NEW WORLD OIL AND GAS PLC

(Incorporated in Jersey with Registered Number 105517)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

New World Oil and Gas Plc ("New World" or "the Company") is a Jersey incorporated oil and gas operating company with three highly prospective projects in Belize and Denmark that is quoted on AIM. Its principal activities are to acquire a diverse portfolio of direct and indirect interests in exploration, development and production oil and gas assets that are based in the Americas, Europe and in other areas.

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CHAIRMAN'S STATEMENT

Dear Shareholders

Overall, 2013 was a challenging year for New World. Our drilling campaign at the Blue Creek Project in Belize failed to confirm commercial quantities of movable hydrocarbon. However, from a technical perspective, we have de-risked the project by locating three of the four elements required to make a commercial discovery, with the trap as the only remaining risk now blocking our way. With this in mind, we remain confident that our four remaining drillable prospects have the potential to contain oil. Following the completion of our earn-in steps to our work programme, New World has been assigned a 100% working interest in Blue Creek, and we are continuing to seek a partner or outside investment, to defray risk and to share the costs to continue our exploration work.

In Denmark, we have proposed more technical work in the form of additional seismic reprocessing and geochem to better define our existing prospects and have been granted extensions currently through to 31 January 2015 as recently announced. This additional time will allow us to pursue on-going discussions with farm-in partners and again we look forward to further unlocking the value in these two projects.

The most significant development of 2013 has been the partnership entered into with Niel Petroleum S.A. ('Niel') for a US$25 million investment by Niel, together with a related conditional US$25 million debt facility, which will be used to acquire a near-term/producing asset as the Company looks to build a sustainable, multi-stage oil and gas company. Originally scheduled for completion in September 2013, the transaction has yet to be completed due to Niel not having made the funding available, Niel has, however, paid New World a sum of US$250,000 to offset the delays in completion and has placed US$4,800,000 in escrow pending completion of the transaction. Given the matter disclosed below this will however require a new vote of independent shareholders, as recently announced.

In partnership with Niel, we have been exploring a number of potential markets, including Africa, the U.S. and the Middle East. Post period-end we have recently concluded an agreement with a Kuwaiti company, which is intended to provide access to a number of opportunities in this oil rich nation. A site visit has been concluded in Kuwait, and meetings were held with high-ranking officials in the ministries of Industry and Commerce, local business leaders, and industry professionals.

Post Period-end, in May 2014 we signed a share purchase agreement providing the mechanism for New World to become a 49% shareholder and hold a 60% economic interest in Al-Maraam with a view to fully developing Al Maraam's opportunities in the oil and gas sector in Kuwait. The due diligence is still in progress, and on completion we look forward to commencing operations in Kuwait and unlocking the significant hydrocarbon potential the country has to offer in conjunction with our new partner. This is dependent upon the conclusion of the Niel subscription referred to above.

While the primary objective of the Company remains to become a multi-project oil and gas exploration and production company, we have shifted our emphasis to seeking sustainable revenues from cash generating opportunities. Along these lines, we are analyzing a number of projects in North Africa, the Middle East, the U.S. and Latin America and will keep the market informed in due course.

Financial Review

The Company has no current revenues and we are reporting a loss of $11,945,000 for the 12 months ended 31 December 2013. We continue to keep a very tight control over our overhead and business development expenses. We have also reached an agreement with Niel for the funding of ongoing overhead expenses and business development costs which may now be taken from the escrow account.

CHAIRMAN'S STATEMENT CONT.../

During Q1 of 2013, the company raised US$10 million by the issue of 315,000,000 new ordinary shares, at a price of 2 pence per share. In addition, a number of shares were issued during the first six months of the year, to satisfy on-going contractual obligations. Total shares in issue now stand at 702,723,713. The Company has no ordinary shares held in Treasury.

Corporate Review

At the completion of the Niel subscription, it is expected that the composition of the Company's Board of Directors will be in line with what has previously been announced by the Company.

Mr. Grégoire Bellois, a professional geologist will be joining the New World team, as Vice-President, Exploration. Grégoire brings many years experience in Africa and the Middle East and other areas of the world, and we look forward to working with him. He will provide a strong in-house technical support for our geoscience team.

With a view to reducing overhead cost, the Company has closed its Houston office, and it is expected that, going forward, we will be sharing office space with Niel petroleum in both Geneva & Dubai which will contribute to a better synergy between the two companies.

Outlook

If we can complete the agreement with Al Maraam as contemplated, New World will have access to a major oil producing region which has significant reach into the global market. It is our intention to get involved in the drilling aspects of the business, in partnership with a qualified drilling contractor at a time when Kuwait has declared its intention to increase oil production from 2.8 million barrels per day, to 3.5 million barrels per day by the end of 2015.

Also of strong interest is that Al Maraam has represented to us that it has the right to export Kuwaiti crude and refined products. Our recent meetings in-country have confirmed this opportunity and Kuwait is anxious to open new markets for the increased production targets and is looking to the private sector to help in achieving these goals. This will provide, we believe New World, in cooperation with established oil traders, with an opportunity to enter this potentially lucrative market.

We are deeply grateful to our shareholders for their continued support and look forward to providing updates on our progress at this transformational time.

Sincerely,

William C. Kelleher
Chairman

30 June 2014

OPERATIONS REPORT

Blue Creek Project: Belize

The 100%-owned Blue Creek Project ('Blue Creek') is located in the producing Petén Basin in Northwest Belize. The 315sq km licence block is made up of two oil concessions, Blue Creek and West Gallon Jug, granted under a Production Sharing Agreement ('PSA') with the government of Belize.

The licence blocks are located in a highly prospective area 175km east of the Perenco operated >300MMbbl Xan field in Guatemala, approximately 300km south east of giant oil fields in Mexico. Closer to home, Blue Creek is 28km north west of Belize Natural Energy's producing Spanish Lookout and 18km west of its Never Delay fields which were discovered in 2005 and are currently producing approximately > 2,200 bopd. 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 licence 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 of the New World licence area. All of this is greatly encouraging and we remain of the view that an active working hydrocarbon system exists along the eastern margin of the Petén basin.

At the onset of 2013, we were drilling the Blue Creek #2A ST well (sidetrack) at a depth of 9,185 feet on the B Crest prospect. We had been experiencing an excessive amount of downtime and trip time due to drill pipe failures. We successfully cored the Y3C (10,734' – 10,780') and Hill Bank (11,269' – 11,359') formations. The logs and core samples from the Blue Creek #2A ST well were independently analysed, as well as mud logs and all other available data. Although it was determined that an active hydrocarbon system exists, and live oil shows were measured in the Y3 and Hillbank formations, the discovery was not deemed commercial likely due to the targeted trap being breeched as a result of tectonic activity and therefore extensive residual oil was present along with high saturations of formation water. After consultation with all stakeholders, we plugged and abandoned BC #2A ST well and began preparations to release the drilling rig.

At the beginning of February 2013 we re-located ThermaSource International LLC rig #104 to the Rio Bravo #1 drill pad at our West Gallon Jug prospect, a four way structural closure approximately 35 km SSW from the B Crest Prospect.

We commenced drilling Rio Bravo #1 on 1 March 2013 and by the end of April 2013 the well had been drilled to a measured depth of 9,010 feet. Following analysis, and in consultation with New World's partners, Blue Creek Exploration Ltd., and the Government of Belize, it was determined that insufficient commercial quantities of moveable hydrocarbons were present to economically justify running casing and well testing operations. Our prognosis was that the primary issue in the sub-surface was that the timing of oil migration occurred prior to trap formation. Following this, we began rig-down and prepared the rig for movement to the Port of Belize City.

The remainder of 2013 (May through December) was utilized to liquidate surplus materials and equipment, make evaluations of our recent drilling campaign, and plan for a re-evaluation of our seismic and geochemical data. Also, in an effort to re-start exploration activities at Blue Creek, we have been actively searching for a farm-in partner. During this period we also resolved general sales tax issues with the Government of Belize and submitted a relinquishment plan that was approved and accepted by the GPD. Additionally, we applied for and were granted a third renewal of the Blue Creek PSA until 12 October 2015.

OPERATIONS REPORT CONT.../

Denmark

Danica Resources Project: Licence 1/08

The Danica Resources Project is made up of one large licence, 1/08, totalling 1.67 million acres in the highly prospective northern margin of the Southern Permian Basin, in the Baltic region of southeast Denmark. North West Europe contains some of the world's largest gas reserves. The Permian Zechstein platform margin extends across the 1/08 licence area from North East Germany where 13 oil and gas fields are located. The Zechstein carbonate and Rotliegend sandstone gas plays are the most productive in onshore North West Europe. Additionally, Triassic sandstones, comparable to those found in the Danica Resources licence area, form highly productive reservoirs in the adjacent North Sea. The Groningen field, located in northern Netherlands in the Southern Permian Basin was discovered in 1959 and opened up the North Sea play with its 100 TCF gas discovery. To provide scale to these figures the entire UK consumes 4 TCF of natural gas per year.

As a result of work commitment completions during the period, we now have a 25% working interest in Licence 1/08. In January 2013 we announced the results of the first phase of 2-D seismic (166.44km – 11 lines) which was completed in August 2012. The resulting Competent Person's Report confirmed the original volumetric estimates and associated indicative economics for the drill ready Als prospect with P50 volumetrics remaining at 97 MMbo and 1.4 TCF of gas valued at US$2.4 billion.

Following encouraging data, a Phase 2B of 2-D seismic data acquisition was completed on the Falster and Lolland prospects, with data processing completed in April 2013. In August 2013 we released a Letter of Opinion from RPS Energy with regards to the interpretation of the 2-D data on these prospects and the integration and further evaluation resulted in the mapping of the drill-ready North Rodby Zechstein/Rotliegend prospect. North Rodby has two separate targets in the Zechstein and Rotliegendes, as with the Als prospect, and combined the two prospects have indicative volumetrics totalling 444.4 MMbbls oil (unrisked sum of individual P50, discovery case), and success case economic outcomes of NPV_{10} US$3.67 billion net to New World. With this in mind, a proposal was submitted to the North Sea Fund ('NSF') for the acquisition of a detailed geochemical survey over North Rodby and Falster leads and in Q4 2013 250 soil geochemical survey samples were collected and sent for processing and interpretation.

During the period an eight month extension to the licence was submitted and approved by the Danish Energy Agency ('DEA'), and post-period end, this was extended further to 31 January 2015. These extensions to our work programme will be beneficial to our on-going discussions with potential farm-in partners as we look to share the risk and cost of further exploration and potentially drilling.

Danica Jutland Project: Licences 1/09 – 2/09

The Danica Jutland Project, totalling 1.015 million acres, consists of two onshore oil and gas licences, 1/09 and 2/09, located in an underexplored area in Jutland, South Western Denmark, on the southern edge of the Northern Permian Basin. The licences are surrounded by Zechstein oil and gas production, and new discoveries including the Johan Sverdrup discovery located off the coast of Stavanger in the Norwegian North Sea that is expected to produce 120,000 to 200,000 bopd. According to RPS, the southern flank of the Northern Permian Basin can be regarded as a mirror image of the northern flank of the Southern Permian Basin where productive reservoirs have been proved in the early Zechstein cycles, notably in Poland and Germany.

New World, as operator, has the right to earn up to 80% working interest in the licences on the completion of a phased work programme, consisting of a 2-D and/or 3-D seismic acquisition programme and the drilling of one well on each licence. The Danish North Sea Fund holds the remaining 20% on a fully-paying basis.

To date New World has earned into a 25% working interest in the Danica Jutland Project following the acquisition of 55 line km of 2-D seismic data to further delineate two Triassic prospects identified on Licence 2/09 and in addition, 75 sq km of 3-D seismic over the Jensen Prospect on Licence 1/09, which has a prospective resource estimate of 48 million barrels of oil (adjusted to an 80% working interest).

The Jensen 3-D seismic survey was completed during Q1 and the data was processed and sent for interpretation. In order to allow the results of the 3-D seismic survey and some soil geochemistry work over the Jensen prospects to be incorporated into a forward work programme on these licences we requested a 6 month extension to our work programme which was granted by the DEA. During Q2, the interpretation of the 3-D data was completed resulting in the release of an updated CPR. Our understanding of the previously identified Jensen Prospect was been greatly enhanced with the data showing that instead of being just one large prospect, Jensen appears to be made up of multiple smaller structures, each with at least three separate horizons in the Zechstein and Pre-Zechstein. In aggregate, we now have indicative volumetrics and success case economic outcomes for Licences 1/09 and 2/09 totalling 591 BCFG (unrisked sum of individual P50, discovery case) and a NPV_{10} of US$ 655.7 million net to New World.

As with our other projects, post-period end we secured an additional licence extension to 31 January 2015 to allow time to conduct further work and complete the evaluation of the prospects defined by the 3-D survey, whilst also providing us with more time to continue on-going discussions with potential farm-in partners.

The technical content of this report has been reviewed and approved by William Kelleher who has been a member of the Society of Petroleum Engineers for 28 years.

DIRECTOR'S REPORT FOR THE YEAR ENDED

31 DECEMBER 2013

PRINCIPAL ACTIVITIES

The principal activity of the Company continues to be the making of investments in the oil and gas sector, either by acquisition or by participation through farm-out agreements. The principal activity of the Group is oil and gas exploration.

RESULTS AND FINANCIAL REVIEW

The loss for the year amounts to $11,945,000 (year to 31 December 2012 – loss $18,692,000).

A financial review of the results for the year and the outlook for 2014 is set out in the Chairman's Statement.

No dividend has been paid or declared.

DIRECTORS

The Directors who served during the year were:-

W. C. Kelleher	(American)
G. N. Sztyk	(Canadian)
P. R. Sztyk	(Canadian)
S. K. Polakoff	(American)
R. F. Hodder	(American)
C. Einchcomb	(British)

RE-ELECTION OF DIRECTORS

In accordance with the Company's Memorandum and Articles of Association Mr. W.C. Kelleher and Mr. P.R. Sztyk will retire by rotation. A resolution to reappoint them will be put to the members at the forthcoming Annual General Meeting.

POLICY ON PAYMENT OF CREDITORS

It is Company and Group policy to settle all debts with creditors on a timely basis.

Payment terms are agreed individually with suppliers and are adhered to unless advantageous early settlement terms are offered. Creditors under contract are paid in accordance with the contractual obligations.

The Company had trade creditors of $344,000 outstanding as at 31 December 2013 (2012: £959,000) that represents average creditor days of 11 (2012: 14 days).

CHARITABLE AND POLITICAL DONATIONS

The Group made charitable, social and community-related donations during the year of $ nil (2012: $7,500).

SUBSTANTIAL SHAREHOLDINGS

At 11 June 2014 the shareholders with holdings of 3% or more were as follows:-

	Holding of issued ordinary shares	% of issued ordinary share capital
Barclayshare Nominees Ltd	67,767,254	9.65
Hargreaves Lansdown Nominees Ltd	59,811,149	8.51
TD Direct Investing Nominees (Europe) Ltd	54,425,204	7.75
HSDL Nominees Ltd	43,821,285	6.24
JIM Nominees Ltd	35,193,909	5.01
Investor Nominees Ltd	33,905,609	4.83
Euroclear Nominees Ltd	23,088,500	3.29
Dynamic Investments Ltd	21,958,718	3.12

On completion of the Niel Petroleum S.A. subscription their holding of 2,184,897,959 ordinary shares will represent 75.66% of issued ordinary share capital.

AUDITORS AND DISCLOSURE OF RELEVANT AUDIT INFORMATION

Having made the necessary enquiries, so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all steps that ought to have been taken to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

A resolution to re-appoint Chapman Davis LLP as auditors of the Company will be proposed at the forthcoming Annual General Meeting.

GOING CONCERN

The financial statements have been prepared on a going concern basis as the Directors, after making enquiries, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the next 12 months from the date of this report.

By Order of the Board

Ogier Corporate Services (Jersey) Limited
Secretary

30 June 2014

Corporate Governance Statement

The Board is committed to maintaining high standards of corporate governance. The Listing Rules of the Financial Services Authority incorporate the UK Corporate Governance Code, which sets out the principles of Good Governance, and the code of Best Practice for listed companies. Whilst the Company is not required to comply with the UK Corporate Governance Code, the Company's corporate governance procedures take due regard to the principles of Good Governance set out in the UK Corporate Governance Code in relation to the size and the stage of development of the Company.

Board of Directors

The Board of Directors currently comprises three Executive Directors, and three Non-Executive Directors. The Directors are of the opinion that the Board comprises a suitable balance and that the recommendations of the UK Corporate Governance Code have been implemented to an appropriate level. The Board, through the Chairman and Executive Directors in particular, maintains regular contact with its advisers and public relations consultants in order to ensure that the Board develops an understanding of the views of major shareholders about the Company.

Board Meetings

The Board meets regularly throughout the year. For the year ending 31 December 2013 the Board met at least monthly in relation to normal operational matters. The Board is responsible for formulating, reviewing and approving the Company's strategy, financial activities and operating performance. Day to day management is devolved to the Executive Directors and management who are charged with consulting the Board on all significant financial and operational matters.

All Directors have access to the advice of the Company's solicitors and the necessary information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively, and all Directors have access to independent professional advice, at the Company's expense, as and when required.

Board Committees

The Board has established the following committees, each which has its own terms of reference:

Audit and Compliance Committee

The Audit and Compliance Committee considers the Group's financial reporting (including accounting policies) and internal financial controls. The Audit Committee comprises 3 Directors, Fred Hodder (Chairman), Stephen Polakoff and Christopher Einchcomb and is responsible for ensuring that the financial performance of the Group is properly monitored and reported on. The Committee met twice during the year.

Remuneration Committee

The Remuneration Committee is responsible for making recommendations to the Board of Directors' and senior executives' remuneration. It comprises 3 Directors, Fred Hodder (Chairman), Stephen Polakoff and Christopher Einchcomb. Non-Executive Directors' remuneration and conditions are considered and agreed by the Board. The Remuneration Committee also reviews the terms and conditions of any proposed share incentive plans and is responsible for administering and setting the overall policy and procedures of the Long Term Incentive Plan and the Discretionary Annual Bonus Plan. The Committee will also have regard to the terms that may be required to attract an experienced executive to join the Board from another company. The Committee met twice during the year.

Corporate Governance Statement (continued)

Internal controls
The Directors acknowledge their responsibility for the Group's systems of internal controls and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Company and to ensure the reliability of financial information for both internal use and external publication. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in light of increased activity and further development of the Company, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

Risk Management
The Board considers risk management to be important in achieving its strategic objectives. There is a process of evaluation of performance targets through regular reviews by senior management to forecasts. Project milestones and timelines are regularly reviewed.

Risks and uncertainties
The principal risks facing the Company are set out below. Risk assessment and evaluation is an essential part of the Group's planning and an important aspect of the Group's internal control system.

General and economic risks

- contractors in the world's major economies or increases in the rate of inflation resulting from international conditions;
- movements in the equity and share markets in the United Kingdom and throughout the world;
- weakness in global equity and share markets in particular, in the United Kingdom, and adverse changes in market sentiment towards the resource industry;
- currency exchange rate fluctuations and, in particular, the relative prices of U.S. Dollar, Danish Krone and the UK Pound;
- exposure to interest rate fluctuations; and
- adverse changes in factors affecting the success of exploration and development operations, such as increases in expenses, changes in government policy and further regulation of the industry; unforeseen major failure, breakdowns or repairs required to key items of plant and equipment resulting in significant delays, notwithstanding regular programmes of repair, maintenance and upkeep; variations in grades and unforeseen adverse geological factors or prolonged weather conditions.

Funding risk

- The Group or the companies in which it has invested may not be able to raise either by debt or further equity, sufficient funds to enable completion of planned exploration, investment and/or development projects.

Market risk

- The ability of the Group (and the companies it invests in) to continue to secure sufficient and competitive services contracts to support its operations is a key business risk.

Insurance
The Group maintains insurance in respect of its Directors and Officers against liabilities in relation to the Company.

Corporate Governance Statement (continued)

Treasury Policy
The Group finances its operations through equity and holds its cash as a liquid resource to fund the obligations of the Group. The Board approves decisions regarding the management of these assets.

Share Dealing Code
The Board has adopted a Share Dealing Code that applies to Directors, senior management and applicable employees (as well as certain relevant persons) that is appropriate for a Company whose shares are admitted to trading on AIM (in order to, amongst other things, ensure compliance with Rule 21 of the AIM Rules).

Relations with Shareholders
The Board is committed to providing effective communication with the shareholders of the Company. Significant developments are disseminated through stock exchange announcements and regular updates of the Company website. The Board views the AGM as a forum for communication between the Company and its shareholders and encourages their participation in its agenda.

Directors' Responsibilities
Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and Group and of the profit or loss of the Group for that period.

In preparing those financial statements the Directors are required to:-

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- so far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and the Directors have taken all reasonable steps to ensure that they are aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for ensuring that the annual report and financial statements comply with the AIM Rules.

The maintenance and integrity of the Company's website is also the responsibility of the Directors.

Independent Auditors' Report
to the Shareholders of New World Oil and Gas Plc

We have audited the accompanying consolidated financial statements of New World Oil and Gas plc for the year ended 31 December 2013 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, of changes in equity, of cash flows and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
The Directors' responsibilities of preparing the annual report and the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted for use in the European Union are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies (Jersey) Law 1991. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements. We also report to you if the Company has not kept proper accounting records of if we have not received all the information and explanations we require for our audit.

We read the Report of the Directors and the other information contained in the annual report for the above period as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which are considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

- In our opinion the accompanying consolidated financial statements give a true and fair view, in accordance with IFRS as adopted for use in the European Union, of the financial position of New World Oil and Gas Plc and its subsidiaries as at 31 December 2013 and of the Group's loss for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies (Jersey) Law 1991 and Article 4 of the IAS Regulation.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- proper accounting records have not been kept by the parent company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

ROWAN J. PALMER (Senior Statutory Auditor)
for and on behalf of
Chapman Davis LLP
Chartered Accountants and Statutory Auditors
London

30 June 2014

FINANCIAL STATEMENTS

Group Statement of Comprehensive Income for the year ended 31 December 2013

	Notes	2013 $000's	2012 $000's
Revenue		**-**	-
Dry-Well costs written off		**(7,071)**	(14,431)
Project Management & Development		**(1,947)**	(1,405)
Administrative expenses		**(2,286)**	(1,899)
Legal and professional costs		**(285)**	(957)
Loss from operations	**3**	**(11,589)**	(18,692)
Interest receivable	**6**	**22**	-
Provision for losses on financial instrument		**(378)**	-
Loss before taxation		**(11,945)**	(18,692)
Income tax	**7**	**-**	-
Loss for the year		**(11,945)**	(18,692)
Other comprehensive income		**-**	-
Total comprehensive loss for the year attributable to equity holders of the parent		**(11,945)**	(18,692)
Loss per share (cents)			
Basic	**8**	**(1.94)**	(7.51)
Diluted	**8**	**(1.94)**	(7.51)

Group Statement of Financial Position as at 31 December 2013

	Notes	2013 $000's	2012 $000's
Assets			
Non-current assets			
Tangible assets	**9**	**29**	179
Intangible assets	**10**	**12,349**	10,687
Total non-current assets		**12,378**	10,866
Current assets			
Inventories	**11**	**90**	464
Trade and other receivables	**12**	**1,500**	2,003
Cash and cash equivalents		**1,108**	7,654
Total current assets		**2,698**	10,121
Total assets		**15,076**	20,987
Liabilities			
Current liabilities			
Trade and other payables	**13**	**(555)**	(4,326)
Total liabilities		**(555)**	(4,326)
Net assets		**14,521**	16,661
		=======	=======
Equity			
Share capital	**14**	**-**	-
Share premium		**47,369**	37,714
Share-based payment reserve		**920**	770
Retained loss		**(33,768)**	(21,823)
		14,521	16,661
		=======	=======

The financial statements were approved by the board of directors and authorised for issue on 30 June 2014. They were signed on its behalf by

William C. Kelleher
Director

Georges Sztyk
Director

Company Statement of Financial Position as at 31 December 2013

	Notes	2013 $000's	2012 $000's
Assets			
Non-current assets			
Tangible assets	9	**29**	43
Investment in subsidiaries	17	**26**	26
Amounts due from subsidiaries	12	**12,385**	10,668
Total non-current assets		**12,440**	10,757
Current assets			
Trade and other receivables	12	**1,493**	396
Cash and cash equivalents		**986**	6,641
Total current assets		**2,479**	7,037
Total assets		**14,919**	17,794
Liabilities			
Current liabilities			
Trade and other payables	13	**(398)**	(1,150)
Total liabilities		**(398)**	(1,150)
Net assets		**14,521**	16,644
Equity			
Share capital	14	**-**	-
Share premium		**47,369**	37,714
Share-based payment reserve		**920**	770
Retained loss		**(33,768)**	(21,840)
		14,521	16,644

The financial statements were approved by the board of directors and authorised for issue on 30 June 2014. They were signed on its behalf by

William C. Kelleher
Director

Georges Sztyk
Director

Group State of Cash Flows for the year ended 31 December 2013

	2013 **$000's**	2012 $000's
Cash outflow from operating activities		
Operating loss	**(11,589)**	(18,692)
Depreciation	**21**	21
Loss on disposal of fixed assets	**119**	-
Share-settled transactions	**-**	110
Decrease/(Increase) in receivables	**1,689**	(1,850)
(Decrease)/Increase in payables	**(3,771)**	3,754
Decrease/(Increase) in inventories	**374**	(464)
Net cash outflow from operating activities	**(13,157)**	(17,121)
Returns on investments and servicing of finance		
Interest received	**22**	-
Net cash inflow from returns on investments and servicing of finance	**22**	-
Cash flows from investing activities		
Net proceeds from disposal of/(Payments to acquire) tangible assets	**11**	(200)
Payments to acquire intangible assets	**(1,662)**	(6,791)
Net cash outflow from investing activities	**(1,651)**	(6,991)
Cash flows from financing activities		
Proceeds on issuing of ordinary shares	**10,565**	30,461
Cost of issue of ordinary shares	**(760)**	(2,438)
Executive directors' participation in placing	**(1,000)**	-
Net acquisition of financial instruments	**(565)**	-
Net cash inflow from financing activities	**8,240**	28,023
Net (decrease)/increase in cash and cash equivalents	**(6,546)**	3,911
Cash and cash equivalents at beginning of year	**7,654**	3,743
Cash and cash equivalents at end of year	**1,108**	7,654

Company Statement of Cash Flows for the year ended 31 December 2013

	2013 $000's	2012 $000's
Cash outflow from operating activities		
Operating loss	**(11,589)**	(18,709)
Provision against amounts due from subsidiary	**6,696**	14,279
Share-settled transactions	**-**	110
Depreciation	**14**	14
Decrease/(Increase) in receivables	**90**	(246)
(Decrease)/Increase in payables	**(752)**	857
Net cash outflow from operating activities	**(5,541)**	(3,695)
Returns on investments and servicing of finance		
Interest received	**22**	-
Net cash inflow from returns on investments and servicing of finance	**22**	-
Cash flows from investing activities		
Payments to acquire tangible assets	**-**	(57)
Advances to subsidiaries	**(8,376)**	(21,300)
Net cash outflow from investing activities	**(8,376)**	(21,357)
Cash flows from financing activities		
Proceeds on issuing of ordinary shares	**10,565**	30,461
Cost of issue of ordinary shares	**(760)**	(2,438)
Executive directors' participation in placing	**(1,000)**	-
Net acquisition of financial instrument	**(565)**	-
Net cash inflow from financing activities	**8,240**	28,023
Net (decrease)/increase in cash and cash equivalents	**(5,655)**	2,971
Cash and cash equivalents at beginning of year	**6,641**	3,670
Cash and cash equivalents at end of year	**986**	6,641
	=======	=======

Group Statement of Changes in Equity for the year ended 31 December 2013

	Share premium	Share-based payments reserve	Retained Losses	Total
	$000's	**$000's**	**$000's**	**$000's**
Balance at 1 January 2012	10,351	-	(3,131)	7,220
Total comprehensive loss for the year			(18,692)	(18,692)
Transactions with owners recognised directly in equity				
Share issue	30,461	-	-	30,461
Cost of share issue	(2,438)	-	-	(2,438)
Share-based payments	(660)	770	-	110
Balance at 31 December 2012	37,714	770	(21,823)	16,661
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**

Company Statement of Changes in Equity for the year ended 31 December 2013

	Share premium $000's	Share-based payments reserve $000's	Retained Losses $000's	Total $000's
Balance at 1 January 2012	10,351	-	(3,131)	7,220
Total comprehensive loss for the year	-	-	(18,709)	(18,709)
Transactions with owners recognised directly in equity				
Share issue	30,461	-	-	30,461
Cost of share issue	(2,438)	-	-	(2,438)
Share-based payments	(660)	770	-	110
Balance at 31 December 2012	37,714	770	(21,840)	16,644
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**

Notes to the financial statements for the year ended 31 December 2013

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 2013 were authorised for issue by the Board on 30 June 2014 and the statements of financial position signed on the Board's behalf by William C. Kelleher 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 during the year resulting in an estimated 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 it's 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.

Adoption of standards and interpretations
In the current year, the following new and revised Standards and Interpretations have been adopted for the amounts reported in these financial statements.

IFRS 13 Fair Value Measurement
The Group has applied IFRS 13 for the first time in the current year. IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements.

IFRS 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard.

In accordance with these transitional provisions, the Group has not made any new disclosures required by IFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of IFRS 13 has not had any impact on the amounts recognised in the consolidated financial statements.

Amendments to IAS1 Presentation of Financial Statements
(as part of the Annual Improvements to IFRSs 2009; 2011 Cycle issued in May 2012)
The Annual Improvements to IFRSs 2009; 2011 have made a number of amendments to IFRSs. There are no amendments that are relevant to the Group and hence no impact for the 2013 financial statements.

Amendments to IFRS 7 Disclosures
The Group has applied the amendments to IFRS 7 Disclosures-Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

As the Group does not have any offsetting arrangements in place, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the consolidated financial statements.

Standards, amendments and interpretations in issue but not effective
As at the date of authorisation of these financial statements, there were Standards and Interpretations that were in issue but are not yet effective and have not been applied in these financial statements. The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group or Company, except for additional disclosures when the relevant Standards come into effect.

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 10	Consolidated Financial Statements
IFRS 12	Joint Arrangements
IAS2 7 (revised)	Investment Entities
IAS2 8 (revised)	Investments in Associates and Joint Ventures
IAS3 2 (revised)	Offsetting Financial Assets and Financial Liabilities
IAS3 6 (revised)	Recoverable Amount Disclosures for Non Financial Assets
IAS 39 (revised)	Novation of Derivatives and Continuation of Hedge Accounting
IFRIC Interpretation	21 Levies

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.

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.

Notes to the financial statements for the year ended 31 December 2013 (continued)

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 Bill Kelleher as Executive Chairman of the Board of Directors.

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 expenditure 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.

Notes to the financial statements for the year ended 31 December 2013 (continued)

Share-based payments

The Group operates 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. The Group also operates a Discretionary Annual Bonus Plan which may be paid in Ordinary Shares. As at 31 December 2013 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 subscription offer, 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.

2013 Business segments	**Corporate**	**Exploration & development**	**Total**
	$000's	**$000's**	**$000's**
Result			
Segment results	(4,874)	(7,071)	(11,945)
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 $000's**	**Belize $000's**	**Jersey $000's**	**Total $000's**
Result				
Segment result	-	(7,071)	(4,874)	(11,945)
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

Notes to the financial statements for the year ended 31 December 2013 (continued)

2012 Business segments	**Corporate**	**Exploration & development**	**Total**
	\$000's	**\$000's**	**\$000's**
Result			
Segment results	(4,261)	(14,431)	(18,692)
Loss for the year			
Balance sheet			
Segment assets	7,080	13,907	20,987
Segment liabilities	(1,150)	(3,176)	(4,326)
Net assets	5,930	10,731	16,661
	=======	=======	=======

Geographical segments	**Denmark \$000's**	**Belize \$000's**	**Jersey \$000's**	**Total \$000's**
Result				
Segment result	-	(14,279)	(4,413)	(18,692)
	=======	=======	=======	=======
Loss for the year				
Balance sheet				
Segment assets - Intangible	5,905	4,782	-	10,687
- Other	956	2,264	7,080	10,300
Segment liabilities	(132)	(3,044)	(1,150)	(4,326)
Net assets	6,729	4,002	5,930	16,661
	=======	=======	=======	=======

3 Group operating loss

	2013 \$000's	2012 \$000's
Loss from operations has been arrived at after charging:		
Directors fees	**403**	488
Directors Executive Remuneration	**825**	250
Auditors Remuneration - Group	**74**	120
- Subsidiary	**44**	15
Depreciation	**21**	21
Loss on disposal of fixed assets	**119**	-
	=======	=======

Notes to the financial statements for the year ended 31 December 2013 (continued)

4 Auditor Remuneration Disclosure

	2013 $000's	2012 $000's
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**50**	60
Fees payable to the Company's auditor for other services:		
Audit-related assurance services	**24**	12
Corporate finance services	**-**	48
	=======	=======

5 Directors' remuneration

2013	Fees $000's	Management Services $000's	Performance Related Pay $000's	Options Issued $000's	Total $000's
Executive Directors:					
Bill Kelleher (i)	30	510	-	-	540
Peter Sztyk (ii)	30	420	-	-	450
Georges Sztyk (ii)	30	420	-	-	450
Non-Executive Directors:					
Stephen Polakoff	96	-	-	-	96
Fred Hodder	123	-	-	-	123
Chris Einchcomb	94	-	-	-	94
	======	======	======	======	======
	403	1,350	-	-	1,753
	======	======	======	======	======

2012	Fees $000's	Management Services $000's	Performance Related Pay $000's	Options Issued $000's	Total $000's
Executive Directors:					
Bill Kelleher (i)	29	442	250	-	721
Peter Sztyk (ii)	29	374	-	-	403
Georges Sztyk (ii)	29	374	-	-	403
Non-Executive Directors:					
Stephen Polakoff	96	-	-	40	136
Fred Hodder	124	-	-	40	164
Chris Einchcomb (Appointed 10/4/12)	71	-	-	30	101
	======	======	======	======	======
	378	1,190	250	110	1,928
	======	======	======	======	======

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

The payments in relation to Management Services have been charged to the applicable subsidiary companies and/or capitalised as Exploration and Project Development expenses.

No pension benefits are directly provided for any Director.

Notes to the financial statements for the year ended 31 December 2013 (continued)

6 Interest receivable

	2013 **$000's**	2012 $000's
Interest received on other receivables	**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 (2012: $20 million).

8 Loss per share

	2013 **$000's**	2012 $000's
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)	**(11,945)**	(18,692)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic loss per share (millions)	**615**	249
Basic and diluted loss per share (expressed in cents)	**(1.94)**	(7.51)

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 $'000	Plant and Equipment $'000	Total $'000
Cost			
Additions during year to 31 December 2012	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 2013	17	40	57
Depreciation			
Charge for year to 31 December 2012	8	13	21
Charge for year to 31 December 2013	8	13	21
Eliminated on disposal	(8)	(6)	(14)
Carried forward at 31 December 2013	8	20	28
Net Book Values			
At 31 December 2013	**9**	**20**	**29**
At 31 December 2012	93	86	179

Tangible assets - Company

	Furniture and Fixtures $'000	Plant and Equipment $'000	Total $'000
Cost			
Additions during year to 31 December 2012	17	40	57
Additions during year to 31 December 2013	-	-	-
Carried forward at 31 December 2013	17	40	57
Depreciation			
Charge for year to 31 December 2012	4	10	14
Charge for year to 31 December 2013	4	10	14
Carried forward at 31 December 2013	8	20	28
Net Book Values			
At 31 December 2013	**9**	**20**	**29**
At 31 December 2012	13	30	43

Notes to the financial statements for the year ended 31 December 2013 (continued)

10 Intangible Assets – Group 2013

	Exploration and Project Development expenses $'000
Cost	
As at 1 January 2013	10,687
Additions	1,662
As at 31 December 2013	**12,349**
Accumulated amortisation and impairment	
As at 1 January 2013	-
Amortisation charge for the year	-
Impairment charge	-
Balance at 31 December 2013	-
Net book value	
As at 31 December 2013	**12,349**
As at 31 December 2012	10,687

Intangible Assets – Group 2012

	Exploration and Project Development expenses $'000
Cost	
As at 1 January 2012	3,896
Additions	6,791
As at 31 December 2012	**10,687**
Accumulated amortisation and impairment	
As at 1 January 2012	-
Amortisation charge for the year	-
Impairment charge	-
Balance at 31 December 2012	-
Net book value	
As at 31 December 2012	**10,687**
As at 31 December 2011	3,896

The Directors undertook an impairment review of the Group's intangible assets as at 31 December 2013. The format of the review was by assessing the carrying value of assets as at 31 December 2013 in its subsidiaries and no additional impairment charges were required further to the write off of the Dry-Well costs in Belize which was made directly to the Income Statement.

11 Inventories

Inventories total $90,000 (2012: $464,000) and comprise drilling and related consumables and are stated at the lower of cost and estimated net realisable value.

12 Trade and other receivables

	2013		2012	
Current trade and other receivables	**Group $000's**	**Company $000's**	Group $000's	Company $000's
Prepayments	449	442	300	296
Other receivables - Related Parties	864	864	-	-
- Drilling Advances	-	-	1,603	-
- Other	-	-	100	100
Equity swap	187	187	-	-
	1,500	1,493	2,003	396
Non – current trade and other receivables				
Amounts due from subsidiaries	-	33,324	-	24,967
Provision	-	(20,975)	-	(14,279)
	-	12,349	-	10,688

Included within prepayments are legal and professional costs of $437,000 to be written off as expenses against the Niel Petroleum S.A. subscription.

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 carrying amount of trade and other receivables approximates their fair value.

13 Trade and other payables – current

	2013		2012	
	Group $000's	**Company $000's**	Group $000's	Company $000's
Trade payables	353	344	3,733	959
Accruals	77	54	329	191
Other payables	125	-	264	-
	555	398	4,326	1,150

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

14 Share capital

	2013 Number of shares	2012 Number of shares
<u>Called up, allotted, issued and fully paid</u>:		
As at 31 December		
Ordinary shares of no par value	**702,723,713**	358,974,829
	=========	=========

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.

Further to the approval of shareholders at the Annual General meeting on 12 September 2013, the completion of the subscription by Niel Petroleum S.A. to acquire 2,184,897,959 ordinary shares at a price of 0.735p is anticipated to occur prior to 30 July 2014.

15 Outstanding warrants and options

As at 31 December 2013 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;
- 66,844,000 warrants exercisable at 10p expiring on 11 May 2014;
- 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.

16 Share-based payments

The group operates 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.
The Group also operates a Discretionary Annual Bonus Plan that may be paid in Ordinary Shares.
As at 31 December 2013 no amounts have been provided or accrued in relation to the above schemes.

16 (cont)

Following Re-Admission to Aim on 25 July 2012, the Non-Executive Directors were granted Options to Subscribe for Ordinary Shares with the fair value of the services received being recognised as an expense equal to the fair value of the options.
Additionally, during 2012, certain professional advisors were issued with 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.
The fair value of these warrants 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.

The fair value of warrants and options totalling $770,000 granted during 2012 determined using the Black-Scholes valuation model was:-

- 6,375,000 warrants at 8p expiring 16/3/15 – 4.8 cents
- 2,375,000 warrants at 8p expiring 27/7/17 – 4.6 cents
- 2,750,000 options at 9.25p expiring 25/7/22 – 4 cents
- 5,598,251 warrants at 9p expiring 16/10/15 – 4.4 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.

The fair value of the 18,900,000 warrants expiring on 28 March 2016 totalling $150,000 granted on 28 March 2013 was similarly determined at 0.8 cents.

17 Investment in subsidiaries

	2013 $000's	2012 $000's
As at 1 January	**26**	26
Additions	**-**	-
At 31 December	**26**	26

Notes to the financial statements for the year ended 31 December 2013 (continued)

17 (cont)

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
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

Notes to the financial statements for the year ended 31 December 2013 (continued)

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 during the year 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 it's 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.

By 31 December 2013, 3,333,333 shares had been closed out for net proceeds of £15,000 ($23,000). The remaining balance has been fair valued at 31 December 2013, based on the benchmark price and formula of the arrangement, with a resulting provision of $378,000 included in the Income Statement.

The Company and YAGM have agreed to suspend four outstanding monthly settlements pending the outcome of the Niel Petroleum share subscription, having made one settlement in April 2014.

	31 December 2013 $'000	31 December 2012 $'000
Fair Value as at 1 January	**-**	-
Cost of equity swap arrangement	**606**	-
Settled during the year	**(41)**	-
Fair value adjustment to 31 December	**(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 $333,333 was made to Hydrocarbon Technologies Limited and after interest charges of $7,258 and repayments of $58,500 were made the amount outstanding was $282,091.
In relation to Peter Sztyk and Georges Sztyk an advance of $666,667 was made to Dynamic Investments Limited and after interest charges of $14,701 and repayments of $99,000 were made the amount outstanding was $582,368.

Included within other payables are travel expenses due to Bill Kelleher of $nil (2012: other payables of $15,000).

Also included within other payables is unpaid Director's fees to Fred Hodder of $ 29,810 (2012: $9,700), to Chris Einchcomb of $24,842 (2012: $12,100) and to Stephen Polakoff of $19,200 (2012: nil).

21 Ultimate controlling party

In the opinion of the Directors there is no controlling party prior to the completion of the subscription offer by Niel Petroleum S.A..

22 Retirement benefit scheme

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

23 Commitments

As at 31 December 2013, the Group has no material commitments unaccounted for in the financial statements.

24 Events after the end of the reporting period

Further to the announcement on 8 May 2014 that New World had signed a binding Framework Agreement which provides for the acquisition of a 49% equity interest in Al-Maraam Al-Ahliya Company for General Trading and Contracting LLC ('Al-Maraam') a company duly registered and established in Kuwait at an initial cost of 1 million Euros with a further 4 million Euros to be paid from the proceeds of the Niel Petroleum S.A. subscription completion, which is anticipated to be prior to 30 July 2014, New World has signed a Sale Purchase Agreement which contains a number of material pre-conditions including due diligence on Al-Maraam.

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 $11,928,000 (2012: $18,709,000 loss).

Corporate Information

DIRECTORS	Bill Kelleher – Executive Chairman Peter Sztyk – Executive Director, Legal/Commercial Georges Sztyk – Executive Financial Director Stephen Polakoff – Non Executive Director Fred Hodder – Non Executive Director Chris Einchcomb – Non Executive Director
COMPANY SECRETARY	Ogier Corporate Services (Jersey) Limited
REGISTERED OFFICE	Ogier House The Esplanade St. Helier, Jersey JE4 9WG Channel Islands
NOMINATED ADVISOR	Beaumont Cornish Limited 2nd Floor, Bowman House, 29 Wilson Street London EC2M 2SJ
AUDITORS	Chapman Davis LLP 2 Chapel Court London SE1 1HH
PUBLIC RELATIONS	St. Brides Media & Finance Ltd Chaucer House 38 Bow Lane London EC4M 9AY
BROKER	Shore Capital Stockbrokers Limited Bond Street House 14 Clifford Street London W1S 4JU
SOLICITORS	Watson, Farley & Williams LLP 15 Appold Street London EC2A 2HB United Kingdom
REGISTRARS	Computershare Investor Services (Jersey) Limited Queensway House Hilgrove Street St. Helier Jersey JE1 1ES Channel Islands