



MMEX Resources Corporation  
Shareholder Update

June 7, 2018

Dear Shareholders,

We would like to update you since our last Shareholder Letter on April 2, 2018.

Status of CDU Phase 1 Refinery Project Financing. We announced in our April 2, 2018 Shareholder Letter that we executed a Term Sheet with an international debt fund to finance our CDU Phase 1 Refinery Project. We are still in the due diligence process with the lender's technical and finance team. Most of our delay has resulted from our EPC's adjustments for increased project construction costs in West Texas. As you may know, the boom times have returned to the Permian Basin with significant cost increases in steel, cement and per diem construction worker rates. In addition, we added desalting equipment to the front-end design of the CDU Phase 1 plant to further enhance our ability to receive higher prices for our residual fuel product and that equipment has added to our capex cost. Our total capex costs are now projected to be in the range of \$69,000,000 for Phase 1. We expect the due diligence and final documentation to be completed by the end of this month. MMEX will continue to raise equity funding for Phase 1 thru private placements and additional convertible debt placements.

Significant Tail Winds for Refining. Refining industry fundamentals are more favorable than they have been in a number of years. Today, the take-away capacity of crude pipelines from the Permian Basin to the Texas Gulf Coast is constrained to ship more crude oil. The discount price to WTI posted prices is in the \$10 plus per Bbl range. The ability to purchase our feedstock at these discounts adds to our normal "crack spread" and we are pushing to start construction and get into commercial operation as soon as possible to take advantage of this arbitrage. Our decision to locate our refinery on the Texas Pacifico-South Orient Railroad, allowing us to go by rail to the Texas Gulf Coast is now a major strategic advantage and in addition to product distribution we are also being approached for crude oil storage and transportation services as an adjunct to our refining capabilities.

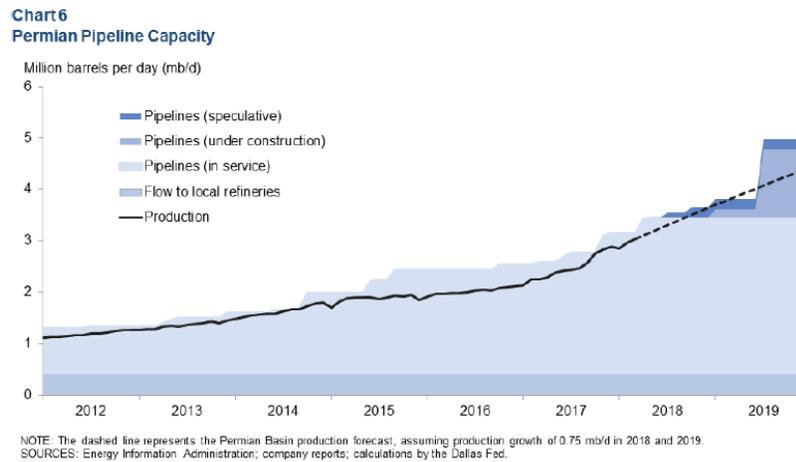
We have posted here on our home page the link , the May 2018 "Energy Indicators" Report by the Federal Reserve Bank of Dallas. It briefly discusses with charts the key metrics of

our business including Texas Oil and Gas Employment, Texas and Permian Basin Rig Count, Spot Oil Prices, Petroleum Inventories, Midland Crude Prices and Permian Takeaway Capacity. It is a good read.

Here is the Permian Takeaway Capacity Chart, Report at 4.

### Permian Takeaway Capacity

Permian oil production growth is straining existing pipeline capacity. While this is not currently restricting production growth, data suggest that Permian production could exceed transport capacity sometime between mid-2018 and mid-2019 if new pipelines are not brought online (*Chart 6*). Information from the Energy Information Administration, company reports, the Dallas Fed Beige Book and the Dallas Fed Energy Survey suggest that pipeline congestion could become a significant challenge to production in early 2019. This is particularly true for smaller producers because larger exploration and production firms are more likely to have long-term contracts in place for takeaway capacity.



Again, please send your requests and comments to [investorelations@mmexresources.com](mailto:investorelations@mmexresources.com) and we will continue to update you by news releases, our SEC filings posted on the Investor page, and by these shareholder letters as we have updates to share with you. If you have not yet done so, please find our most recent releases and news items on the home page or investor page of our website ([www.mmexresources.com](http://www.mmexresources.com)).

Thank you again for your support and we look forward to releasing more information as it becomes available.

Sincerely,

Jack W. Hanks  
President and CEO

*The following constitutes a "Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995: Except for the historical information contained herein, the matters discussed in this shareholder letter are forward-looking statements that involve risks and uncertainties, which could cause our actual results to differ materially from those described in the forward-looking statements. These risks include but are not limited to general business conditions, the requirement to obtain financing to pursue our business plan, our history of operating losses and other risks detailed from time to time in the Company's SEC reports. MMEX undertakes no obligation to update forward-looking statements.*

*This letter to shareholders does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities.*