New World Oil and Gas Plc / Index: AIM / Epic: NEW / Sector: Oil & Gas

30 June 2015

New World Oil and Gas Plc ('New World' or the 'Company')
Final Results

New World Oil and Gas Plc, an oil and gas operating company, currently focused on Belize and Denmark, announces its final audited results for the year ended 31 December 2014. The audited accounts are available on the Company's website: www.nwoilgas.com.

Chairman's Statement

The period under review has undoubtedly been difficult for the Company. We have retained our interests in both Belize and Denmark but as shareholders will be aware, following the unsuccessful drilling programme in Belize, the failure by Niel Petroleum ('Niel') to complete its equity investment and the termination of the Al Maraam SPA, the Board has focused on securing capital to both identify strategic partners for its existing portfolio and to generate additional projects that it believes would be value accretive. Our portfolio in Belize and Denmark remains prospective and importantly, we are now close to securing new funding through the announced Open Offer, which will recapitalise the Company and allow us to implement a structured development plan aimed at generating value for shareholders.

As noted above, it is true that the past year has been challenging not only for the Company but the Petroleum Industry as a whole with the oil price remaining depressed and retrenchment by most major companies. We also note that there has been much written about the Company on various websites and, unfortunately, much of this news flow has misrepresented the real situation. Accordingly, due to this and the heightened interest in the Company, I feel it is both prudent and necessary to again provide a breakdown and sequence of events, including the post reporting period, and in particular about the funding, to ensure that shareholders understand the situation, the current structure and the strategy going forward. I believe it is imperative to build a transparent and open Company that shareholders can fully appreciate and returns confidence in its management and Board.

With regards to the funding requirements, the subscription agreement with Niel for US$25 million, which would have provided significant capital to develop the business, was terminated on 1 December, 2014 upon mutual agreement. Niel agreed to a US$4.8 million settlement payment that has allowed the Company to continue low level operations, mainly studies, and seek out investment opportunities. In parallel with the Niel termination the Al Maraam option was cancelled and the Company remains in discussions with the principals of Al Maraam to recover the Euro 1.0 million deposit paid. The current fund raising will allow the Company to take more rigorous actions to recover the deposit should a negotiated settlement not be possible, however, the Board has adopted a prudent approach in assessing the fair value of this receivable and accordingly the accounts reflect a full provision against the non-recovery of this debt.

With the market aware of the failure to secure funding through Niel, in early 2015, a London broker approached the Company with a plan to raise up to £3 million to primarily finance the drilling of a third well in Belize to fulfil work programme requirements and retain the licence. After a lengthy road show, the financing effort fell short and there appeared little appetite for the Company's Ordinary Shares. Following and separate from this event, Cornhill Capital met with the Company's management and proposed to raise £1.5 million from its existing client base. As a result, on 29 April 2015, the Company announced a placing (the "Original Placing") to raise £1.5 million (before expenses), at a price of 0.055p per Original Placing Share. Whilst this represented a significant discount to the share price at the time, it was reflective of the market given the lack of appetite for risked exploration investment at a time of low oil prices. Issuance of the Original Placing Shares was conditional upon the necessary shareholder resolution being passed at the EGM held on 19 May 2015.

This resolution was not passed at the EGM and, accordingly, the Original Placing did not proceed and the shares were not allotted nor admitted to trading on AIM. Following the announcement of the Original Placing, the Company noted the high level of external and existing shareholder interest in the Company's Ordinary Shares and announced that it was putting in place arrangements to proceed with an Open Offer (subject to the distribution of a circular and compliance with all applicable rules and regulations) so as to enable Shareholders to subscribe for Ordinary Shares.

The Company therefore decided that it should proceed with an Open Offer and a Placing. The Open Offer is a pre-emptive issue in accordance with the Articles of Association and the Board therefore has the requisite authority to proceed with both the Open Offer and, subject to clawback under the Open Offer, the Placing. The Board reconsidered what would be an appropriate price for the Open Offer and Placing based on the reaction to the Original Placing price and the market reaction. In particular, the Board reconsidered one which balanced the Company's need for guaranteed funds and the need to have an equity fundraising pre-placed at an advantageous price for the Company against one which gave Eligible Shareholders the opportunity of subscribing for Ordinary Shares at a price consistent with historic market values. The Board focused on the Ordinary Share price immediately prior to the announcement of the Original Placing that was a closing price of 0.095p on 28 April, 2015 and recommended that the Open Offer and Placing should be conducted at an issue price of 0.09p per Ordinary Share.

On 19 May 2015, at the request of the Company, the Ordinary Shares were temporarily suspended from trading, pending the outcome of the then forthcoming EGM. On 21 May 2015, pursuant to the London Stock Exchange Market Notice N10/15, the Exchange stated that it had been monitoring the settlement situation in the Ordinary Shares which had continued to deteriorate and added that, as the likelihood of any further executions settling at that time was low, the trading of the Company's Ordinary Shares would remain suspended. Given the uncertainty as to the full extent of the settlement problems in the Ordinary Shares and the Company's desire to raise a meaningful amount of money to advance its plans, the Board has resolved to make the Open Offer as large as it can without the need for publishing a prospectus, which the Board consider would be impractical in the circumstances. Taking all these factors into account, the Company proposed to raise up to £3.5 million (before expenses) by way of the Open Offer and Placing at a price of 0.09p per share.

The net proceeds of the Open Offer and Placing will be used to refocus and implement a revised strategy for the Company, progress the Group's projects, fund additional new interests and for general working capital purposes.

Significant costs and management time have been, and continue to be, expended on dealing with issues surrounding shareholder concerns, the EGM, trading issues relating to the Ordinary Shares, settlement issues relating to the Ordinary Shares and in arranging the Open Offer and the Placing.

If the Open Offer and Placing does not succeed in addressing the settlement issues in the Ordinary Shares, the Company and Cornhill Capital have agreed (subject to compliance with all relevant laws and regulations and to the Directors' fiduciary duties) to take such reasonable steps, acting in good faith, required in order to deal with such settlement issues. Such steps may, as a last resort, include an issue of new Ordinary Shares for non-cash consideration utilising a cash box placing (which would neither require the consent of Shareholders nor be on a pre-emptive basis) conducted through Cornhill Capital in accordance with the Articles of Association.

As mentioned above, the Company still has what it believes to be a portfolio that is prospective and has potential upside. Through its subsidiaries, it retains interests in four concessions in Belize and in Denmark. Each concession is at a different stage of exploration maturity and part of the Group's strategy is to realise the potential of these concessions, through continued exploration with the assistance of farm-in partners, which are being actively sought by the Company. However, as at the date of approval of the financial statements no agreements have been made with farm-in partners neither is there sufficient funding available to continue a substantial exploration and evaluation of the concessions independently hence the Board has adopted a prudent approach in assessing the carrying values of the portfolio and accordingly the accounts reflect impairment provisions of the intangible assets carrying value.

Additionally, we are also looking to pursue new opportunities, in particular in oilfield enhancement projects and have been actively conducting due diligence with a view to negotiating potential deals following the Open Offer and Placing. The Company has been actively looking for projects that have the potential to generate immediate or short-term cashflow and has been in discussions with companies that are knowledgeable in their respective geographical areas, with good contacts and technical expertise in oilfield enhancement. The Board feels that its field operations experience, coupled with good local partners, provides the best potential for future development.

Financial Review

For the period under review, due to the explorative nature of the Company and the prudent approach adopted to the carrying value of the intangible assets and the Al Maraam receivable, it is reporting a loss of US$11.7 million. The current cash position of the Company (as at closing of business on 29 June 2015), excluding any funds owed to the Company pursuant to the Al Maraam SPA and outstanding Director loans, stands at approximately US$330,000. With the completion of the funding, the Board believes that it will have suitable working capital to enact its strategy.

Corporate Review

During the period, CEO William Kelleher resigned to pursue other opportunities. The Company appointed Peter Sztyk as CEO and I assumed the role of acting Chairman. The Board has extensive blue chip experience in both the legal profession as well as oil and gas transactions, which will be fully utilised going forward for the implementation of strategy. The Directors have implemented cost controls, taken significant salary reductions and have previously participated, alongside Shareholders, in funding exercises at a significant premium to the current price. The non-Executive Directors are currently not receiving any director fee payments with such amounts being only accrued. The total compensation of Executive Directors is being offset against the Dynamic Investments loan, with no cash payments being made. As a Board, we are therefore personally incentivized to stabilize the Company to enact our strategy. We hope our Shareholders share this vision.

Outlook

The future has been dependent on the Company's ability to secure capital. We and the industry have had a turbulent period which has been extremely difficult, especially with the issues surrounding the funding and share volatility. As a Board we remain committed to building shareholder value. With the new capital secured by the Open Offer and Placing, we intend to implement a revised strategy to build long-term growth and value for the Company. The Board wants an open and transparent company that is devoting all its time and capital to building value, addressing Shareholders' and Investors' concerns and responding to what is proving to be an unprecedented period of uncertainty in the oil and gas industry. With this in mind, I look forward to closing this chapter in our genesis and growing a successful oil and gas company.

Christopher Einchcomb
Acting Chairman
30 June 2015

OPERATIONS REPORT

Blue Creek Project: Belize

The Blue Creek Project is located onshore in Northwest Belize in the North of the relatively underexplored North Petén Basin. The Blue Creek PSA covers two non-contiguous license areas, known as the Main Blue Creek area and the West Gallon Jug area. NWOG Belize, a wholly owned subsidiary of the Company, has a 100 per cent. participating interest in the Blue Creek PSA (subject to BCE (the previous holder of a majority interest in the Blue Creek PSA) maintaining a 5 per cent. royalty override).

The Blue Creek Project lies in very close proximity to the producing Spanish Lookout and Never Delay fields which were discovered in 2005, declared commercial in 2010 and are currently producing over 2,200 bopd. Between September 2013 and April 2014, the operator under the Blue Creek PSA and the Company's wholly owned subsidiary NWOG Belize Operations successfully drilled 2 wells and included one sidetrack well in the licensed concession. The wells were executed free of any health and safety incidents and within budget.

The Blue Creek-2 well penetrated reservoirs in the Yalbac and Hill Bank formations and free oil was recovered from the drilling mud. The wells were fully logged but due to hole conditions and log analysis failing to confirm moveable hydrocarbons the well was not tested.

During 2014, NWOG Belize Operations carried out geochemical analysis of crude oil saturated cuttings collected from different stratigraphic intervals of the Yalbac and Hill Bank formations penetrated in the Blue Creek-2. The results of the analysis have been compared to other crude oils in the Petén Basin. The work was done at the organic geochemistry laboratory of the Geophysical Survey of Denmark and will help the Group better understand the possible migration pathways from source areas. Analysis of crude oil produced in the region, (Spanish Lookout, Eagle-1, Canal Bank-1), and from oil seeps (Calla Creek), found in Northwest Belize revealed that the oil originates from several different source rock sequences that lie in the deeper sub-basin to the west and northwest of the Blue Creek PSA contractual area in northern Guatemala and southern Mexico. Present day migration of at least one crude oil, (which is not biodegraded), is indicated by the shallow Calla Creek seep, located south and up-dip. The Group considers all of this to be greatly encouraging and remains of the view that an active working hydrocarbon system exists along the eastern margin of the North Petén Basin.

The Blue Creek PSA will terminate on 12 October 2015, unless an additional well is spudded prior to this date. If an additional well is not spudded by 12 October 2015, it is expected that an extension of the exploration period of the Blue Creek PSA could be granted by the Belize Government to allow for the completion of the drilling program. In the event of a commercial discovery, NWOG Belize may apply for a 25-year production and development license, by submitting a development plan to the Government. The Company has identified a suitable location for an additional well on the C prospect in the eastern part of the northern license block of the Main Blue Creek area and prepared an outline drilling plan and cost analysis in preparation for any future drilling opportunity. Should sufficient funds be available to the Company at the relevant time the Directors expect to consider an additional well in Belize to be spudded in the fourth quarter of 2015.

The Group is actively looking for a farm-in partner for the Blue Creek PSA to reduce costs and help de-risk the project. Discussions with potential interested parties are continuing. During the past 6 months, the Company has held talks with potential partners from Belize, Martinique, the US, Mexico, Turkey and Argentina. This effort is on-going and the Company remains hopeful that a partner will be found prior to 12 October 2015, being the Blue Creek PSA termination date.

Denmark – Danica Resources and Danica Jutland Projects

New World, through its subsidiaries, has a 25% participating interest in two oil and gas assets in Denmark: the Danica Jutland Licences and the Danica Resources Licence. The Danica Jutland Licences, comprise two adjacent licences, covering over 4,106 square kilometres onshore Denmark located over the southern flank of the Northern Permian Basin. NWOG Jutland, the Company’s wholly owned subsidiary holds a 25 per cent. participating interest in the Danica Jutland Licences. Danica Jutland ApS holds a 55 per cent. participating interest in the Danica Jutland Licences and the remaining 20 per cent. participating interest is held by the Danish North Sea Fund.

The Danica Resources Project, is located onshore/offshore Denmark and comprises a single licence covering over 6,400 square kilometres in southern Denmark, located over the northern flank of the South Permian Basin along trend from the productive Zechstein oil fields of northern Germany and Poland. NWOG Resources, the Company’s wholly owned subsidiary, is operator and holds a 25 per cent. Participating interest in the Danica Resources Licences. Danica Resources ApS holds a 55 per cent. participating interest in the Danica Jutland Licences and the remaining 20 per cent. participating interest is held by the Danish North Sea Fund.

Since the Group farmed into the Danica Licences in 2012, an extensive work programme has been undertaken of 2D and some 3D seismic acquisition, reprocessing and interpretation, reevaluation and interpretation of existing well data and conducted soil sampling, including a Vaportec geochemical survey carried out in 2014, to detect hydrocarbon anomalies at the surface, with the deployment and collection of a total of 626 samples. The aggregate total cost of this work to date is approximately US$10million, including the participating interests funded by the Danish North Sea Fund and Danica Jutland ApS.

The results of the work programmes undertaken on the Danica Licences to date have significantly improved the resource estimates and risks associated with the high graded prospects within the Danica Licences. For example, the seismic data has improved fault correlations, helped identify Zechstein oil leads and prospects, and led to significant growth in the North Rødby prospect in the Danica Resources Licence. Risks have been reduced from less than 10 per cent. GPoS on entry to 20-25 per cent. GPoS based on the new data acquired.

Seismic and well analysis has improved the understanding of the primary targets in the Zechstein carbonates and Triassic and Rotliegend clastic reservoirs. New and reprocessed seismic has enabled the Group to identify the Zechstein carbonate platform margin and associated “reef” like features that are analogous with the proven Koscian Fields in Poland.

As announced on 20 March 2015, the Group has reached commitment to extend the work programme commitment deadlines for the Danica Licences, which would have otherwise expired on 15 March 2015, to 15 September 2015. These extensions have been granted to allow time to conduct additional technical work to further de-risk the prospects already identified on the Danica Licences. As further detailed in the announcement, the licence extensions are conditional upon the required licence work programme being undertaken by the specified date.

Fluid inclusion studies must be carried out on each of the Danica Licences and the results of these studies must be evaluated and integrated with the existing interpretations of the respective licence areas by 1 September 2015. Each of the Danica Licences are required to be relinquished by 15 September 2015 unless certain additional work is undertaken or committed to. For Danica Jutland Licence 1/09, this work consists of carrying out 2D seismic surveys over one or more mapped prospects. For Danica Jutland Licence 2/09, this work consists of a commitment to carry out 3D seismic surveys over one or more mapped prospects to allow for a decision to be made to drill one exploration well in the Danica Jutland Licence 2/09 area. This work is to be completed and evaluated before the approved extension of the Danica Jutland Licence 2/09 period expires on 17 May 2017. In the case of the Danica Resources Licence, the requirement is for a commitment to conduct a 3D seismic survey over one or more mapped prospects by 15 September 2015.

As part of the extensions of the work commitments under the Danica Licences, the licence holders have agreed with the Danish Energy Agency to relinquish less prospective areas on the Danica Licences and focus on further evaluation of high graded prospects such as Jensen, Harboe, Jelling and Zechstein leads in the Danica Jutland Licences and North Rødby and Zechstein platform leads in the Danica Resources Licence. These prospects and leads are estimated to contain unrisked gross P50 resource estimates in excess of 75mmbbls of oil and 1.1TSCF of gas based on the CPR.

The Company is working with its Competent Person, RPS Energy, on updating the CPR for the Danica Licences which is now expected in Q3 2015. The updated CPR will include the results of recent activities undertaken by the Group and its joint venture partners in Denmark.

The Group is actively looking for a farm-in partner for the Danica Licences to reduce costs and help de-risking. Discussions with potential interested parties are continuing.

Georges Sztyk
Executive Director
30 June 2015

Definitions

"Admission"	admission of the New Ordinary Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules, which is expected to occur on 10 July 2015
"Advisers"	Cornhill Capital and Beaumont Cornish
"AIM"	the market known as "AIM" operated by the London Stock Exchange
"AIM Rules for Companies" or **"AIM Rules"**	the AIM Rules for Companies, published by the London Stock Exchange
"Al Maraam SPA"	the share purchase agreement entered into between the Company and Shareholders of Al Maraam Al-Ahliya Company for General Contracting WLL dated 10 May 2014
"Al Maraam"	Al Maraam Al-Ahliya Company for General Contracting WLL
"Application Form"	the application form accompanying this document (where appropriate) to be used by Eligible Non-CREST Shareholders in connection with the Open Offer
"Articles" or **"Articles of Association"**	the current articles of association of the Company
"BCE"	Blue Creek Exploration Ltd
"Beaumont Cornish"	Beaumont Cornish Limited
"Beneficiaries"	those who have a beneficial interest in Ordinary Shares held through a nominee arrangement where the nominee is a Shareholder
"Blue Creek FOA"	the farm out agreement dated 15 June 2011 (as amended) between BCE and NWOG Belize
"Blue Creek Project"	means the Blue Creek project, being the acreage covered by the Blue Creek PSA

"Blue Creek PSA"	the production sharing agreement dated 12 October 2007 (as amended) between the Government of Belize and BCE
"Board"	the board of Directors of the Company
"bopd"	barrels of oil per day
"certificated" or **"certificated form"**	not in uncertificated form
"Clawback Shares"	up to 3,888,873,028 New Ordinary Shares which are being conditionally placed by Cornhill Capital pursuant to the Placing Agreement, subject to the rights of clawback by Eligible Shareholders
"Company" or **"New World"**	New World Oil and Gas plc, a company incorporated in Jersey with registered number 105517 whose registered office is at 44 Esplanade, St. Helier, Jersey JE4 9WG, Channel Islands
"Competent Person"	RPS Energy
"Cornhill Capital"	Cornhill Capital Limited
"CPR"	the Company's competent person's report prepared by RPS Energy dated 29 June 2012
"CREST"	the relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear in accordance with the Regulations
"CREST Manual"	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedure and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear as amended from time to time)
"CREST member"	a person who has been admitted by Euroclear as a system-member (as defined in the Regulations)
"CREST participant"	a person who is, in relation to CREST, a system-participant (as defined in the Regulations)
"CREST payment"	shall have the meaning given in the CREST Manual issued by Euroclear
"CREST sponsor"	a CREST participant admitted to CREST as a CREST sponsor
"CREST sponsored member"	a CREST member admitted to CREST as a sponsored member
"Danica Jutland FOAs"	the Danica Jutland Licence 1/09 FOA and Danica Jutland Licence 2/09 FOA
"Danica Jutland Licences"	Danica Jutland Licence 1/09 and Danica Jutland Licence 2/09
"Danica Jutland Licence 1/09"	the licence dated 17 May 2009 granted to Danica Jutland ApS and the Danish North Sea Fund by the Danish Energy Agency
"Danica Jutland Licence 2/09"	the licence dated 17 May 2009 granted to Danica Jutland ApS and the Danish North Sea Fund by the Danish Energy Agency
"Danica Jutland Licence 1/09 FOA"	the farm out agreement dated 10 October 2011 between Danica Jutland ApS and NWOG Jutland

"Danica Jutland Licence 2/09 FOA"	the farm out agreement dated 10 October 2011 between Danica Jutland ApS and NWOG Jutland
"Danica Jutland Project"	the Danica Jutland project, being the acreage covered by the Danica Jutland Licences
"Danica Licences"	the Danica Jutland Licences and the Danica Resources Licence
"Danica Resources FOA"	the farm out agreement dated 14 April 2012, between Danica Resources ApS and NWOG Resources
"Danica Resources Licence 1/08"	the licence dated 31 March 2008 granted to Danica Resources ApS and the Danish North Sea Fund by the Danish Energy Agency
"Danica Resources Project"	the Danica Resources project, being the acreage covered by the Danica Resources Licence
"Directors"	the directors of the Company from time to time, being as at the date of the Document, the individuals listed on page 7 of the Document under the heading "Directors"
“Document”	the circular of the Company relating to the Placing and Open Offer dated 11 June 2015
"EGM"	the Company's extraordinary general meeting held on 19 May 2015
"Eligible CREST Shareholders"	Eligible Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Record Date were held in uncertificated form
"Eligible Non-CREST Shareholders"	Eligible Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Record Date were held in certificated form
"Eligible Shareholders"	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date
"enabled for settlement"	in relation to the Open Offer Entitlements enabled for the limited purpose of settlement of claim transactions and unmatched stock event transactions (each as described in the CREST Manual issued by Euroclear)
"Enlarged Share Capital"	the Existing Ordinary Shares together with the New Ordinary Shares
"Euroclear"	Euroclear UK & Ireland Limited, the operator of CREST
"Existing Ordinary Shares"	the 702,723,713 Ordinary Shares in issue at the date of this document
"FCA"	the UK Financial Conduct Authority
"French Regulations"	the rules and regulations (*réglement general*) of the Autorité des Marchés Financiers implementing Directive 2003/71/EC
"FSMA"	the Financial Services and Markets Act 2000 (as amended) of the UK including any regulations made under it
"GPoS"	Geological Probability of Success
"Group"	the Company and its subsidiary undertakings
"Irish Regulations"	Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland
"Issue Price"	0.09 pence per Open Offer Share

"London Stock Exchange" or "Exchange"	London Stock Exchange plc
"Member Account ID"	the identification code or number attached to any member account in CREST
"Money Laundering Regulations"	the Money Laundering Regulations 2007 and obligations in connection with money laundering under the Criminal Justice Act 1993 and the Proceeds of Crime Act 2002
"mmbbls"	million barrels
"New Ordinary Shares"	up to the 3,888,873,028 New Ordinary Shares to be issued pursuant to the Placing and Open Offer
"Niel Petroleum"	Niel Petroleum S.A.
"NWOG Belize"	New World Oil and Gas (Belize) Limited, a wholly owned subsidiary of the Company, incorporated in Belize
"NWOG Belize Operations"	New World Oil and Gas (Belize Operations) Limited, a wholly owned subsidiary of the Company, incorporated in Belize
"NWOG Jutland"	New World Jutland ApS, a wholly owned subsidiary of the Company, incorporated in Denmark
"NWOG Operations"	New World Operations ApS, a wholly owned subsidiary of the Company, incorporated in Denmark
"NWOG Resources"	New World Resources ApS, a wholly owned subsidiary of the Company, incorporated in Denmark
"NWOG Resources Operations"	New World Resources Operations ApS, a wholly owned subsidiary of the Company, incorporated in Denmark
"Official List"	the Official List of the United Kingdom Listing Authority
"Open Offer"	the invitation to Eligible Shareholders to subscribe for Open Offer Shares at the Issue Price on the terms and subject to the conditions set out or referred to in Part 3 and Schedule 1 of the Document and, where relevant, in the Application Form
"Open Offer Entitlement"	the *pro rata* entitlement for Eligible Shareholders to apply to subscribe for 5.534 Open Offer Shares for each Existing Ordinary Share held by them at the Record Date pursuant to the Open Offer
"Open Offer Shares"	the 3,888,873,028 Ordinary Shares which are to be made available for subscription by Eligible Shareholders under the Open Offer
"Ordinary Shares" or **"Shares"**	the ordinary shares of no par value in the capital of the Company from time to time
"Original Placing"	the conditional placing of the Original Placing Shares to placees to raise approximately £1.5 million (before expenses) which placing was not completed
"Original Placing Shares"	the 2,727,272,727 new Ordinary Shares which were to be issued pursuant to the Original Placing
"Overseas Shareholders"	Shareholders who are resident in, or who are citizens of, or who have registered addresses in, territories other than the Relevant Jurisdictions

"Overseas Beneficiaries"	Beneficiaries who are resident in, or who are citizens of, or who have registered addresses in, territories other than the Relevant Jurisdictions
"P50"	50% probability that value will be equal to or greater than stated value
"Participant ID"	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
"Permitted Beneficiaries"	Beneficiaries other than Overseas Beneficiaries
"Placing"	the conditional placing by Cornhill Capital on behalf of the Company of the Clawback Shares at the Issue Price pursuant to the Placing Agreement
"Placing Agreement"	the agreement dated on or around the date of the Document between the Company and Cornhill Capital relating to the Placing and Open Offer, further details of which are set out in paragraph 4 of Part 4 of the Document
"Placing Commitments"	the conditional commitments to subscribe for 3,888,873,028 of the Clawback Shares entered into by certain persons, further details of which are set out in paragraph 5 of Part 4 of the Document
"Pre-emption Waivers"	pre-emption waivers in respect of the Open Offer from certain Eligible Shareholders (including certain Eligible Shareholders from the Restricted Jurisdictions)
"Projects"	Blue Creek Project, Danica Jutland Project and Danica Resources Project
"Record Date"	close of business on 5 June 2015
"Regulation S"	Regulation S under the Securities Act
"Regulations"	the Uncertificated Securities Regulations 2001, as amended from time to time
"Regulatory Information Service"	has the meaning given to it in the AIM Rules for Companies
"Relevant Jurisdiction"	the United Kingdom, Jersey, the Republic of Ireland and France
"Restoration of Trading" or **"Restoration"**	the restoration of trading on AIM of the Ordinary Shares, in accordance with the Rules of the London Stock Exchange
"Restricted Jurisdiction"	the United States, Canada, Australia, the Republic of South Africa, Japan or any other jurisdiction outside the UK, Jersey, the Republic of Ireland and France
"Rules of the London Stock Exchange"	the Rules of the London Stock Exchange published by the London Stock Exchange
"Securities Act" or **"US Securities Act"**	US Securities Act of 1933, as amended and the rules and regulations promulgated under its authority
"Shareholders"	holders of Ordinary Shares
"Suspension"	the initial temporary suspension of the trading on AIM of the Ordinary Shares, which took effect from 7.30 a.m. on 19 May 2015 followed by the separate but continuous suspension of the trading on AIM of the Ordinary Shares on 21 May 2015 pursuant to the London Stock Exchange Market Notice N10/15 and which suspension continues as

	of the date of the Document
"Takeover Code"	the City Code on Takeovers and Mergers
"Tscf"	Trillion standard cubic feet
"uncertificated" or **"uncertificated form"**	recorded on the relevant register or other record of the share or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the Regulations, may be transferred by means of CREST
"United Kingdom" or **"UK"**	the United Kingdom of Great Britain and Northern Ireland
"United States" or **"US"**	the United States of America, its territories and possessions and any state of the United States and the District of Columbia
"VAT"	Value Added Tax

The information contained in this announcement has been reviewed and approved by Christopher Einchcomb, BSc (Hons), the Non-Executive Chairman of New World Oil and Gas Plc who has over 30 years of geoscience and management experience in the oil industry. Mr. Einchcomb is a member of the Petroleum Exploration Society of Great Britain, and a member of the American Association of Petroleum Geologists.

FINANCIAL STATEMENTS

Group Statement of Comprehensive Income for the year ended 31 December 2014

	Notes	**2014**	2013
		$000's	$000's
Revenue		**-**	-
Dry-well costs written off		**-**	(7,071)
Project management and development		**-**	(1,947)
Impairment of intangible assets		**(10,500)**	-
Administrative expenses		**(2,665)**	(2,286)
Legal and professional costs		**(336)**	(285)
Loss from operations	**3**	**(13,501)**	(11,589)
Interest receivable	**6**	**24**	22

Provision for losses on financial instrument		**(171)**	(378)
Gain on contract settlement		**1,939**	-
		________	________
Loss before taxation		**(11,709)**	(11,945)
		________	________
Income tax	**7**	**-**	-
		________	________
Loss for the year		**(11,709)**	(11,945)
		=======	=======
Other comprehensive income		**-**	-
		________	________
Total comprehensive loss for the year attributable to equity holders of the parent		**(11,709)**	(11,945)
		________	________
Loss per share (cents)			
Basic	**8**	**(1.67)**	(1.94)
		________	________
Diluted	**8**	**(1.67)**	(1.94)
		________	________

Group Statement of Financial Position as at 31 December 2014

	Notes	2014	2013
		$000's	$000's
Assets			
Non-current assets			
Tangible assets	**9**	**14**	29

Intangible assets	**10**	**2,112**	12,349
Total non-current assets		**2,126**	12,378
Current assets			
Inventories	**11**	**50**	90
Trade and other receivables	**12**	**517**	1,500
Cash and cash equivalents		**1,144**	1,108
Total current assets		**1,711**	2,698
Total assets		**3,837**	15,076
Liabilities			
Current liabilities			
Trade and other payables	**13**	**(1,025)**	(555)
Total liabilities		**(1,025)**	(555)
Net assets		**2,812**	14,521
		=======	=======
Equity			
Share capital	**14**	**-**	-
Share premium		**47,369**	47,369
Share-based payment reserve		**920**	920
Retained loss		**(47,477)**	(33,768)
		2,812	14,521
		=======	=======

Company Statement of Financial Position as at 31 December 2014

	Notes	2014	2013
		$000's	$000's
Assets			
Non-current assets			
Tangible assets	9	14	29
Investment in subsidiaries	17	26	26
Amounts due from subsidiaries	12	2,003	12,385
Total non-current assets		2,043	12,440
Current assets			
Trade and other receivables	12	517	1,493
Cash and cash equivalents		1,089	986
Total current assets		1,606	2,479
Total assets		3,649	14,919
Liabilities			
Current liabilities			
Trade and other payables	13	(832)	(398)
Total liabilities		(832)	(398)
Net assets		2,817	14,521
		=======	=======

Equity			
Share capital	**14**	**-**	-
Share premium		**47,369**	47,369
Share-based payment reserve		**920**	920
Retained loss		**(45,472)**	(33,768)
		2,817	14,521
		=======	=======

Group Statement of Cash Flows for the year ended 31 December 2014

	2014	2013
	$000's	$000's
Cash flows from operating activities		
Operating loss	**(13,501)**	(11,589)
Depreciation	**15**	21
Impairment of intangible assets	**10,500**	119
Loss on disposal of fixed assets	**-**	119
Gain on contract settlement	**1,939**	-
Decrease in receivables	**796**	1,689
Increase/(decrease) in payables	**470**	(3,771)
Decrease in inventories	**40**	374
Net cash inflow/(outflow) from operating activities	**259**	(13,157)
Returns on investments and servicing of finance		
Interest received	**24**	22
Net cash inflow from returns on investments and servicing of finance	**24**	22

Cash flows from investing activities		
Net proceeds from disposal of tangible assets	**-**	11
Payments to acquire intangible assets	**(263)**	(1,662)
Net cash outflow from investing activities	**(263)**	(1,651)
Cash flows from financing activities		
Proceeds on issuing of ordinary shares	**-**	10,565
Cost of issue of ordinary shares	**-**	(760)
Executive directors' participation in placing	**-**	(1,000)
Net conversion/(acquisition) of financial instrument	**16**	(565)
Net cash inflow from financing activities	**16**	8,240
Net increase/(decrease) in cash and cash equivalents	**36**	(6,546)
Cash and cash equivalents at beginning of year	**1,108**	7,654
Cash and cash equivalents at end of year	**1,144**	1,108

Company Statement of Cash Flows for the year ended 31 December 2014

	2014	2013
	$000's	$000's
Cash flows from operating activities		

Operating loss	**(13,496)**	(11,589)
Provision against amounts due from subsidiary	**10,418**	6,696
Depreciation	**15**	14
Gain on contract settlement	**1,939**	-
Decrease in receivables	**789**	90
Increase/(decrease) in payables	**434**	(752)
Net cash inflow/(outflow) from operating activities	**99**	(5,541)
Returns on investments and servicing of finance		
Interest received	**24**	22
Net cash inflow from returns on investments and servicing of finance	**24**	22
Cash flows from investing activities		
Advances to subsidiaries	**(36)**	(8,376)
Net cash outflow from investing activities	**(36)**	(8,376)
Cash flows from financing activities		
Proceeds on issuing of ordinary shares	**-**	10,565
Cost of issue of ordinary shares	**-**	(760)
Executive directors' participation in placing	**-**	(1,000)
Net conversion/(acquisition) of financial instrument	**16**	(565)
Net cash inflow from financing activities	**16**	8,240

Net increase/(decrease) in cash and cash equivalents	**103**	(5,655)
Cash and cash equivalents at beginning of year	**986**	6,641
Cash and cash equivalents at end of year	**1,089**	986
	=======	=======

Group Statement of Changes in Equity for the year ended 31 December 2014

	Share premium	Share-based payments reserve	Retained Losses	Total
	$000's	**$000's**	**$000's**	**$000's**
Balance at 1 January 2013	37,714	770	(21,823)	16,661
Total comprehensive loss for the year			(11,945)	(11,945)
Transactions with owners recognised directly in equity				
Share issue	10,565	-	-	10,565
Cost of share issue	(760)	-	-	(760)
Share-based payments	(150)	150	-	-
Balance at 31 December 2013	47,369	920	(33,768)	14,521
Balance at 1 January 2014	**47,369**	**920**	**(33,768)**	**14,521**
Total comprehensive loss for the year	-	-	(11,709)	(11,709)

Balance at 31 December 2014	**47,369**	**920**	**(5,477)**	**2,812**

Company Statement of Changes in Equity for the year ended 31 December 2014

	Share premium	Share-based payments reserve	Retained Losses	Total
	$000's	$000's	$000's	$000's
Balance at 1 January 2013	37,714	770	(21,840)	16,644
Total comprehensive loss for the year	-	-	(11,928)	(11,928)
Transactions with owners recognised directly in equity				
Share issue	10,565	-	-	10,565
Cost of share issue	(760)	-	-	(760)
Share-based payments	(150)	150	-	-
Balance at 31 December 2013	47,369	920	(33,768)	14,521
Balance at 1 January 2014	47,369	920	(33,768)	14,521
Total comprehensive loss for the year	-	-	(11,704)	(11,704)
Balance at 31 December 2014	**47,369**	**920**	**(45,472)**	**2,817**

Notes to the financial statements for the year ended 31 December 2014

1 Summary of significant accounting policies

General information and authorisation of financial statements

New World Oil & Gas Plc is a public limited company incorporated in Jersey. The address of its registered office is Ogier House. The Company's ordinary shares are traded on the AIM Market operating by the London Stock Exchange. The Group financial statements of New World Oil and Gas plc for the year ended 31 December 2014 were authorised for issue by the Board on 30 June 2015 and the statements of financial position signed on the Board's behalf by Peter Sztyk and Georges Sztyk.

Statement of compliance with IFRS

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Company's financial statements have been prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies (Jersey) Law 1991. The principal accounting policies adopted by the Group and Company are set out below.

Financial risk management

The Group's principal activity of oil and gas exploration is by nature unpredictable with inherent risk exposure. In terms of general risk management the Board of Directors determine, as required, the degree to which it is appropriate to use financial instruments to mitigate risk. Currently the Company's principal financial instruments comprise cash and equity capital.

The Company does not enter into complex derivatives to manage risk, however it entered into an equity swap arrangement in 2013 on which it recognized a loss during the year of $171,000 (2013 loss of $378,000.)

Foreign currency risk

Foreign exchange risk arises because the Group has operations located in various parts of the world whose functional currency is not US Dollars. The Group's net assets are exposed to currency risk giving rise to gains or losses on retranslation into US Dollars.

Liquidity risk

The Company's policy throughout the year has been to ensure that it has adequate liquidity by careful management of its working capital.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The most critical estimations involve the impairment or otherwise of carrying values related to Exploration and Project Development expenses, which are performed for both the interim and annual financial statements.

New standards and interpretations not applied

At the date of authorisation of these Financial Statements, the following Standards and Interpretations which have not been applied in these Financial Statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 9 Financial Instruments
IFRS 14 Regulatory Deferral Accounts
IFRS 15 Revenue from Contracts with Customers
IAS 16 & IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation
IAS 19 Defined Benefit Plans: Employee Contributions (Amendment)
IAS 27 Equity Method in Separate Financial Statements (Amendment)

The Directors do not expect that the adoption of the Standards and Interpretations listed above will have a material impact on the financial statements of the Group in future periods however, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis and on a going concern basis.

The financial report is presented in United States Dollars ($), which is the Group's functional and reporting currency, and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated.

Basis of consolidation

Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

Business combinations and goodwill

On acquisition, the assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill.

Revenue recognition

The Group has not yet commenced generating revenue.

Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision-maker who is responsible for allocated resources and assessing performance of the geographical segments. The chief operating decision-maker has been identified as Peter Sztyk as Chief Executive Officer.

Foreign Currencies

Transactions in currencies other than US Dollars are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses arising on retranslation are included in the income statement for the period. On consolidation, the results of overseas operations are translated into US Dollars at rates approximating to those ruling when the transactions took place. All assets and liabilities of the overseas operations are translated at the rate ruling at the balance sheet date.

Taxation

No charge to Jersey corporation tax arises on the results for the year due to the applicable zero tax rate.

The subsidiary companies have not generated any income therefore there are no tax consequences arising from Danish or Belize corporate income tax matters.

Tangible Fixed Assets

Tangible fixed assets comprise furniture and fixtures and plant and equipment and are depreciated on a straight line basis at annual rates that will reduce book values to estimated residual values over their estimated useful lines as follows:

Furniture	-	25% per annum
Plant and Equipment	-	20% per annum

Intangible Fixed Assets

Exploration, evaluation and development expenditures incurred, together with appropriate overhead expenses such as project management and related travel, is accumulated in respect of each identifiable area of interest.

These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves of oil and/or gas.

Accumulated costs in relation to an abandoned area are written off in full in the year in which the decision to abandon is made.

Impairment of intangible assets

At each balance sheet date the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If there is such indication then an estimate of the asset's recoverable amount is performed and compared to the carrying amount.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Group has become a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and short term deposits with banks and similar financial institutions.

Inventory

Inventories, representing drilling and related consumables, are stated at the lower of cost and net realisable value, cost being determined by the first-in first-out method.

Trade and other receivables

Trade and other receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Trade and other payables

Trade and other payables are non-interest bearing and are stated at their nominal value.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Share-based payments

The Group operated a Long Term Incentive Plan to allow certain Directors (being the Directors at the time of initial AIM admission) to be granted awards in respect of Ordinary Shares in the Company. This plan lapsed in 2014 with no amount being due to any Director. The Group also operates a Discretionary Annual Bonus Plan which may be paid in Ordinary Shares; however, this plan was suspended by the Directors for 2014. As at 31 December 2014 no amounts have been provided or accrued in relation to the above schemes.

The fair value of Options granted to the Non-Executive Directors to subscribe for Ordinary Shares is recognised as an expense equal to the fair value of the services provided.

Additionally, the fair value of warrants to subscribe for Ordinary Shares as part of the fees under Placing arrangements and as part of the fees under the Re-Admission to AIM have been recognised as an expense or allocated to share issue costs as applicable.

The fair value of warrants and options granted is determined using the Black-Scholes valuation model.

Going Concern

The Group closely monitors and manages its liquidity risk, regularly preparing cash forecasts. Further to the Open Offer and Placing, the Directors consider that the Group has adequate liquid resources to continue in operational existence for at least the 12 month period from the date of approval of these financial statements.

2 Turnover and segmental analysis

Segment information is presented in respect of the Group's management and internal reporting structure. The Group had no revenue during the year.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Operating and Geographical segments

The Group comprises the following operating segments:

Corporate – Parent company administrative costs, general business development and AIM related costs.

Exploration & development – costs in relation to the Group's direct oil and gas exploration operations.

2014 **Business segments**	**Corporate**	**Exploration & development**	**Total**
	$000's	**$000's**	**$000's**
Result			
Segment results	(1,082)	(10,627)	(11,709)
	=======	=======	=======
Balance sheet			
Segment assets	1,620	2,217	3,837
Segment liabilities	(832)	(193)	(1,025)
Net assets	788	2,024	2,812
	=======	=======	=======

Geographical segments	**Denmark**	**Belize**	**Jersey**	**Total**
	$000's	**$000's**	**$000's**	**$000's**
Result				
Segment result	(7,088)	(3,539)	(1,082)	(11,709)
	=======	=======	=======	=======
Balance sheet				
Segment assets - Intangible	550	1,562	-	2,112
- Other	46	59	1,620	1,725
Segment liabilities	(193)	-	(832)	(1,025)
Net assets	403	1,621	788	2,812
	=======	=======	=======	=======

2013	Corporate	Exploration & development	Total
Business segments			
	$000’s	**$000’s**	**$000’s**
Result			
Segment results	(4,874)	(7,071)	(11,945)
Loss for the year			
Balance sheet			
Segment assets	2,727	12,349	15,076
Segment liabilities	(430)	(125)	(555)
Net assets	2,297	12,224	14,521
	=======	=======	=======

Geographical segments	Denmark	Belize	Jersey	Total
	$000’s	**$000’s**	**$000’s**	**$000’s**
Result				
Segment result	-	(7,071)	(4,874)	(11,945)
	=======	=======	=======	=======
Loss for the year				
Balance sheet				
Segment assets - Intangible	7,289	5,060	-	12,349
- Other	105	115	2,507	2,727
Segment liabilities	(157)	-	(398)	(555)
Net assets	7,237	5,175	2,109	14,521
	=======	=======	=======	=======

3 Group operating loss

	2014	2013
	$000's	$000's
Loss from operations has been arrived at after charging:		
Directors fees	**379**	403
Directors Executive Remuneration (i)	**1,365**	1,350
Auditors Remuneration - Group	**104**	74
- Subsidiary	**46**	44
Depreciation	**15**	21
Loss on disposal of fixed assets	**-**	119
	=======	=======

(i) 2014 includes $115,500 of consulting fees to Hydrocarbon Technologies Ltd. for the period from Bill Kelleher's resignation to 30 April 2015 of which $77,000 was applied as payments on the Hydrocarbon Technologies Ltd. loan.

4 Auditor remuneration disclosure

	2014	2013
	$000's	$000's
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**76**	50
Fees payable to the Company's auditor for other services:		
Audit-related assurance services	**28**	24
	=======	=======

5 Directors' remuneration

	Management Services	Fees	Total
2014	**$000's**	**$000's**	**$000's**

Executive Directors:			
Bill Kelleher (i) (resigned 13/10/2014)	579	25	604
Peter Sztyk (ii)	393	30	423
Georges Sztyk (ii)	393	30	423
Non-Executive Directors:			
Stephen Polakoff (iii) (includes fees payable in shares of $35,000)	-	88	88
Fred Hodder (iii) (includes fees payable in shares of $54,000)	-	115	115
Chris Einchcomb (iii) (includes fees payable in shares of $45,000)	-	91	91
	======	======	======
	1,365	379	1,744
	======	======	======

2013	**Management Services $000's**	**Fees $000's**	**Total $000's**
Executive Directors:			
Bill Kelleher (i)	510	30	540
Peter Sztyk (ii)	420	30	450
Georges Sztyk (ii)	420	30	450
Non-Executive Directors:			
Stephen Polakoff (iii) (includes fees payable in shares of $22,000)	-	96	96
Fred Hodder (iii) (includes fees payable in shares of $48,000)	-	123	123
Chris Einchcomb (iii) (includes fees payable in shares of $47,000)	-	94	94
	======	======	======
	1,350	403	1,753
	======	======	======

(i) Management services were provided by and payable to Hydrocarbon Technologies Ltd. 2014 includes $115,500 of consulting fees for the period from Kelleher's resignation to 30 April 2015 of which $77,000 was applied as payments on the Hydrocarbon Technologies Ltd. loan.

(ii) Management services were provided by and payable to Dynamic Investments Ltd.

(iii) 2014 fees payable in shares totalling $134,000 and 2013 fees payable in shares totalling $65,000 were not issued as of the date of authorisation of these Financial Statements, as discussed in Note 20.

No pension benefits are directly provided for any Director.

6 Interest receivable

	2014	2013
	$000's	$000's
Interest received on other receivables	**24**	22
	=======	=======

7 Taxation

No charge to Jersey corporation tax arises on the results for the year due to the applicable zero tax rate. No trading profit has arisen in any other tax jurisdiction.

No deferred tax asset has been recognised due to the applicable zero tax rate, however the unrelieved tax losses which are estimated to be available for offset against future profits if the applicable tax rates were to change in the future amount to approximately $30 million (2013: $30 million).

8 Loss per share

	2014	2013
The calculation of loss per share is based on the loss after taxation divided by the weighted average number of shares in issue during the year:		
Loss for the year ($000's)	**(11,709)**	(11,945)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic loss per share (millions)	**703**	615
Basic and diluted loss per share (expressed in cents)	**(1.67)**	(1.94)

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

9 Tangible assets – Group

	Furniture and Fixtures	Plant and Equipment	Total
	$'000	**$'000**	**$'000**
<u>Cost</u>			
Balance carried forward	101	99	200
Additions during year to 31 December 2013	-	-	-
Disposals during year to 31 December 2013	(84)	(59)	(143)
Carried forward at 31 December 2014	17	40	57
<u>Depreciation</u>			
Balance carried forward	8	13	21
Charge for year to 31 December 2013	8	13	21
Charge for year to 31 December 2014	4	11	15
Eliminated on disposal	(8)	(6)	(14)
Carried forward at 31 December 2014	12	31	43
<u>Net Book Values</u>			
At 31 December 2014	**5**	**9**	**14**
	=======	=======	=======
At 31 December 2013	9	20	29
	=======	=======	=======

Tangible assets - Company

	Furniture and Fixtures	Plant and Equipment	Total

	$'000	$'000	$'000
<u>Cost</u>			
Balance carried forward	17	40	57
Additions during year to 31 December 2013	-	-	-
Carried forward at 31 December 2014	17	40	57
<u>Depreciation</u>			
Balance carried forward	4	10	14
Charge for year to 31 December 2013	4	10	14
Charge for year to 31 December 2014	4	11	15
Carried forward at 31 December 2014	12	31	43
<u>Net Book Values</u>			
At 31 December 2014	**5**	**9**	**14**
At 31 December 2013	9	20	29

10 Intangible assets – Group 2014

	Exploration and Project Development Expenses $'000
<u>Cost</u>	
As at 1 January 2014	12,349
Additions	263
As at 31 December 2014	**12,612**
<u>Accumulated amortisation and impairment</u>	
As at 1 January 2014	-

Amortisation charge for the year	-
Impairment charge	(10,500)
Balance at 31 December 2014	(10,500)
<u>Net book value</u>	
As at 31 December 2014	**2,112**
As at 31 December 2013	12,349

Intangible Assets – Group 2013

	Exploration and Project Development Expenses
	$'000
<u>Cost</u>	
As at 1 January 2013	10,687
Additions	1,662
As at 31 December 2013	**12,349**
<u>Accumulated amortisation and impairment</u>	
As at 1 January 2013	-
Amortisation charge for the year	-
Impairment charge	-
Balance at 31 December 2013	-
<u>Net book value</u>	
As at 31 December 2013	**12,349**

As at 31 December 2012	10,687

The Directors undertook an impairment review of the Group's intangible assets as at 31 December 2014 and determined it prudent to record an impairment reserve of 70 per cent. of its Belize intangible assets carrying value and 92 per cent. of its Denmark intangible assets carrying value based on the 2015 deadlines for the Group to continue its work programmes and the availability of funds to do so.

11 Inventories

Inventories total $50,000 (2013: $90,000) and comprise drilling and related consumables and are stated at the lower of cost and estimated net realisable value.

12 Trade and other receivables

		2014		2013	
		Group	**Company**	Group	Company
Current trade and other receivables		**$000's**	**$000's**	$000's	$000's
Prepayments		-	-	449	442
Other receivables	- Related Parties	517	517	864	864
	- Al Maraam	1,368	1,368	-	-
	- Provision for Al Maraam	(1,368)	(1,368)	-	-
Equity swap		-	-	187	187
		517	517	1,500	1,493
		=======	=======	=======	=======
Non – current trade and other receivables					
Amounts due from subsidiaries		-	33,233	-	33,197
Provision		-	(31,230)	-	(20,812)
		-	2,003	-	12,385
		=======	=======	=======	=======

Included within 2013 prepayments are legal and professional costs of $437,000 which in 2014 were netted against advanced subscription funds received from Niel Petroleum S.A. that were retained by the Company as part of its separation agreement with Niel.

The amounts due from subsidiaries are interest free with repayment not anticipated within 12 months of the end of the reporting period.

The Directors consider that the net carrying amount of trade and other receivables approximates to their fair value.

13 Trade and other payables – current

	2014		2013	
	Group	**Company**	Group	Company
	$000's	**$000's**	$000's	$000's
Trade payables	53	29	353	344
Accruals	972	803	77	54
Other payables	-	-	125	-
	1,025	832	555	398
	=======	=======	=======	=======

The Directors consider that the carrying amount of trade payables approximates to their fair value.

14 Share capital

	2014	2013
	Number of shares	Number of Shares
Called up, allotted, issued and fully paid:		
As at 31 December		
Ordinary shares of no par value	**702,723,713**	702,723,713
	=========	=========

The Company issued no shares in 2014.

On 28 March 2013 the Company announced a Placing to raise gross proceeds of $10 million (£6.3 million) through the issue of 315,000,000 new ordinary shares at a price of 2p per share, together with 18,900,000 warrants to subscribe for shares at 2p per share expiring on 28 March 2016 as part of the fees under the Placing arrangements.

During 2013 the Company issued 28,748,884 new ordinary shares at an average price of 1.2p per share in settlement of professional fees and in part payment of services rendered.

15 Outstanding warrants and options

As at 31 December 2014 the number of outstanding warrants and options were:-

- 18,900,000 warrants exercisable at 2p expiring on 28 March 2016;
- 14,069,500 warrants exercisable at 5p expiring on 11 May 2016;
- 6,375,000 warrants exercisable at 8p expiring on 16 March 2017;
- 2,375,000 warrants exercisable at 8p expiring on 25 July 2017;
- 5,598,251 warrants exercisable at 9p expiring on 16 October 2015;
- 2,750,000 options exercisable at 9.25p expiring on 25 July 2022.

During the year 66,884,000 warrants exercisable at 10p lapsed.

16 Share-based payments

The group operated a Long Term Incentive Plan to allow certain Directors (being the Directors at the time of initial AIM admission) to be granted awards in respect of Ordinary Shares in the Company. This plan lapsed in 2014 with no amount being due to any Director.

The Group also operates a Discretionary Annual Bonus Plan that may be paid in Ordinary Shares; however, this plan has been suspended by the Directors for 2014.

As at 31 December 2014 no amounts have been provided or accrued in relation to the above schemes.

The fair value of the 18,900,000 warrants expiring on 28 March 2016 totalling $150,000 granted on 28 March 2013 was determined using the Black-Scholes valuation model at 0.8 cents. The significant inputs into the model were the share price at the grant date, the exercise price, the life to expiry, volatility of 60%, nil dividend yield and an annual risk-free interest rate of 4.5%. The volatility was measured at the standard deviation based on statistical analysis of the share price since original admission to AIM. A lack of marketability discount of 20% was also applied to the resultant values.

17 Investment in subsidiaries

	2014	2013
	$000's	$000's
As at 1 January	**26**	26
Additions	**-**	-
At 31 December	**26**	26

The subsidiaries of New World Oil and Gas Plc, all of which have been included in these consolidated financial statements, are as follows:

Name		**Country of incorporation**	**Proportion of ownership interest**	**Nature of business**
Directly-held subsidiaries				
Gaia Resources Limited	(1)	British Virgin Islands	100%	Holding Company
Emery SARL	(2)	Luxembourg	100%	Holding Company
New World Oil and Gas (Belize) Limited	(3)	Belize	100%	Oil and Gas Exploration
New World Oil and Gas (Belize) Operations Limited	(3)	Belize	100%	Oil and Gas Exploration

Name	**Country of incorporation**	**Proportion of ownership interest**	**Nature of business**
Indirectly-held subsidiaries			

New World Jutland Aps	(4)	Denmark	100%	Oil and Gas Exploration
New World Operations Aps	(4)	Denmark	100%	Oil and Gas Exploration
New World Resources Aps	(5)	Denmark	100%	Oil and Gas Exploration
New World Resources Operations Aps	(5)	Denmark	100%	Oil and Gas Exploration

(1) Subsidiary was acquired on incorporation on 4 January 2011
(2) Subsidiary was acquired on incorporation on 1 August 2011
(3) Subsidiary was acquired on incorporation on 14 June 2011
(4) Subsidiary was acquired on incorporation on 15 September 2011
(5) Subsidiary was acquired on incorporation on 8 March 2012

18 Financial instruments

The Board of Directors determine, as required, the degree to which it is appropriate to use financial instruments to mitigate risk. Currently the Company's principal financial instruments comprise cash and equity capital.

The Company does not enter into complex derivatives to manage risk, however it entered into an equity swap arrangement in 2013 as disclosed in note 19.

Foreign currency risk

Foreign exchange risk arises because the Group has operations located in various parts of the world whose functional currency is not the same as the functional currency in which the Group companies are operating. The Group's net assets are exposed to currency risk giving rise to gains or losses on retranslation into US Dollars.

Liquidity risk

The Company's policy throughout the year has been to ensure that it has adequate liquidity by careful management of its working capital.

19 Derivative financial instrument

During March 2013 the Company entered into an equity swap agreement ("the Equity Swap Agreement") with YA Global Master SPV, Ltd ("YAGM") over 19,999,998 Ordinary Shares ("the Swap Shares"). In return for a payment by the Company to YAGM of £400,000 ($606,000), six monthly settlement payments in respect of such payment were to be made by YAGM to the Company, or by the Company to YAGM, based on a formula related to the difference between the prevailing market price (as defined in the Equity Swap Agreement) of the Company's ordinary shares in any month and a 'benchmark price' of 2.2p per share ($0.03). Thus the funds received by the Company in respect of the Swap Shares are dependent on the future price performance of the Company's ordinary shares.

During 2014, 3,333,333 shares were settled for net proceeds of £10,000 ($16,000). In 2013, 3,333,333 shares were settled for net proceeds of £26,000 ($41,000). The remaining balance has been fair valued at 31 December 2014, based on the settlement of the Equity Swap Agreement subsequent to year end, with a resulting provision of $171,000 included in the Income Statement.

	31 December 2014	31 December 2013
	$'000	$'000
Fair Value as at 1 January	**187**	-
Cost of equity swap arrangement	**-**	606
Settled during the year	**(16)**	(41)
Fair value adjustment to 31 December	**(171)**	(378)
Fair Value carried forward as at 31 December	**-**	187

20 Group related party transactions

Transactions between the parent and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Details of Director's remuneration, being the only key personnel, are given in note 5.

Included within other receivables are the amounts outstanding on the loans made to facilitate the Executive Directors participation in the March 2013 placing. In relation to Bill Kelleher an advance of $333,000 was made to Hydrocarbon Technologies Limited and after interest charges of $7,000 (2013: $7,000) and repayments of $77,000 (2013: $51,000) were made the amount outstanding was $205,000 (2013: $282,000). As of 31 December 2014, a provision for collectability in the amount of $150,000 has been recorded related to this loan.

In relation to Peter Sztyk and Georges Sztyk an advance of $667,000 was made to Dynamic Investments Limited and after interest charges of $16,000 (2013: $15,000) and repayments of $122,000 (2013: $84,000) were made the amount outstanding was $461,000 (2013: $583,000).

Included within trade and other payables is unpaid director's fees payable in shares to Fred Hodder of $79,000 (2013: $30,000), to Chris Einchcomb of $66,000 (2013: $25,000) and to Stephen Polakoff of $54,000 (2012: $19,000).

21 Ultimate controlling party

In the opinion of the directors, there is no controlling party.

22 Retirement benefit scheme

The Group does not operate either a defined contribution or defined benefit retirement scheme.

23 Commitments

As at 31 December 2014, the Group has no material commitments unaccounted for in the financial statements.

24 Events after the end of the reporting period

On 29 April 2015, the Company announced a placing (the "Original Placing") to raise £1.5 million (before expenses), at a price of 0.055p per Original Placing Share. Issuance of the Original Placing Shares was conditional upon the necessary shareholder resolution being passed at the EGM held on 19 May 2015. This resolution was not passed at the EGM and, accordingly, the Original Placing did not proceed and the shares were not allotted nor admitted to trading on AIM.

On 11 June 2015, the Company announced its intention to raise up to £3.5 million (before expenses) by way of an Open Offer and a Placing. The Open Offer allows eligible shareholders to subscribe for 5.534 Open Offer Shares at 0.09p per share for each existing ordinary share. Subject to clawback by eligible shareholders, Cornhill Capital, as placing agent for the Company, has received Placing Commitments for Open Offer Shares. The Company expects to announce the results of the Open Offer and Placing on 7 July 2015.

25 Profit and loss account of the parent company

As permitted by Jersey Company Law, the profit and loss account of the parent company has not been separately presented in these accounts. The parent company loss for the year was $11,704,000 (2012: $11,928,000 loss).

**** ENDS ****

For further information please visit www.nwoilgas.com or contact:

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