



MMEX Resources Corporation
Shareholder Update

April 15, 2019

Dear Shareholders,

We would like to update you since our last Shareholder Letter on Jan. 14, 2019 and the posting of our February Investor Presentation.

We have made significant progress on putting the elements of project financing in place. It is our goal to complete the financing in the next 90 days.

Let's take the principal elements of project financing and summarize our status:

Site Location. We own Section 3 which contains 126 acres. Our footprint is 12 acres. We do not need to purchase more land in order to build and operate the 10,000 BPD CDU. We have met with Texas Pacifico recently and have the approval and design of the rail package to load and store 50 rail cars at a time. We project to load 10 cars per day each for the Naphtha and Residual (20 cars total) outbound rail deliveries to the Texas Gulf Coast.

Excellent Logistics. We are located near the major producing shale areas of the Permian Basin in Reeves and Pecos Counties Texas, with hard-top road access to Interstate Highway 10 which connects from Houston to Los Angeles. The Texas Pacifico Railroad accesses east to Texas Gulf Ports and Refinery complexes via the BNSF and KCS and west to the UP and to the Mexico Border at Presidio, Texas, and Ojinaga, Mexico, with interconnection to Ferromex railroad. The project will have truck and rail access east and west to major producing areas and markets for our products, in addition crude oil pipelines to the Texas Gulf Coast are within 60 miles and can be accessed by the project rail and truck transportation.

Permits. Our principal permit was approved by the Texas Commission on Environmental Quality in October 2017, which allows us to construct and operate the CDU. There are several other administrative and local permits that we will obtain as we start construction at the site. We obtained stormwater disposal permits for the easements constructed into our site.

Easements. We obtained and constructed easements from the hard-top county road near the Rail Road Sulfur Junction to our Section 3 from the University of Texas Lands and the

landowner in the section next to us. We acquired an additional easement on December 18, 2018 to access our site from another approach on the hard-top county road.

Crude Supply. Sources of crude production are within a 5 to 20 mile radius of our site location. We have exchanged proposals with several producers in our area. We can offer better prices to these producers than they have. Their options are to pay trucking cost to take-away crude terminals approximately 60-plus miles away and then to pay pipeline transportation from there to the Texas Gulf Coast markets.

Product Off-Take Agreements. We have signed a diesel off-take with Pilot Thomas Logistics for sale of the diesel at our plant tailgate. We are down to the final terms with an international oil and trading company to purchase both our naphtha and residual fuel oil, and we have been negotiating terms sheets and contracts since November 2018. The products are being purchased FCA our plant tailgate and being transported by rail to the client's Texas Gulf Coast destinations.

EPC Agreements. We have been negotiating the final EPC contracts for the past 90 days and the decision has been made to divide up the EPC responsibilities between [VFuels](#) and [Saulsbury Industries](#). VFuels will construct the Distillation Tower and the related parts which are the ISBL (Inside the Battery Limits) components. [Saulsbury Industries](#) will construct the OSBL (Outside the Battery Limits), which includes the overall construction of the component parts, including storage tanks, pipe, utilities and the balance of the plant.

Operation and Maintenance Agreement. We have negotiated an O&M agreement for operations of the CDU with an international O&M firm with experience in operating distillation and vacuum units, cokers, naphtha and diesel hydrotreaters, catalytic reformers, alkylation and Merox units in Kurdistan, Nigeria, Columbia, UAE and Venezuela. They will place highly qualified operators on their staff to work with and train the local Pecos County workforce.

Owner's Engineers. We have selected a new engineering firm to represent MMEX in managing the EPC contracts and interfacing with the Lender's engineers.

Debt Financing. We have been engaged continuously with our Lender since March 2018. As a debt fund they have proposed to provide the debt funding of our total costs in the range of 70% to 80%. We are now in the process of providing our final draft off-take and EPC agreements for approval or modifications as needed. The final agreements will pass thru review by the third-party engineering and consulting firm retained by the Lender. We anticipate that this will take some weeks, but documentation is finally in order to finalize the debt component. We are now engaged with the Lender to amend the binding term sheet on the loan terms which will take into account the increased project cost, the new cash flow projections and the new project guarantees of the EPC firms.

Equity Financing. We have engaged an international investment bank/retail securities firm to raise the 20% to 30% equity component required to close on the financing with our Lender. We are engaged in preparing the information memorandum and expecting to start

the equity placement road show in the next few weeks. MMEX has invested approximately \$4.7 million so far in equity projected to be approximately \$5 million by closing.

We fully understand and appreciate the frustration that shareholders, including us, have with our delays and extensions of our financing for our Phase 1 project. We acknowledge the changed directions on EPCs and other elements of our business plan -- more than once. All of the re-sets have been made with the goal of matching cash flow potential and shareholder value with the right and financeable EPCs and off-take agreements. It has taken longer than we projected.

As another update, thru MMEX Solar we have submitted our solar lease proposal to a group of landowners near our site with over 760 acres potential for solar power. We have their board approval and are waiting on a unanimous consent of all landowners. We will update our Shareholders as we have more information.

Again, please send your requests and comments to investorrelations@mmexresources.com and we will continue to update you by news releases, our SEC filings posted on the Investor page and through these shareholder letters. 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 at mmexresources.com.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Jack W. Hanks".

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.