

Corporate Update

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NEW WORLD OIL AND GAS PLC ("New World" or "the Company")

Corporate Update

1 Reconvened AGM and revised date

On 12 October 2016, New World Oil and Gas plc (the "Company") announced that it had adjourned and reconvened its Annual General Meeting ("AGM") to Monday 31 October in order that a resolution that had been requisitioned by one of its shareholders could be properly considered and voted upon. The Company today announces that the reconvened AGM will now take place at 11.00am on 4 November 2016 at the offices of Jeffreys Henry, Finsgate, 5-7 Cranwood Street, London EC1V 9EE. The Company also announces that it has today posted to shareholders a letter from the Chairman to set out the reasons given for the resolution being requisitioned and the Board's views on this resolution. This letter is available on the Company's website, www.nwoilgas.com, and extracts are set out below:

Background

Shortly before the AGM, the Company received a requisition from Christopher Horn, one of its shareholders, requiring a resolution proposing the appointment of Gary Bullivant as an additional director of the Company be put to the AGM. The reasoning for this appointment was set out in the requisition as follows:-

"Gary Bullivant co-founded the shareholder group that effected the retirement of Peter Szytk and Roland Hodder in 2015 followed by the resignation of Christopher Einchcomb, Georges Szytk and Stephen Polakoff from the Board of New World Oil and Gas in 2016. The group also proposed Adam Reynolds and supported Nicholas Lee for appointment to the Board on the understanding that a new direction would be taken by the Company. Nicholas Lee represents the interests of a significant shareholder, Paternoster Resources plc. While Messrs Einchcomb, Szytk and Polakoff were still serving, the Board proposed a Reverse Takeover ("RTO") of market research video curator and analysis company, Big Sofa. Big Sofa is a company in which a member of the family and a former business associate of this company's Chief Executive Officer acquired financial interests in 2015/16. It is therefore appropriate to appoint an independent director to the Board to review the proposed arrangement from the perspective of the private shareholder."

"Gary Bullivant offers the Company specialist expertise in strategy, leadership, risk and Information Systems as well as security of assets and personnel. He has extensive experience of committee procedures and held the highest level of national security clearances for over 35 years before retiring from government service. He will bring extensive analytical experience and proven integrity to the scrutiny of the proposed RTO involving Big Sofa Limited. Gary Bullivant is committed to resigning from the Board once the RTO completes or, if it does not, until the implementation of a strategic realignment has been achieved. His appointment would therefore lead to a very short term increase in cost but could have a long term positive financial effect on the Company."

The Board did not consider that there was sufficient time to circulate the above details to shareholders prior to the AGM and to seek their views on the requisitioned resolution. There was also insufficient time for shareholders who had already filed a proxy form to amend it in respect of the new resolution and refile it with the Company's registrars. For these reasons, it was decided that it was best to adjourn the AGM in order that shareholders could have a reasonable period in which to consider the proposed resolution and to vote upon it.

Resolution

The resolution to be voted upon at the reconvened AGM as an ordinary resolution ("Resolution") is as follows:-

"To elect Gary Bullivant, who has been nominated under article 31.1(b) of the Articles of Association and who consents to act, as a Director."

As described in the rationale for the Resolution set out above, Adam Reynolds is regarded as not being independent with respect to the RTO. (The reference in the requisition wording set out above to "this Company's Chief Executive Officer" is incorrect as Adam Reynolds is not the Company's CEO but rather a non-executive director.) This consideration is no longer relevant as the Company has recently announced that Big Sofa Limited has terminated discussions with regard to the RTO pursuant to an announcement made by the company on 17 October 2016.

The requisition also suggests that there is a difference in the interests of a large shareholder as regards the RTO compared with that of a small private investor. I am a representative of Paternoster Resources plc ("Paternoster") which is a significant shareholder in the Company. For that reason, it is proposed that Gary Bullivant be appointed to represent the interests of the small private shareholders in the Company. This is unnecessary as (i) the RTO is no longer proceeding; and (ii) I believe that the interests of both large and small shareholders are aligned and I am therefore perfectly able, and am bound, to act in the interests of all shareholders.

For these reasons, the Board does not believe that there is any need for Gary Bullivant to be appointed as a director of the Company nor for the Company to incur additional costs that such an appointment is likely to entail.

Reconvened AGM

At the AGM, the shareholders present in person voted to adjourn the AGM. The reconvened meeting will now take place at 11.00am on 4 November 2016 at the offices of Jeffreys Henry, Finsgate, 5-7 Cranwood Street, London, EC1V 9EE to consider and, if thought fit, pass the Resolution as follows:

To elect Gary Bullivant, who has been nominated under article 31.1(b) of the Articles of Association and who consents to act as a Director.

Recommendation

The Directors consider that the Resolution is not in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote against the Resolution, as they intend to do or procure to be done in respect of their own and their connected persons' beneficial holdings.

2 Rule 15 Cash Shell

The Company's remaining oil and gas asset, being the Blue Creek Production Sharing Agreement in Belize, expires on 31 October 2016.

The Board announced on 1 September 2016 that it was currently seeking to dispose or relinquish this asset. There is no prospect of any disposal and the intention remains to relinquish this asset and, accordingly, the Company became as from that date an AIM Rule 15 cash shell.

3 Cancellation of Trading on AIM

In accordance with the AIM Rules, the Company is currently due to be cancelled from trading on AIM with effect from 9 November 2016, being the date six months from suspension of trading.

4 Financial condition

The Company is continuing to investigate the legacy matter referred to in its announcement of 17 October 2016, and will report further when the situation has been clarified.

The Company has loans to the company Big Sofa Limited now re-payable on demand of £600,000 and is considering its options in relation thereto.

5 Nominated Adviser

At the end of July 2016, the Company and its Nominated Adviser, Beaumont Cornish Limited ("BCL"), mutually agreed that BCL would cease to act for New World on the earlier of three months or the anticipated appointment of the new nominated adviser who the Company intended to use in relation to the proposed transaction with Big Sofa Limited (the "Transaction"), and as announced the Transaction has now been terminated.

Under the current arrangements as referred to above, BCL will cease to act as Nominated Adviser from the close of business on 24 October 2016, and at that stage, under AIM Rule 1, the Company will have one month to appoint a replacement nominated adviser.

A further announcement will be made in the event the Company and BCL mutually agree to enter into any alternative arrangements.

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