review Engagements 2410 issued by the Auditing Practices Board. The figures were prepared using applicable accounting policies and practices consistent with those adopted in the statutory annual financial statements for the year ended 31 December 2016.

2. Financial risk management and financial instruments

Risks and uncertainties

The Board continually assesses and monitors the key risks of the business. The key risks that could affect the Group's medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Group's 2015 Annual Report and Financial Statements, a copy of which is available from the Group's website: www.mayanenergy.co.uk. The key financial risks are market risk (including oil price and currency risk), credit risk and liquidity.

Going concern

The Group has ambitious plans and the Board recognises that further funds will be required in order to realise them. The Group has a track record of using a variety of mechanisms to fund its commitments, whether it is through operational cash flow, new equity, farm-ins and disposals. This flexibility gives the Directors discretion around when expenditure is incurred, but it is probable that further equity finance will be required at some point during the next 12 months.

The Board is confident however, that capital will be available to allow it to realise its strategic goals and that the Company will have the necessary resources available to finance its future working capital and discretionary capital expenditures beyond the period of 12 months of the date of this report. Accordingly these interim financial statements have been prepared on a going concern basis.

3. Segmental analysis

In the opinion of the Directors, as at the 30 June 2016 the operations of the Group comprise one single operating segment comprising exploration, production, development and sale of hydrocarbons and related activities. The majority of the Group's operations in the period related to one geographic area: the United States of America ("USA"). The Group has head office operations in the United Kingdom and Mexico but the quantitative thresholds of IFRS 8 are only met for the USA, which is therefore the Group's one reportable segment and the Directors consider that the primary financial statements presented substantially reflect all the activities of this single operating segment.

4. Loss per share

The calculation of earnings per share is based on the loss attributable to equity holders divided by the weighted average number of share in issue during the period:

	Six Months to 30 June 2016 (Unaudited) US$ 000's	**Six Months to 30 June 2015 (Unaudited) US$ 000's**	**Year to 31 Dec 2015 (Audited) US$ 000's**
Net loss after taxation	**(1,279)**	(2,141)	(6,188)
Weighted average number of ordinary shares used in calculating basic loss per share	**7,647,467,858**	3,867,646,529	5,015,981,767
Basic & diluted loss per share (expressed in cents)	**-0.0167**	-0.0554	-0.1234

As the inclusion of the potential ordinary shares would result in a decrease in the earnings per share, they are considered to be anti-dilutive, and as such, a diluted loss per share is not included.

5. Share capital

The authorised share capital of the Company and the called up and fully paid amounts at 30 June 2016 were as follows:

A) Authorised	US$'000s
Unlimited Ordinary shares of no par value	-

B) Called up, allotted, issued and fully paid	Number of shares	Nominal value
As at 1 January 2016	6,981,874,520	-
Additions:		
18/Mar/16	100,505,706	-
8/Apr/16	1,428,571,429	-

26/Apr/16	1,587,301,587	-
As at 30 June 2016	10,098,253,242	-

Shares issued on 18 March 2016 were issued at a price of US$ 0.00083 cents per share, of this US$ 67,200 of shares was in settlement of the acquisition of an additional 20% WI in the Cockfield- Shoats Creek and US$ 17,063 in settlement of third party creditor services.

Shares issued on 8 April 2016 were issued at a price of 0.0315 pence per share, for a cash consideration of £450,000 before share issue costs.

Shares issued on 26 April 2016 were issued at a price of 0.0315 pence per share, for a cash consideration of £500,000 before share issue costs.

6. Share based payments

Total Options in issue

During the six month period ended 30 June 2016 no options were granted, exercised, or forfeited. Movements on the number of share options and their exercise price are as follows:

	Weighted Average Exercise Price	6 months to 30 June 2016 (Unaudited)	Weighted Average Exercise Price	Year to 31 December 2015 (Audited)
	Pence	No of Options 000's	Pence	No of Options 000's
Beginning of period	1.86	49,000	1.86	49,000
Movement	-	-	-	-
End of period	1.86	49,000	1.86	49,000

Total share warrants in issue

During the six month period ended 30 June 2016 158,730,000 warrants were granted, 26,669,000 lapsed and none were exercised or forfeited.

	Weighted Average Exercise Price	6 months to 30 June 2016 (Unaudited)	Weighted Average Exercise Price	Year to 31 December 2015 (Audited)
	Pence	No of Warrants 000's	Pence	No of Warrants 000's
Beginning of period	0.26	726,637	0.97	89,851
Cancelled	-	-	-	-
Exercised	-	-	0	(12,500)
Modified	-	-	-	-
Lapsed	0.44	(26,669)	-	-
Granted	0.03	158,730	0.15	649,286
End of period	0.21	858,698	0.26	726,637

The parameters used to ascertain the fair value of share options, are as found in the audited consolidated financial statements for the year ended 31 Dec 2015.

The fair value charged to the Group Statement of Changes in Equity for the six month period ended 30 June 2016 was $nil (2015: $nil).

The Group recognised $Nil (2015: $363,000) related to equity-settled share based payment transactions during the period, of which $Nil (2015: $Nil) was charged to the convertible loan account as it related to costs of issue, while $Nil (2015: $290,134) was charged to share premium and $Nil (2015: $72,866) was expensed.

7. Investment in group companies

At 30 June 2016, the Group consisted of the following wholly owned subsidiary companies:

Name	Country of incorporation	Interest held	Nature of business
Northcote Services LLC*	USA	100%	Administrative Company
Northcote Energy Limited	Cayman Isle	100%	Holding Company
Northcote USA Inc.	USA	100%	Holding Company
NAP Acquisition Inc.	USA	100%	Holding Company
Northcote Mexico, LLC *	USA	100%	Holding Company
Oklahoma Energy LLC*	USA	100%	Holds Oklahoma (Libby/Tinker) interest
Northcote Cleveland LLC*	USA	100%	Holds Oklahoma (Zink Ranch) interest
Northcote Oklahoma LLC*	USA	100%	Holds Oklahoma (Horizon and other interests)
Northcote Minerals LLC*	USA	100%	Holds Royalty interests
Northcote Texas LLC*	USA	100%	Holds South Weslaco interest
Northcote Energy Mexico S de RL de CV	Mexico	100%	Mexican Holding Company
NAP USA Inc.	USA	100%	Oil & Gas trading company
Northcote Osage LLC*	USA	100%	Oklahoma operating Company
NCLA Operating LLC*	USA	100%	Shoats Creek related activity
Northcote Louisiana Operating LLC*	USA	100%	Shoats Creek related activity
Northcote Louisiana, LLC *	USA	100%	Shoats Creek related activity
Stillwater Operating LLC *	USA	100%	Shoats Creek related activity
Springer Energy Partners LP **	USA	53%	General Partner of Springer Energy Partners, LP
Mayan Drilling Fluids, S.A.P.I. de C.V.	Mexico	51%	JV holding co for Mexico remediation project
Springer Energy Development, LLC *	USA	33.33%	Limited partnership
Northcote Energy Development LLC*	USA	100%	Dormant
Northcote Holdings LLC *	USA	100%	Dormant
Northcote Operating, LLC	USA	100%	Dormant
Northcote Gas Marketing LLC *	USA	100%	Dormant
Northcote Drilling Partners LP **	USA	100%	Dormant
Prosper Petro, LLC *	USA	100%	Dormant
Prosper Station 1, JV LLC *	USA	100%	Dormant
Northcote Drilling Ventures, LLC *	USA	100%	Dormant
NCTX Operating LLC *	USA	100%	Dormant

* An LLC is not a corporation, it is a legal form of company that provides limited liability to Mayan, its owner and general manager.

**An LP is not a corporation, it is a legal form of partnership that gives the partners limited liability and is managed by a general manager.

8. Contingent Liability

As a consequence of its acquisition of the Shoats Creek Properties from Aminex USA Inc. in 2014, Mayan has a US$10 per barrel Production Payment Obligation to Aminex USA Inc. on Barrels Oil Equivalent ("BOE") oil produced from Mayan's working interest barrels in that field. On 29 September 2015, and reflecting weaknesses in oil prices at that time, the production payment obligation was restructured with the price to be paid defined by the trailing 30 day average WTI oil price as follows:

- Where the price is greater than $65.00 the payment would be $10 per BOE
- Where the price is greater than $45.00 but less than $65.00 the payment would be $5 per BOE
- Where the price is less than $45.00 the payment would be $2 per BOE

As payment of the production payment obligation is non-recourse and is only payable out of production and as production is based on variables outside of the Company's control, no provision has been booked in respect of future barrels and each production payment will be charged to the Income Statement as incurred.

9. Events after the reporting date

In July 2016 the Company secured a contract to sell natural gas from the Shoats Creek Field, and subject to necessary investment to install gas lines that would tie in to the gas tap expected first revenues to be in November 2016. The Company believes it is on track to achieve this target.

In August 2016 Northcote Energy Limited changed its name to Mayan Energy Limited, to reflect the Company's commitment to widening its exposure in Mexico.
In September 2016 the Company announced the recruitment of a new management team to lead its United States and Mexican Operations. This move saw the stepping down of Randy Connally and Kevin Green from the Board, and the appointments of Eddie Gonzalez as CEO, and J.D McGraw as a Non-Executive Director, and Stephen Brock as Vice President of Operations.

At the same time the Company raised £500,000 through a Placing to investors, with warrants issued to its broker to subscribe for new shares in the Company, Ordinary Shares issued as adviser fees to the placing. Existing options to Directors and management were also cancelled, and replaced by a new option scheme.

More details of the above events were released by RNS and are also available from the Company's website www.Mayanenergy.com

END