

# Possible acquisition and suspension of trading

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New World Oil and Gas plc ('New World' or the 'Company')

Possible acquisition of Big Sofa Limited

Suspension of trading

Since the 2015 AGM, the Board of New World Oil and Gas plc has been reviewing the Company's strategy, which has included looking at a number of possible acquisition opportunities. Against this background, the Company is now pleased to announce that it has signed a non-binding letter of intent ("LOI") to acquire the entire issued share capital of Big Sofa Limited ("Big Sofa") for new shares in New World (the "Acquisition"). The Acquisition, if completed, would result in New World shareholders having around 45 per cent. of the enlarged group (the "Group") prior to the impact of any associated fund raising.

Big Sofa, originally founded as a marketing consultancy in 2008 and based in Central London, is a technology services company operating in the area of data and, more specifically video and image analytics, part of the global multi-billion £ consumer intelligence market. Big Sofa, through the development of its own technology, is involved in the use of visual data to provide consumer and customer insights in an organised and coherent way. By managing and analysing visual data on this scale, Big Sofa can enable its clients to get closer to how consumers interact and provide them with a competitive edge in developing new products or innovative services.

To date, Big Sofa has won a number of substantial contracts with multi-national consumer brand companies on a global basis as well as being well advanced in discussions with other companies and agencies. This progress underlines Big Sofa's credentials in the sector and the company is now positioned to achieve significant growth. The proposed transaction with New World will provide it with a cash injection and access to capital markets in order to deliver this sizeable growth opportunity.

The Acquisition is subject, inter alia, to the completion of due diligence, documentation and compliance with all regulatory requirements, including the AIM Rules and, as required, the Takeover Code.

As a precursor to the Acquisition, the Company has also agreed to provide Big Sofa with a short-term loan of up to £500,000 for working capital purposes. This loan will be drawn down in two tranches, with £250,000 being drawn immediately. The loan will pay a coupon of 6 per cent., is secured by way of debenture and is fully repayable on 19 October 2016 in the event that the Acquisition does not proceed. It is also envisaged that the Group will seek to raise additional funds from both existing shareholders and new investors to finance the development of the Group going forward.

For the time being, the Company will continue to retain its Belize Licences. However, if the Acquisition completes, the Board will consider withdrawing from its oil and gas activities.

As the Acquisition would amount to a Reverse Takeover under the AIM Rules, the Directors have requested that trading in the Company's shares be suspended with immediate effect pending the publication of the required AIM Admission Document or confirmation that the Acquisition is not proceeding.

The Company intends to hold an Extraordinary General Meeting ("EGM") in June in order to seek shareholder approval for the Company to consider opportunities outside of the oil and gas sector and for release of the second tranche of the loan to Big Sofa. The appropriate notice to convene this meeting will be posted shortly. It should also be noted that if the Acquisition proceeds, specific shareholder consent will also be required at a subsequent meeting in accordance with AIM Rule 14 and associated matters including any applicable requirements of the Takeover Code.

For further information please visit [www.nwoilgas.com](http://www.nwoilgas.com) or contact:

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