

# Placing and Open Offer

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New World Oil & Gas  
11 June 2015

For immediate release

11 June 2015

New World Oil and Gas Plc

('New World' or 'the Company')

Placing and Open Offer

and Appointment of Broker

Placing and Open Offer of up to 3,888,873,028 New Ordinary Shares at a price of 0.09p per New Ordinary Share

The Company announces its intention to raise up to £3.5 million (before expenses) by way of a Placing and Open Offer. A document setting out details of and the terms relating to the Placing and Open Offer (the "Document") is being posted to certain Eligible Shareholders today and is also available to view on the Company's website, [www.nwoilgas.com](http://www.nwoilgas.com)

Unless defined herein, capitalised terms used in this announcement shall have the meaning attributed to them in the Document. The definitions are set out in Appendix II to this announcement.

Summary of the principal terms of the Placing and Open Offer

The Open Offer is for up to 3,888,873,028 Open Offer Shares at the Issue Price to raise gross proceeds of up to £3.5 million. The Issue Price represents a discount of approximately 65.38 per cent. to the middle market closing price per Existing Ordinary Share of 0.26p on 18 May 2015 being the last business day prior to the initial Suspension and a discount of approximately 5.26 per cent. to the middle market closing price per Existing Ordinary Share of 0.095p on 28 April 2015, being the last business day prior to the announcement of the Original Placing.

Accordingly, subject to fulfilment of the conditions set out in the Document, Eligible Shareholders are being given the opportunity to subscribe for Open Offer Shares at the Issue Price *pro rata* to their holdings of Existing Ordinary Shares on the Record Date on the basis of:

## **5.534 Open Offer Shares for each Existing Ordinary Share**

The Board confirms that in connection with the Placing and Open Offer, Cornhill Capital, as placing agent for the Company, has received Placing Commitments from certain persons for 3,888,873,028 Clawback Shares under the Placing, subject to: (i) clawback by Eligible Shareholders under the Open Offer; and (ii) the conditions of the Placing. Further details are set out in Part III of this announcement.

## Background to and Reasons for the Placing and Open Offer

The past two year period has been a difficult time for the Company. The unsuccessful drilling program in Belize was a major disappointment for the Company and the Shareholders, as was the failure by Niel Petroleum to complete its equity investment and the failure to complete the AI Maraam SPA.

As announced on 1 December, 2014, the Company terminated the agreements with Niel Petroleum in relation to its proposed subscription of Ordinary Shares for an aggregate consideration of US\$25 million. As part of these arrangements, Niel Petroleum agreed that sums totalling US\$4.8 million which had been funded by it to the Company be released to, and retained by, the Company in full and final settlement of all liabilities of Niel Petroleum to the Company. Niel Petroleum also agreed to discharge any and all claims that it may have arising out of or in connection with the AI Maraam SPA or any payment made by New World thereunder or in connection therewith. Despite this settlement, the Company was left with very little funding to finance on-going operations and seek out investment opportunities.

The position regarding Directors' salaries was incorrectly summarised at the EGM and is as follows. In order to preserve the Company's cash position, effective November 2014, all Directors accepted a 50% reduction of their fees and management service contract payments. Beginning March 2015, all non-executive Directors would accrue salaries until such time that the Remuneration Committee determines that the Company has adequate cash reserves. Between May and November 2014, the executive Directors allocated 20% of their service contract fees as a repayment of the director loans dating back to the March 2014 placing. From November 2014 to February 2015, the executive Directors accepted a 50% reduction in all salary payments and continued to repay 20% against the outstanding loans. From February 2015, executive Directors have not received any cash payments, and all fees payable to them have been applied against the outstanding loans. Payments in cash to the executive Directors will re-commence at such time that the Remuneration Committee determines that the Company has adequate cash reserves.

The Company is in discussions with the principals of AI Maraam to recover the Euro 1.0 million deposit paid to AI Maraam. The Company is hopeful to reach a final settlement but will consider other alternatives should this not be possible.

The current cash position of the Company (as at opening of business on 8 June 2015), excluding any funds owed to the Company pursuant to the AI Maraam SPA, stands at approximately £290,000. Based upon the current rate of spending and in the absence of raising any funds pursuant to the Placing and Open Offer, the Directors expect this balance to last for no more than three months.

In early 2015, a London broker, with a plan to raise £3 million to finance the drilling of a third well in Belize to fulfill work program requirements, approached the Company. 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), through the issue of 2,727,272,727 Original Placing Shares at a price of 0.055p per Original Placing Share. Issuance of the Original Placing Shares was conditional upon the necessary shareholder resolutions being passed at the EGM held on 19 May 2015. These resolutions were not passed at the EGM and, accordingly, the Original Placing did not proceed and the Original Placing Shares were not allotted nor admitted to trading on AIM.

Following the announcement of the Original Placing, the Company noted the high level of 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 now has decided that it should proceed with a Placing and Open Offer. 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.

Whilst the Company has previously announced its intention to make an open offer at 0.055p, being the price of the Original Placing, the Board has in the light of events reconsidered what would be an appropriate price for the Placing and Open Offer. In particular, they have reconsidered one which balances

the Company's need for funds and the need to have an equity fundraising pre-placed at an advantageous price for the Company against one which gives Eligible Shareholders the opportunity of subscribing for Ordinary Shares at what they might consider an attractive price. The Board has therefore focused on the Ordinary Share price immediately prior to the announcement of the Original Placing which was a closing price of 0.095p on 28 April, 2015 and has agreed with Cornhill Capital that the Placing and Open Offer should be conducted at an issue price of 0.09p per Ordinary Share.

On 19 May 2015, the Ordinary Shares were suspended from trading on AIM 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 now proposes to raise up to £3.5 million (before expenses) by way of the Placing and Open Offer at a price of 0.09p per share.

The net proceeds of the Placing and Open Offer will be used to progress the Group's projects, to fund additional new interests and for general working capital purposes, as set out more fully in paragraph 7 of the Document.

Significant costs and management time have been, and continue to be, expended on dealing with issues surrounding the EGM, trading issues relating to the Ordinary Shares, considering the settlement issues relating to the Ordinary Shares and in arranging the Placing and Open Offer. If the Placing and Open Offer 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 as they may agree, acting in good faith, to be 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. If the Company and Cornhill Capital are unable to identify or agree on such steps, the Board may be faced with no alternative but to commence winding-up of the Company.

## Conclusion

Following the defeat of the resolution necessary to effect the Original Placing at the EGM, the Board considered the various options available to it to raise funds and to resolve the settlement issues the Company has found itself in. In particular, the Board has considered the following key factors:

- 1. The Company still requires funding among other things to enable it to maintain its interests in and find farm-in partners for its existing projects in Belize and Denmark, to fund additional new interests and for general working capital purposes.**
- 2. After an extensive placing exercise in early 2015 which failed to generate sufficient interest in investing in the Company's shares, the Board was approached by Cornhill Capital and as a result entered into the Original Placing. At that time, there was no indication that there was any substantial interest in the Company's shares let alone sufficient to consider an open offer to Shareholders and, in any case, the Original Placing was subject to Shareholders' approval.**
- 3. As a result of the settlement issues resulting from short selling and other trades in the Ordinary Shares or intervention by market participants, subsequent to the announcement of the Original Placing, it is clear that the settlement issues in the Ordinary Shares will only be resolved when there has been a substantial issue of new Ordinary Shares and the settlement issues can be resolved. It is vital, therefore, that any plan put in place ensures that this can be the case and therefore Cornhill Capital as placing agent for the Company has obtained Placing Commitments for**

3,888,873,028 Shares subject to clawback by Eligible Shareholders under the Open Offer. Placing Commitments were obtained as there can be no assurance that Eligible Shareholders will either be able or wish sufficiently to take up the issue.

4. The Company has, for the reasons already stated, decided that it should proceed with the Placing and Open Offer. 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.

5. The Board has in the light of events reconsidered what would be an appropriate price for the Placing and Open Offer. In particular, they have reconsidered one which balances the Company's need for funds and the need to have an equity fundraising pre-placed at an advantageous price for the Company against one which gives Eligible Shareholders the opportunity of subscribing for Ordinary Shares at what they might consider an attractive price. The Board has therefore focused on the Ordinary Share price immediately prior to the announcement of the Original Placing which was a closing price of 0.095p on 28 April 2015 and has agreed with Cornhill Capital that the Placing and Open Offer should be conducted at an issue price of 0.09p per Ordinary Share (compared to the intended price of 0.055p as previously announced).

6. Given the uncertainty as to the full extent of the settlement problems in the Ordinary Shares, the Board has resolved to make the Open Offer as large as it can without the need for publishing a prospectus, which would be impractical in the circumstances.

7. Therefore, taking all these factors into account, the Board's decision has been to proceed with a Placing and Open Offer to raise up to £3.5 million before expenses at a price of 0.09p per New Ordinary Share, placed subject to clawback by Eligible Shareholders under the Open Offer.

The Board therefore believes that the Placing and Open Offer is in the best interests of the Company and the Shareholders as a whole, in order to allow the Company to raise funds to enable it to maintain its current operations and pursue its future plans.

For further details of the Placing and Open Offer please refer to Parts I - III of this announcement.

#### Appointment of Broker

The Company confirms the appointment of Cornhill Capital Limited as broker to the Company with immediate effect.

|                     |                                   |                           |
|---------------------|-----------------------------------|---------------------------|
| Enquiries:          |                                   |                           |
| Georges Sztyk       | New World Oil and Gas Plc         | Tel: +1 646 407 9946      |
| Peter Sztyk         | New World Oil and Gas Plc         | Tel: +1 917 215 7122      |
| Roland Cornish      | Beaumont Cornish Limited (Nomad)  | Tel: +44 (0) 20 7628 3396 |
| Felicity Geidt      | Beaumont Cornish Limited (Nomad)  | Tel: +44 (0) 20 7628 3396 |
| Lottie Brocklehurst | St Brides Partners Ltd            | Tel: +44 (0) 20 7236 1177 |
| Frank Buhagiar      | St Brides Partners Ltd            | Tel: +44 (0) 20 7236 1177 |
| Nicholas Bealer     | Cornhill Capital Limited (Broker) | Tel: +44 (0) 20 7710 9612 |
| Andrew Frangos      | Cornhill Capital Limited (Broker) | Tel: +44 (0) 20 7710 9611 |

## Part I

### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

|   |                                  |
|---|----------------------------------|
| Record Date for Open Offer  | Close of business on 5 June 2015 |
| Publication and despatch of the Document and Application Form   | 11 June 2015                     |
| Expected ex-entitlement date for Open Offer   | 11 June 2015                     |
| Open Offer Entitlements credited to stock accounts in CREST for Eligible CREST Shareholders   | 12 June 2015                     |
| Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST   | 4.30 p.m. on 30 June 2015        |
| Latest time for depositing Open Offer Entitlements into CREST   | 3.00 p.m. on 1 July 2015         |
| Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims)  | 3.00 p.m. on 2 July 2015         |
| <b>Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)</b> | 11.00 a.m. on 6 July 2015        |
| Expected date of announcement of results of the Placing and Open Offer  | 7 July 2015                      |
| Admission of the New Ordinary Shares to AIM (See Note 3)  | 8.00 a.m. on 10 July 2015        |
| CREST member accounts expected to be credited with the New Ordinary Shares in uncertificated form (See Note 4)  | 10 July 2015                     |
| Despatch of definitive share certificates in respect of the New Ordinary Shares in certificated form (See Note 4)   | by 24 July 2015                  |

Notes:

(1) References to times in this announcement and in the Document are to London time (unless otherwise stated).

(2) Each of the dates and times in the above timetable is subject to change at the absolute discretion of the Company. If any of the details should change, where the Board considers appropriate, the revised

times and/or dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service.

(3) The date of Admission may be extended to such date as the Company and Cornhill Capital may agree, not being later than 8.00 a.m. on 31 July 2015. Completion of the Placing and Open Offer is not conditional on the Restoration of Trading becoming effective.

(4) Date to be adjusted as required.

Part II

## SHARE CAPITAL AND PLACING AND OPEN OFFER STATISTICS

|  |                |
|--|----------------|
| Number of Existing Ordinary Shares   | 702,723,713    |
| Number of Open Offer Shares available under the Open Offer   | 3,888,873,028  |
| Number of Clawback Shares in respect of which Placing Commitments have been received subject to the conditions of the Placing and Open Offer | 3,888,873,028  |
| Enlarged Share Capital following the Placing and Open Offer(1)   | 4,591,596,741  |
| Issue Price of the Open Offer Shares and Clawback Shares   | 0.09 pence     |
| Issue Price discount to the middle market closing price on 18 May 2015 (the last closing price before the Suspension)                        | 65.4 per cent. |
| Market capitalisation of the Company following the Placing and Open Offer at the Issue Price(1)  | £4.1 million   |
| Approximate percentage of the Enlarged Share Capital represented by the New Ordinary Shares(1)   | 84.7 per cent. |
| Gross proceeds of the Placing and Open Offer(1)  | £3.5 million   |
| Estimated net proceeds of the Placing and Open Offer(1)  | £2.8 million   |
| ISIN of the Ordinary Shares  | JE00B65FK239   |
| ISIN of the Open Offer Entitlements  | JE00BYMT3S13   |

Notes:

(1) Assumes the maximum number of New Ordinary Shares under the Placing and Open Offer are allotted, no cash box placing as referred to in paragraph 5 of Part 1 of the Document and no allotment of Ordinary Shares pursuant to the warrants/options/subsorption rights referred to in paragraphs 3.2, 4 and 6 of Part 4 of the Document. Please also refer to paragraphs 6 ("*Dilution*") and 7 ("*Use of Proceeds*") of Part 1 of the Document.

## Part III

**Set out below, without material amendment or adjustment, is the Letter from the Chairman of New World as included in Part I of the Document.**

"LETTER FROM THE CHAIRMAN

### NEW WORLD OIL AND GAS PLC

(Incorporated in Jersey with registration number 105517)

|   |                    |
|---|--------------------|
| Directors:  | Registered office: |
| Petro ("Peter") Roman Szytk ( <i>Chief Executive Officer</i> )          | 44 Esplanade       |
| Christopher Charles Gilbert Einchcomb ( <i>Non-Executive Chairman</i> ) | St. Helier         |
| Georges Nicolas Szytk ( <i>Finance Director</i> )                       | Jersey JE4 9WG     |
| Stephen Polakoff ( <i>Non-Executive Director</i> )                      | Channel Islands    |
| Roland Frederick Hodder ( <i>Non-Executive Director</i> )               |                    |

11 June 2015

To Shareholders and, for information purposes only, the holders of options and warrants over Ordinary Shares and, where permitted, Permitted Beneficiaries

Dear Shareholder,

## 1. INTRODUCTION AND SUMMARY

The Company has today announced its intention to raise up to £3.5 million (before expenses) by way of a Placing and Open Offer at the Issue Price. The Issue Price represents a discount of approximately 65.38 per cent. to the middle market closing price per Existing Ordinary Share of 0.26p on 18 May 2015 being the last business day prior to the initial Suspension and a discount of approximately 5.26 per cent. to the middle market closing price per Existing Ordinary Share of 0.095p on 28 April 2015, being the last business day prior to the announcement of the Original Placing.

Accordingly, subject to fulfilment of the conditions set out in this document, Eligible Shareholders are being given the opportunity to subscribe for Open Offer Shares at the Issue Price *pro rata* to their holdings of Existing Ordinary Shares on the Record Date on the basis of:

### 5.534 Open Offer Shares for each Existing Ordinary Share

The Board is pleased to confirm that in connection with the Placing and Open Offer, Cornhill Capital, as placing agent for the Company, has received Placing Commitments from certain persons for 3,888,873,028 Clawback Shares under the Placing, subject to: (i) clawback by Eligible Shareholders under the Open Offer; and (ii) the conditions of the Placing.

The purpose of this document is to outline the reasons for, and to explain the terms of the Placing and Open Offer and to explain why the Board considers the Placing and Open Offer to be in the best interests of the Company and of Shareholders as a whole.

## 2. BACKGROUND TO AND REASONS FOR THE PLACING AND OPEN OFFER

The past two year period has been a difficult time for the Company. The unsuccessful drilling program in Belize was a major disappointment for the Company and our Shareholders, as was the failure by Niel Petroleum to complete its equity investment and the failure to complete the AI Maraam SPA.

As announced on 1 December, 2014, the Company terminated the agreements with Niel Petroleum in relation to its proposed subscription of Ordinary Shares for an aggregate consideration of US\$25 million. As part of these arrangements, Niel Petroleum agreed that sums totalling US\$4.8 million which had been funded by it to the Company be released to, and retained by, the Company in full and final settlement of all liabilities of Niel Petroleum to the Company. Niel Petroleum also agreed to discharge any and all claims that it may have arising out of or in connection with the AI Maraam SPA or any payment made by New World thereunder or in connection therewith. Despite this settlement, the Company was left with very little funding to finance on-going operations and seek out investment opportunities.

The position regarding Directors' salaries was incorrectly summarised at the EGM and is as follows. In order to preserve the Company's cash position, effective November 2014, all Directors accepted a 50% reduction of their fees and management service contract payments. Beginning March 2015, all non-executive Directors would accrue salaries until such time that the Remuneration Committee determines that the Company has adequate cash reserves. Between May and November 2014, the executive Directors allocated 20% of their service contract fees as a repayment of the director loans dating back to the March 2014 placing. From November 2014 to February 2015, the executive Directors accepted a 50% reduction in all salary payments and continued to repay 20% against the outstanding loans. From February 2015, executive Directors have not received any cash payments, and all fees payable to them have been applied against the outstanding loans. Payments in cash to the executive Directors will re-commence at such time that the Remuneration Committee determines that the Company has adequate cash reserves.

The Company is in discussions with the principals of Al Maraam to recover the Euro 1.0 million deposit paid to Al Maraam. The Company is hoping to reach a final settlement but will consider other alternatives should this not be possible.

The current cash position of the Company (as at opening of business on 8 June 2015), excluding any funds owed to the Company pursuant to the Al Maraam SPA, stands at approximately £290,000. Based upon the current rate of spending and in the absence of raising any funds pursuant to the Placing and Open Offer, the Directors expect this balance to last for no more than three months.

In early 2015, a London broker, with a plan to raise £3 million to finance the drilling of a third well in Belize to fulfill work program requirements, approached the Company. 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), through the issue of 2,727,272,727 Original Placing Shares at a price of 0.055p per Original Placing Share. Issuance of the Original Placing Shares was conditional upon the necessary shareholder resolutions being passed at the EGM held on 19 May 2015. These resolutions were not passed at the EGM and, accordingly, the Original Placing did not proceed and the Original Placing Shares were not allotted nor admitted to trading on AIM.

Following the announcement of the Original Placing, the Company noted the high level of 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 now has decided that it should proceed with a Placing and Open Offer. 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.

Whilst the Company has previously announced its intention to make an open offer at 0.055p, being the price of the Original Placing, the Board has in the light of events reconsidered what would be an appropriate price for the Placing and Open Offer. In particular, they have reconsidered one which balances the Company's need for funds and the need to have an equity fundraising pre-placed at an advantageous price for the Company against one which gives Eligible Shareholders the opportunity of subscribing for Ordinary Shares at what they might consider an attractive price. The Board has therefore focused on the Ordinary Share price immediately prior to the announcement of the Original Placing which was a closing price of 0.095p on 28 April, 2015 and has agreed with Cornhill Capital that the Placing and Open Offer should be conducted at an issue price of 0.09p per Ordinary Share.

On 19 May 2015, the Ordinary Shares were suspended from trading on AIM 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 now proposes to raise up to £3.5 million (before expenses) by way of the Placing and Open Offer at a price of 0.09p per share.

The net proceeds of the Placing and Open Offer will be used to progress the Group's projects, to fund additional new interests and for general working capital purposes, as set out more fully in paragraph 7. below.

Significant costs and management time have been, and continue to be, expended on dealing with issues surrounding the EGM, trading issues relating to the Ordinary Shares, considering the settlement issues relating to the Ordinary Shares and in arranging the Placing and Open Offer. If the Placing and Open Offer 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 as they may agree, acting in good faith, to be 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. If the Company and Cornhill Capital are unable to identify or agree on such steps, the Board may be faced with no alternative but to commence winding-up of the Company.

### **3. INFORMATION ON THE GROUP AND OPERATIONAL UPDATE**

New World, through its subsidiaries, has interests in four concessions in Belize and in Denmark. Each concession is at a slightly different stage of exploration maturity and the Group's strategy is to realise the potential of these concessions, through continued exploration with the assistance of farm-in partners, being sought by the Group. The Group is also looking to pursue additional new opportunities, in particular opportunities in the oilfield enhancement space.

#### **Belize**

##### Blue Creek Project

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 licence 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 licence, 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 licence 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 Jutland Project and the Danica Resources Project

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, re-evaluation 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 unrisks 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 was originally expected in Q2 2015 but this has been delayed due to the amount of management time that has been involved in dealing with Company issues over the last 6 weeks including the Original Placing, the EGM, the settlement issues in the Ordinary Shares and the Placing and Open Offer. 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.

### **New Opportunities**

Since the termination of the Company's agreements with Niel Petroleum, the Company has re-directed its efforts to finding a project that has the potential to generate immediate or short-term cashflow. Given its cash position, the Company has limited its search to projects that require minimum initial outlays to secure a position in projects and it is actively evaluating such opportunities. Our analysis has indicated that oilfield enhancement is an area that requires minimum up-front investment and potentially very interesting upside. The Company has been negotiating with companies that are knowledgeable in their respective geographical areas, with good contacts and technical expertise in oilfield enhancement. The Company feels that its field operations experience, coupled with good local partners, provides the best potential for future development.

## **4. THE PLACING AND OPEN OFFER**

The Open Offer is for up to 3,888,873,028 Open Offer Shares at the Issue Price, to raise gross proceeds of up to £3.5 million.

**Only Eligible Shareholders on the register as at the Record Date of 5 June 2015 will be able to participate in the Open Offer. The Open Offer is not a rights issue. Eligible CREST Shareholders should note that although the Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Eligible Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Eligible Non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded or transferred. Eligible Non-CREST Shareholders should note that applications may only be made on the Application Form and may only be made by the Eligible Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to the Open Offer.**

The Open Offer is not subject to a minimum subscription by individual Eligible Shareholders or a minimum aggregate subscription amount.

The Company has entered into the Placing Agreement with Cornhill Capital pursuant to which Cornhill Capital has conditionally agreed to use its reasonable endeavours to procure subscribers for up to 3,888,873,028 Shares (being the same number as the Open Offer Shares) subject to clawback by Eligible Shareholders under the Open Offer. Further details of the Placing Agreement are set out in paragraph 4 of Part 4 of this document.

Accordingly, Cornhill Capital, as placing agent for the Company, has received conditional Placing Commitments from placees representing commitments in aggregate for £3.5 million for 3,888,873,028 Clawback Shares at the Issue Price, which are subject to clawback by Eligible Shareholders under the Open Offer. The Placing is not underwritten or guaranteed. Further details of the Placing Commitments are set out in paragraph 5 of Part 4 of this document.

The Open Offer constitutes an offer of Ordinary Shares in compliance with the pre-emption rights contained in articles 2.8 to 2.15 of the Articles of Association.

Subject to the fulfilment of the terms and conditions referred to in this document and, where relevant, set out in the Application Form, Eligible Shareholders are being given the opportunity to apply for Open Offer Shares at a price of 0.09p *pro rata* to their holdings of Existing Ordinary Shares on the Record Date, free of expenses, payable in full, in cash on application, on the basis of:

## **5.534 Open Offer Shares for each Existing Share**

registered in the name of each Eligible Shareholder at the Record Date.

The participation by an Eligible Shareholder for its Open Offer Entitlement does not guarantee that its percentage shareholding will not be diluted from the position prior to the Placing and the Open Offer as a result of the Placing and the Open Offer.

If you are an Eligible Non-CREST Shareholder you will have received an Application Form with this document and you should refer to paragraph 4(i) and paragraphs 5 to 11 of Part 3 of this document.

If you are an Eligible CREST Shareholder you will have received a credit of Open Offer Entitlements to your CREST stock account and you should refer to paragraph 4(ii) and paragraphs 5 to 11 of Part 3 of this document and also to the CREST Manual for further information on the CREST procedures referred to below.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission of the New Ordinary Shares will become effective at 8.00 a.m. on 10 July 2015 (or such later time and/or date as the Company and Cornhill Capital may agree, not being later than 8.00 a.m. on 31 July 2015).

**Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, are set out in Part 3 of this document and, where appropriate, in the Application Form, which you should read in full. Eligible Shareholders who subscribe for Open Offer Shares represent, warrant, agree and acknowledge that they have reviewed the representations, warranties, covenants, agreements and acknowledgements set out in Schedule 1 of this document and, in applying for Open Offer Shares, are deemed to have given such representations, warranties, covenants, agreements and acknowledgements.**

For Eligible Non-CREST Shareholders, completed Application Forms, accompanied by full payment, should be returned by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH, United Kingdom or by hand to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE (during normal business hours only) so as to arrive as soon as possible and in any event so as to be received no later than 11.00 a.m. on 6 July 2015. For Eligible CREST Shareholders the relevant CREST instructions must have settled as explained in this document by no later than 11.00 a.m. on 6 July 2015.

The Placing and Open Offer is conditional, amongst other things, upon:

- (i) Admission becoming effective by not later than 8.00 a.m. on 10 July 2015 (or such later time and/or date as the Company and Cornhill Capital may agree, not being later than 8.00 a.m. on 31 July 2015); and
- (ii) the Placing Agreement not having been terminated in accordance with its terms.

Accordingly, if any of such conditions are not satisfied, or, if applicable, waived, the Placing and Open Offer will not proceed and any Open Offer Entitlements admitted to CREST will thereafter be disabled.

The Placing and Open Offer is not conditional on the Restoration of Trading becoming effective. Restoration is not expected to take place until settlement issues in the Ordinary Shares have improved to enable orderly trading. The Restoration of Trading is subject to the Rules of the London Stock Exchange. Accordingly, New Ordinary Shares which are subscribed for under the Placing and Open Offer shall remain suspended from trading on AIM until the Restoration of Trading is effective. Whilst the Company intends the measures set out in this document to improve the settlement issues in the Ordinary Shares, there is no

guarantee that the measures will be sufficient to enable Restoration. If the Restoration of Trading is not effected within six months from the date of Suspension i.e. by 19 November 2015, in accordance with rule 41 of the AIM Rules for Companies, it is expected that the Company's admission to trading on AIM will be cancelled. If the Restoration of Trading is not effected, in addition, the Company may be faced with no alternative but to commence winding-up of the Company.

**If you have sold or otherwise transferred all of your registered holding of Existing Ordinary Shares before the Record Date, please forward this document, together with the accompanying Application Form (having completed Box J on the Application Form), at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom or by whom the sale or transfer was made, for delivery to the purchaser or transferee. However, this document and any accompanying documents should not be sent or transmitted in, or into, any jurisdiction where to do so might constitute a violation of local securities law or regulations. If your Existing Ordinary Shares which were sold or transferred were held in uncertificated form and were sold or transferred before that date, a claim transaction will automatically be generated by Euroclear which, where the purchaser or transferee is a Eligible CREST Shareholder, on settlement, will transfer the appropriate number of Open Offer Entitlements to the purchaser or transferee. If you are in any doubt as to your position as regards such claims, you should seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate financial adviser duly authorised under FSMA who specialises in advising on the acquisition of shares and other securities.**

## **5. SUSPENSION AND RESTORATION OF TRADING**

You should note that the Shares are currently suspended on AIM and the Placing and Open Offer is not conditional on Restoration of Trading becoming effective. Restoration is not expected to take place until settlement issues in the Ordinary Shares have improved to enable orderly trading. The Restoration of Trading of the Existing Ordinary Shares and the New Ordinary Shares is subject to the Rules of the London Stock Exchange. Accordingly New Ordinary Shares subscribed under the Placing and Open Offer shall continue to remain suspended from trading on AIM until the Restoration of Trading is effected. Whilst the Company intends the measures set out in this document to improve the settlement issues in the Ordinary Shares, there is no guarantee that the measures will be sufficient to enable Restoration.

Should the results of the Placing and Open Offer 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 as they may agree, acting in good faith, to be 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, in which case further potentially significant dilution may result from such placing. If the Company and Cornhill Capital are unable

to identify or agree on such steps, the Board may be faced with no alternative but to commence winding-up of the Company.

If the Restoration of Trading is not effected within six months from the date of Suspension i.e. by 19 November 2015, in accordance with rule 41 of the AIM Rules for Companies, it is expected that the Company's admission to trading on AIM will be cancelled.

## 6. DILUTION

The Placing and Open Offer, if fully subscribed, will result in the issue of 3,888,873,028 New Ordinary Shares (representing approximately 84.7 per cent. of the Enlarged Share Capital of the Company). The New Ordinary Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares and will rank for all dividends or other distributions declared, made or paid after the date of issue of the Open Offer Shares. No temporary documents of title will be issued for the Open Offer.

Shareholders who do not elect to participate in the Open Offer will suffer a maximum dilution, as a result of completion of the Placing and Open Offer, as set out in the table below:

| Number of New Ordinary Shares Issued | Dilution to non-participating Shareholders |
|--------------------------------------|--|
| 3,888,873,028*                       | 84.7%*                                     |

Under the warrants and other subscription rights granted to Cornhill Capital under the Placing Agreement as set out in paragraphs 4 and 6 of Part 4 of this document, and assuming no Open Offer Entitlements are taken up by Eligible Shareholders under the Open Offer, Cornhill Capital may be issued with a total of 454,341,848 Ordinary Shares which would result in a maximum total number of Ordinary Shares in issue of 5,045,938,589, representing a fully diluted dilution to non-participating Shareholders of 86.1%.\*

\* Assuming full subscription under the Placing and Open Offer, no cash box placing as referred to in paragraph 5 above of this Part 1 and no exercise of the warrants/options referred to in paragraph 3.2 of Part 4 of this document. If a cash box placing occurs, significant dilution may result from such placing.

The participation of an Eligible Shareholder for its Open Offer Entitlement does not guarantee that its percentage shareholding will not be diluted from the position prior to the Placing and the Open Offer as a result of the Placing and the Open Offer.

## 7. USE OF PROCEEDS

It is intended that the net proceeds of the Placing and Open Offer (being approximately £2.8 million, assuming full subscription under the Placing and Open Offer and after including expenses relating to the EGM) together with existing cash balances, will be used by the Group to:

- continue efforts to find farm-in partners for the Blue Creek Project in Belize and the Danica Jutland Project and Danica Resources Project in Denmark;
- pursue farm-in and/or acquisition opportunities for oilfield enhancement and reactivation projects and to fund initial work programmes to generate early cash flows;
- fund the 2015 work programmes for the Danica Jutland Project and Danica Resources Project in Denmark prior to making a drill or drop decision by 15 September 2015;

- retain and maintain the Belize Blue Creek Project and make sufficient preparation to enable a quick drilling decision should additional sufficient funds be raised following the Placing and Open Offer; and
- provide general corporate and working capital for the Group into 2015.

It is intended that the net proceeds of the Placing and Open Offer, assuming full subscription under the Placing and Open Offer, will be applied as follows:

|   |        | £         |
|---|--------|-----------|
| <b>Sources(1) &amp; Uses of Funds:</b>                      |        |           |
| Cash Balance as at open of business, on 8 June 2015         |        | 290,000   |
| Anticipated Net Proceeds from the Placing and Open Offer(2) |        | 2,800,000 |
| Total Cash Available  |        | 3,090,000 |
| <b>Uses of Funds:</b>                                       |        |           |
| Operating Overheads   |        | 385,000   |
| Program Commitments   |        |           |
| Belize  | 35,000 |           |
| Denmark   | 10,000 | 45,000    |
| New projects  |        |           |
| Middle East   |        | 2,000,000 |
| Total Uses of Funds   |        | 2,430,000 |
| Available Cash  |        | 660,000   |

(1) These amounts do not take into account any funds owed to the Company pursuant to the Al Maram SPA or the amount of outstanding loans of approximately £322,355 owed by the Directors (and their connected persons) to the Company.

(2) Assumes maximum number of New Ordinary Shares are allotted pursuant to the Placing and Open Offer. Includes expenses relating to the EGM.

## 8. DIRECTORS' SHAREHOLDINGS

Details of the Directors interests in the issued and unissued share capital of the Company as at the date of this document and following completion of the Placing and Open Offer are set out in paragraph 3 of Part 4 of this document.

## 9. ACTION TO BE TAKEN BY SHAREHOLDERS IN RESPECT TO THE OPEN OFFER

If you are an Eligible Non-CREST Shareholder, you will have received an Application Form which gives details of your maximum entitlement under the Open Offer (as shown by the Open Offer Entitlements allocated to you). If you wish to apply for Open Offer Shares under the Open Offer, of which, subject to satisfaction of the terms and conditions set out in this document and the Application Form, any application for your Open Offer Entitlement shall be satisfied in full, you should complete the enclosed Application Form in accordance with the procedure for application set out in paragraph 4(i) of Part 3 of this document and on the Application Form itself.

If you are an Eligible CREST Shareholder, no Application Form is enclosed and you will instead receive a credit to your appropriate stock account in CREST in respect of your Open Offer Entitlement representing your maximum entitlement under the Open Offer. You should refer to the procedure for application set out in paragraph 4(ii) of Part 3 of this document.

**The latest time for applications under the Open Offer to be received is 11.00 a.m. on 6 July 2015. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement. The procedures for application and payment are set out in Part 3 of this document. Further details also appear in the Application Form which has been sent to Eligible Non-CREST Shareholders.**

Eligible CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

## **10. OVERSEAS SHAREHOLDERS**

Information for Shareholders who have registered addresses outside the Relevant Jurisdictions appears in paragraph 7 of Part 3 of this document, which sets out the restrictions applicable to such persons. If you are an Overseas Shareholder, it is important that you read that part of this document.

## **11. TAXATION**

Information regarding taxation in the United Kingdom and in Jersey in connection with the Open Offer is set out in paragraph 6 of Part 3 of this document. Shareholders who are in any doubt as to their tax position, or who are subject to tax in any other jurisdiction, should consult their professional adviser as soon as possible.

## **12. RISK FACTORS AND ADDITIONAL INFORMATION**

Your attention is drawn to the risk factors in Part 2 of this document which are important and should be read in full and the additional information set out in Part 4 of this document.

## 13. SETTLEMENT, DEALINGS AND CREST

Application will be made to AIM for Admission to trading of the New Ordinary Shares. It is expected that Admission of the New Ordinary Shares will become effective at 8.00 a.m. on 10 July 2015 (or such later time and/or date as the Company and Cornhill Capital may agree, not being later than 8.00 a.m. on 31 July 2015). The Placing and Open Offer is not conditional on the Restoration of Trading becoming effective. Restoration is not expected to take place until settlement issues in the Ordinary Shares have improved to enable orderly trading. The Restoration of Trading is subject to the Rules of the London Stock Exchange. Accordingly, New Ordinary Shares which are subscribed for under the Placing and Open Offer shall remain suspended from trading on AIM until the Restoration of Trading is effective. Whilst the Company intends the measures set out in this document to improve the settlement issues, there is no guarantee that the measures will be sufficient to enable Restoration. Further details of the settlement arrangements in relation to the Open Offer are set out in paragraph 8 of Part 3 of this document.

Placees that have asked to hold their New Ordinary Shares in uncertificated form will have their CREST accounts credited on the day of Admission. Where placees have requested to receive their New Ordinary Shares in certificated form, share certificates will be despatched at the placee's risk within 14 days of Admission.

Application will be made for the New Ordinary Shares to be admitted to CREST with effect from Admission. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

## 14. CONCLUSION

Following the defeat of the resolution necessary to effect the Original Placing at the EGM, the Board considered the various options available to it to raise funds and to resolve the settlement issues the Company has found itself in. In particular, the Board has considered the following key factors:

- 1. The Company still requires funding among other things to enable it to maintain its interests in and find farm-in partners for its existing projects in Belize and Denmark, to fund additional new interests and for general working capital purposes.**
- 2. After an extensive placing exercise in early 2015 which failed to generate sufficient interest in investing in the Company's shares, the Board was approached by Cornhill Capital and as a result entered into the Original Placing. At that time, there was no indication that there was any substantial interest in the Company's shares let alone sufficient to consider an open offer to Shareholders and, in any case, the Original Placing was subject to Shareholders' approval.**
- 3. As a result of the settlement issues resulting from short selling and other trades in the Ordinary Shares or intervention by market participants, subsequent to the announcement of the Original Placing, it is clear that the settlement issues in the Ordinary Shares will only be resolved when there has been a substantial issue of new Ordinary Shares and the settlement issues can be resolved. It is vital, therefore, that any plan put in place ensures that this can be the case and therefore Cornhill Capital as placing agent for the Company has obtained Placing Commitments for 3,888,873,028 Shares subject to clawback by Eligible Shareholders under the Open Offer. Placing Commitments were obtained as there can be no assurance that Eligible Shareholders will either be able or wish sufficiently to take up the issue.**
- 4. The Company has, for the reasons already stated, decided that it should proceed with the Placing and Open Offer. 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.**
- 5. The Board has in the light of events reconsidered what would be an appropriate price for the Placing and Open Offer. In particular, they have reconsidered one which balances the Company's**

need for funds and the need to have an equity fundraising pre-placed at an advantageous price for the Company against one which gives Eligible Shareholders the opportunity of subscribing for Ordinary Shares at what they might consider an attractive price. The Board has therefore focused on the Ordinary Share price immediately prior to the announcement of the Original Placing which was a closing price of 0.095p on 28 April 2015 and has agreed with Cornhill Capital that the Placing and Open Offer should be conducted at an issue price of 0.09p per Ordinary Share (compared to the intended price of 0.055p as previously announced).

6. Given the uncertainty as to the full extent of the settlement problems in the Ordinary Shares, the Board has resolved to make the Open Offer as large as it can without the need for publishing a prospectus, which would be impractical in the circumstances.

7. Therefore, taking all these factors into account, the Board's decision has been to proceed with a Placing and Open Offer to raise up to £3.5 million before expenses at a price of 0.09p per New Ordinary Share, placed subject to clawback by Eligible Shareholders under the Open Offer.

The Board therefore believes that the Placing and Open Offer is in the best interests of the Company and the Shareholders as a whole, in order to allow the Company to raise funds to enable it to maintain its current operations and pursue its future plans.

The Directors and their related parties (as well as certain other Eligible Shareholders) have given Pre-emption Waivers and do not therefore intend to take up their entitlements under the Open Offer.

Yours faithfully,

**Christopher Eincomb**

*Non-Executive Chairman"*

Appendix I

Important Information

The total consideration under the Placing and Open Offer shall be less than €5 million (or an equivalent amount in US dollars or sterling) in aggregate. Therefore, in accordance with section 85 and Schedule 11A of FSMA, the Document is not, and is not required to be, a prospectus for the purposes of the Prospectus Rules published by the Financial Conduct Authority and has not been approved by the Financial Conduct Authority or any other authority or regulatory body. Furthermore, as the total consideration under the Placing and Open Offer shall be less than €5 million (or an equivalent amount in US dollars or sterling) in aggregate, in accordance with Regulation 8(h) of the Irish Regulations, the Document is not, and is not required to be a prospectus for the purposes of the Irish Regulations and has not been approved by the Central Bank of Ireland. In addition, as the total consideration under the Open Offer shall be less than €5 million (or an equivalent amount in US dollars or sterling) in aggregate, in accordance with Article L. 411-2 of the French Monetary Code (*Code monétaire et financier*) and Article 2-112 2° of the French Regulations,

the Document is not, and is not required to be, a prospectus for the provisions of the French Regulations and has not been approved by the Autorité des Marchés Financiers. In addition, the Document does not constitute an admission document drawn up in accordance with the AIM Rules. A copy of the Document has not been, nor will it be, delivered to the Registrar of Companies in Jersey, the Jersey Financial Services Commission (JFSC) or any other regulatory authority in any jurisdiction.

The Company is established in Jersey as an unregulated exchange-listed fund for the purposes of the Collective Investment Funds (Unregulated Funds) (Jersey) Order 2008. This unregulated exchange-listed fund is not regulated in Jersey. The JFSC has neither evaluated nor approved (a) the scheme or arrangement of the fund; (b) the parties involved in the promotion, management or administration of the fund; or (c) the Document. The JFSC has no ongoing responsibility to monitor the performance of the fund, to supervise the management of the fund or to protect the interests of investors in the fund. The JFSC has given, and has not withdrawn, its consent under Article 2 of the Control of Borrowing (Jersey) Order 1958 to the issue of Ordinary Shares. It must be distinctly understood that, in giving these consents, neither the Registrar of Companies in Jersey nor the JFSC takes any responsibility for the financial soundness of the Company or for the correctness of any statements made, or opinions expressed, with regard to it. If you are in any doubt about the contents of the Document you should consult your stockbroker, bank manager, solicitor, accountant or other financial advisor.

The Existing Ordinary Shares are admitted to trading on AIM. The Ordinary Shares have been suspended from trading on AIM since 19 May 2015. Application will be made for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission of the New Ordinary Shares will become effective by 8.00 a.m. on 10 July 2015 (such date being subject to extension as required, up to 31 July 2015). The Placing and Open Offer is not conditional on the Restoration of Trading becoming effective. Restoration is not expected to take place until settlement issues in the Ordinary Shares have improved to enable orderly trading. Accordingly, you may continue to hold Ordinary Shares which are suspended from trading on AIM until the Restoration of Trading is effected. Whilst the Company intends the measures set out in the Document to improve the settlement issues in the Ordinary Shares, there is no guarantee that the measures will be sufficient to enable Restoration.

AIM is a market designed primarily for emerging and smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the United Kingdom Listing Authority have examined, approved or otherwise authorised the contents of the Document or this announcement. The Document and this announcement do not constitute a recommendation regarding securities of the Company.

The Document and this announcement should be read in its entirety. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part 1 of the Document and to the section headed "Risk Factors" in Part 2 of the Document.

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 6 July, 2015. The procedure for acceptance and payment is set out in Part 3 of the Document and, where relevant, in the Application Form. The New Ordinary Shares to be issued will, following their issue, rank *pari passu* with the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the Ordinary Share capital of the Company.

The Document and this announcement do not constitute an offer to sell, or a solicitation to buy Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. The distribution of the Document and/or this announcement and/or any accompanying documents and/or the transfer of Open Offer Entitlements in certain jurisdictions may be restricted by law and therefore persons into whose possession the Document or this announcement comes should inform themselves about and observe such restrictions. Any such distribution or failure to comply with those restrictions could result in a violation of the law of such jurisdictions. In particular, subject to certain limited exemptions, the Document and this announcement are not for distribution into the United States, Canada, the Republic of South Africa, Australia or Japan, or any

other jurisdiction where to do so would be in breach of any applicable law and/or regulation. Neither the Existing Ordinary Shares, the New Ordinary Shares or the Open Offer Entitlements, have been, nor will they be, registered under the securities legislation of the United States, any province or territory of Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. Accordingly, the Open Offer Shares may not, subject to certain exemptions, be offered or sold directly or indirectly in or into (and no Application Form will be posted to and no Open Offer Entitlements will be credited to the stock account of any person in) the United States, Canada, Australia, the Republic of South Africa or Japan, or any other jurisdiction outside the UK, Jersey, the Republic of Ireland or France or to any national, citizen or resident of the United States, Canada, Australia, the Republic of South Africa or Japan or any other jurisdiction outside the UK, Jersey, the Republic of Ireland or France. No action has been taken by the Company, the holders of Ordinary Shares, Beaumont Cornish Limited or Cornhill Capital Limited that would permit a public offer of Open Offer Shares or Open Offer Entitlements or possession or distribution of the Document or this announcement where action for that purpose is required. The Company has received pre-emption waivers in respect of the Open Offer from certain of the Eligible Shareholders resident outside the UK, Jersey, the Republic of Ireland or France. Accordingly, subject to any relevant exemptions, the Document is not being sent to any Eligible Shareholders outside such jurisdictions. The attention of Overseas Shareholders, Overseas Beneficiaries and other recipients of the Document who are residents or citizens of any country other than the United Kingdom or Jersey is drawn to the section entitled "Overseas Shareholders" at paragraph 7 of Part 3 of the Document.

Beaumont Cornish Limited, which is a member of the London Stock Exchange and is authorised and regulated by the Financial Conduct Authority, is acting as Nominated Adviser to the Company in connection with the Placing and Open Offer and is not acting for any other person and will not be responsible to any person other than the Company for providing the protections afforded to clients of Beaumont Cornish Limited.

Beaumont Cornish Limited has not authorised the contents of the Document and this announcement and no representation or warranty, express or implied, is made by Beaumont Cornish Limited as to the accuracy or contents of the Document and this announcement or the opinions contained therein, without limiting the statutory rights of any person to whom the Document is issued. The information contained in the Document and this announcement is not intended to inform or be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted by Beaumont Cornish Limited in relation to them.

Cornhill Capital Limited, which is a member of the London Stock Exchange and is authorised and regulated by the Financial Conduct Authority, is acting as Placing Agent and Broker to the Company in connection with the Placing and Open Offer and is not acting for any other person and will not be responsible to any person other than the Company for providing the protections afforded to clients of Cornhill Capital Limited.

Cornhill Capital Limited has not authorised the contents of the Document and this announcement and no representation or warranty, express or implied, is made by Cornhill Capital Limited as to the accuracy or contents of the Document and this announcement or the opinions contained therein, without limiting the statutory rights of any person to whom the Document and this announcement is issued. The information contained in the Document and this announcement is not intended to inform or be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted by Cornhill Capital Limited in relation to them.

No person has been authorised to give any information or make any representations in connection with the Open Offer other than those contained in the Document and this announcement and, if given or made, such information or representations must not be relied upon as having been so authorised. The delivery of the Document and this announcement will not, under any circumstances, be deemed to create any implication that there has been no change in the affairs of the Company since the date of the Document and this announcement or that the information in the Document and this announcement is correct at any time subsequent to its date.

#### Information for US Shareholders

This Placing and Open Offer is made for the securities of a foreign company. The offer is subject to the disclosure requirements of a foreign country that are different from those of the United States. Financial

statements included in the document, if any, have been prepared in accordance with foreign accounting standards that may not be comparable to the financial statements of United States companies.

It may be difficult for you to enforce your rights and any claim you may have arising under the federal securities laws, since the Company is located in a foreign country, and some or all of its officers and directors may be residents of a foreign country. You may not be able to sue the foreign company or its officers or directors in a foreign court for violations of the U.S. securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgment.

## Forward-Looking Statements

The Document and this announcement contain forward-looking statements relating to the Company's future prospects, developments and strategies, which have been made after due and careful enquiry and are based on the Directors' current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. All statements, other than statements of historical facts, contained in the Document and this announcement, including statements regarding the Group's future financial position, business strategy and plans, business model and approach and objectives of management for future operations, are forward-looking statements. These forward-looking statements are subject to, amongst other things, the risk factors described in Part 2 of the Document. The Directors believe that the expectations reflected in these statements are based on reasonable grounds, but may be affected by a number of variables which could cause actual results or trends to differ materially. Each forward-looking statement speaks only as of the date of the particular statement.

Generally, the forward-looking statements in the Document and this announcement use words like "anticipate", "believe", "could", "envisage", "estimate", "expect", "future", "intend", "may", "opportunity", "plan", "potential", "project", "seek", "will" or the negative of those, variations or comparable expressions or similar terms, including references to assumptions. The Group's actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Group which are described throughout this announcement and the Document, including in Part 2. Investors are urged to read this entire document carefully before making an investment decision. The forward-looking statements in the Document and this announcement are based on the relevant Directors' beliefs and assumptions and information only as of the date of the Document and this announcement, and the forward-looking events discussed in the Document and this announcement might not occur. Therefore, investors should not place any reliance on any forward-looking statements. Except as required by law or regulation, the Directors undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future earnings or otherwise.

It should be noted that the risk factors listed in Part 2 of the Document and this announcement are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Group is or may be exposed or all those associated with an investment in the Company. In particular, the Group's performance is likely to be affected by changes in market and/or economic conditions, political, judicial, and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it operates and holds its major assets. There may be additional risks and uncertainties that the Directors do not currently consider to be material or of which they are currently unaware which may also have an adverse effect upon the Group.

If any of the risks referred to above crystallise, the Group's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of the Ordinary Shares could decline and investors may lose all or part of their investment.

## Eligible Shareholders

Eligible Non-CREST Shareholders will find an Application Form enclosed with the Document. Eligible CREST Shareholders (none of whom will receive an Application Form) will receive a credit to their

appropriate stock accounts in CREST in respect of the Open Offer Entitlements, which will be enabled for settlement on 12 June 2015. Applications under the Open Offer may only be made by the Eligible Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of a sale or transfer of Existing Ordinary Shares prior to the date on which the Existing Ordinary Shares were marked "ex" the entitlement by the London Stock Exchange. If the Open Offer is for any reason not enabled by 3.00 p.m. or such later time as the Company may decide on 12 June 2015, an Application Form will be sent to each Eligible CREST Shareholder in substitution for the Open Offer Entitlements credited to his stock account in CREST. Eligible CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with the Document and the Open Offer.

## Appendix II

### DEFINITIONS

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| "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   |

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|  | 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  |
| <b>"certificated" or "certificated form"</b> | 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  |
| <b>"Company" or "New World"</b>              | 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)   |

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| "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" |
| "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                     |

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| "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 ( <i>réglement general</i> ) 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   |
| " <b>London Stock Exchange</b> " 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   |

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| "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 <i>pro rata</i> 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   |
| " <b>Ordinary Shares</b> " or " <b>Shares</b> " | 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 places 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   |

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| "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   |
| <b>"Restoration of Trading" or "Restoration"</b> | 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  |
| <b>"Securities Act" or "US Securities Act"</b>   | 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 |

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| "Takeover Code"                                  | the City Code on Takeovers and Mergers   |
| "Tscf"   | Trillion standard cubic feet   |
| <b>"uncertificated" or "uncertificated form"</b> | 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 |
| <b>"United Kingdom" or "UK"</b>                  | the United Kingdom of Great Britain and Northern Ireland   |
| <b>"United States" or "US"</b>                   | 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  |