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

19 September 2013

New World Oil and Gas Plc (‘New World’ or ‘the Company’)

Unaudited Interim Results

New World Oil and Gas Plc, and oil and gas exploration and development company focused on Belize and Denmark, announces its unaudited interim results for the six months ended 30 June 2013.

Highlights

- 3-D seismic acquisition programme completed on the Danica Jutland Licence 1/09 located in the highly prospective Jutland on-shore area in South Western Denmark (‘Danica Jutland’) 2-D seismic acquisition programme completed on the Danica Resources Licence 1/08 in the productive Western Baltic region of the South Permian Basin in Southern Denmark
- Working interest in Danish Licences 1/09, 2/09 and 1/08 increased to 25% following completion of seismic programmes
- Successfully negotiated a six-month extension to the drill or drop deadline for Licences 1/09 and 2/09 at Danica Jutland
- Earned 100% working interest in the Blue Creek Project in the productive Petén Basin in Northwest Belize (‘Blue Creek’) following the completion of a pre-determined seismic acquisition programme and the drilling of three wells
- Blue Creek drilling programme confirmed a working hydrocarbon system on the licence area - quantities of oil found were not deemed commercial, resulting in a decision to plug and abandon both the Blue Creek 2A and the Rio Bravo wells
- All current year expenses related to the drilling of the Blue Creek wells have been written off in Q2 2013
- Capitalised all costs associated with the seismic programmes in Denmark, with the intention of recovering all or a portion of these costs when a farm-out agreement is signed
- Conducting on-going negotiations with possible farm-in or joint venture partners for both Belize and Denmark
- Post period end, shareholders approved a US$25 million investment by Niel Petroleum, together with a related conditional US$25 million debt facility, which will be used to acquire a near-term/producing asset as the Company looks to build a sustainable, multi-stage oil and gas company

Chairman's Statement

As the first half of 2013 has shown, there is no straight line route to building a multi-project exploration and production company. While key milestones were met over the last six months, this has been a mixed period for New World. On the one hand, we fulfilled earn-in commitments at all three of our exploration projects so that New World has been assigned a 100% working interest in the Blue Creek project in Belize and a 25% interest in each of Danica Jutland and Danica Resources in Denmark. Importantly, as a result of our phased seismic acquisition and interpretation programme, a number of drill ready prospects have now been identified on all three projects, each with company-making volumetrics and economics. Despite confirming the presence of an active hydrocarbon system at our Blue Creek project, the Belize drilling campaign failed to confirm commercial quantities of movable hydrocarbons.

Drilling in Belize has shown that three of the four elements required to make a commercial discovery are in place: source, migration and seal. The missing element is a trap. We therefore remain confident that substantial quantities of movable hydrocarbons are present in the Blue Creek production sharing agreement ('PSA'). Five remaining drillable prospects have already been identified on the licence area with estimated P50 gross prospective resources of 329 million barrels of oil ('MMbo'), and an indicative multi-discovery success case net present value ('NPV') of US$8.13 billion on a 100% working interest basis. With volumetrics such as these, every effort is being made to secure the necessary financing and framework to continue our drilling programme in Belize while managing the costs and risks involved.

New World, through its subsidiaries, is the largest single licence holder in Denmark, with a combined licence area of 2.67 million acres. During the six months under review, on-going seismic acquisition, processing and interpretation has further de-risked our three licences, and resulted in the identification of North Rodby, an exciting drill-ready prospect on the Danica Resources Licence 1/08. Combined with the already identified Als prospect, they represent a total of 444.4 MMbbls oil of gross prospective resources (un-risked sum of individual P50, discovery case), with success case economic outcomes of NPV_{10} US$3.67 billion net to New World.

Surface exploration work, such as seismic interpretation, can only define prospects and reduce risk up to a point. As illustrated by the results in Belize, drilling is required to definitively prove up prospectivity. Bearing in mind the costs involved of a multi-well programme to fully test the licences, the Company is looking to reduce our shareholders' exposure to geological and drilling risks and capital requirement and as a result we have been actively engaged in farm-out discussions on both our Danish licences and in Belize.

Multiple meetings with several interested companies have been held and follow up talks are on-going.

Our overriding objective has been to build New World into a multi-project oil and gas company generating sustainable revenues from producing assets that can be reinvested into further development and exploration and in the process create value for shareholders. Following our drilling programme in Belize, we embarked on a strategic review during the first half to evaluate how best to achieve our goal. It is in this context that the post period end agreement with Niel Petroleum S.A. ('Niel') approved by shareholders at our AGM held on 12 September 2013, should be seen.

Niel has agreed to invest US$25 million in New World via the acquisition of 2.1 billion shares at a price of 0.73p. Niel will become the largest shareholder in the Company, with approximately 75.6% of the outstanding shares. In addition to the direct investment of US$25 million, Niel has also agreed a conditional debt facility commitment to provide a further amount of US$25 million. Not only does the Niel investment and potential access to the debt facility place the Company on a sure financial footing, strengthening our negotiating position with potential farm-in partners for our existing projects, it also provides New World with substantial resources to pursue new projects which will add value to the Company and help us achieve our objective. Importantly, the partnership with Niel will expose New World to any number of highly prospective new projects where Niel has pre-existing relationships. New World is delighted with this new arrangement and we look forward to growing the Company via access to a near-term production or producing project, as well as by securing farm-in partners for our existing licences and continuing exploration.

Financial Review

As an exploration and development company with no current revenues, we are reporting a loss for the six months ended June 30 2013 of US$9.5 million. Over the period, the Company undertook an in-depth review of all overhead expenses, including Directors' remuneration, and these have been reduced significantly.

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

Corporate Review

As a part of the agreement made with Niel Petroleum, Niel has the right to nominate a member to the New World Board of Directors. With this in mind, it is intended to appoint Jean-Charles Charki as a non-executive director to the Board and he will chair our remuneration and audit committees. With his strong financial background we look forward to working with him going forward. A further announcement will be made in due course.

Fred Hodder, who has served as our independent Non-Executive director and previous chair of our Remuneration and Audit committees will be stepping down on 25 September 2013. On behalf of the Board I would like to take this opportunity to express our thanks and sincere appreciation for the contribution Fred has made to the Company.

The New World team was pleased to add Mr. Greg Gyomlai to the team to assume the role of Vice President Finance. Greg is a professional accountant with a C.P.A. accreditation, and has extensive experience with small to medium sized companies, as well as the oil sector. Greg has already made a tremendous difference in our accounting practices and our internal controls and we know he will prove to be invaluable to our future success.

During the first six months of 2013, the Company completed the transition to a Cloud based accounting system called Xero. Management now has access to the accounts of all group companies on a real-time basis. This important step will greatly improve our reporting capability and will allow for better management of our assets.

Outlook

New World controls four highly prospective licences in known oil producing areas in Belize and Denmark, close to world markets and in stable jurisdictions. As an indication of the high level of interest generated by our projects among industry players, all our licences are involved in on-going farm-in efforts which we are confident will produce positive results in the near future.

Since our admission to AIM in May 2011, we have been focused on exploration and, as such, we have been exposed to a high risk – high reward environment. To date, the great majority of the Company’s resources have been invested into seismic programmes and drilling campaigns, as we have been focused on transforming New World into an exploration and production company. The partnership with Niel provides the Company with substantial financial resources and access to exciting new projects in highly prospective areas which will go a long way to help us achieve New World’s transformation into a sustainable oil and gas company with producing assets. It goes without saying we are eager to begin this new phase in New World's development and in the process create value for all of our shareholders.

Finally I wish to thank the entire New World team for its dedication and unending enthusiasm. Our loyal shareholders have supported us throughout this difficult period and we are anxious to reward this loyalty with an oil and gas discovery.

Bill Kelleher, Chairman
18 September 2013

Consolidated Statement of Comprehensive Income

For the 6 months ended 30 June 2013

	Note	**$'000 Six months ended 30 June 2013 (Unaudited)**	$'000 Six months ended June 2012 (Unaudited)	$'000 Year ended 31 December 2012 (Audited)
Revenue		**-**	-	-
Dry-well costs written off		**(6,891)**	-	(14,431)
Project management and development		**(848)**	(328)	(1,405)
Administrative expenses		**(1,244)**	(485)	(1,899)
Legal and professional costs		**(264)**	(584)	(957)
Operating Loss		**(9,247)**	(1,397)	(18,692)
Interest receivable		**8**	-	-
Provision for losses on financial instrument		**(259)**	-	-
Loss before Taxation		**(9,498)**	(1,397)	(18,692)
Income tax		**-**	-	-
Loss for the period		**(9,498)**	(1,397)	(18,692)
Other comprehensive income:		**-**	-	-
Total comprehensive loss for the period		**(9,498)**	(1,397)	(18,692)
Basic loss per share (expressed in cents)	2	**(1.80)**	(0.70)	(7.51)

Consolidated Statement of Financial Position

As at 30 June 2013

Notes	**$'000 30 June 2013 (Unaudited)**	$'000 30 June 2012 (Unaudited)	$'000 31 December 2012 (Audited)

	Note			
ASSETS				
NON-CURRENT ASSETS				
Intangible assets – exploration expenditure	3	**12,215**	7,858	10,687
Tangible assets – plant and equipment		**177**	105	179
Other receivables	4	**771**	-	-
Total non-current assets		**13,163**	7,963	10,866
CURRENT ASSETS				
Inventories		**100**	-	464
Cash and cash equivalents		**3,470**	12,869	7,654
Trade and other receivables	4	**1,351**	228	2,003
Total current assets		**4,921**	13,097	10,121
TOTAL ASSETS		**18,084**	21,060	20,987
LIABILITIES				
Current liabilities				
Trade and other payables		**(1,217)**	(1,286)	(4,326)
Total current liabilities		**(1,217)**	(1,286)	(4,326)
NET CURRENT ASSETS		**3,704**	11,881	5,795
NET ASSETS		**16,867**	19,774	16,661
		=======	=======	=======
SHAREHOLDERS' EQUITY				
Share capital		**-**	-	-
Share premium		**47,418**	24,302	37,714
Share-based payment reserve		**770**	-	770
Retained losses		**(31,321)**	(4,528)	(21,823)
TOTAL EQUITY		**16,867**	19,774	16,661
		=======	=======	=======

Consolidated Statement of Cash Flows

For the 6 months ended 30 June 2013

	$'000 Six months ended 30 June 2013 (Unaudited)	$'000 Six months ended 30 June 2012 (Unaudited)	$'000 Year ended 31 December 2012 (Audited)
Cash flows from operating activities			
Operating loss	**(9,247)**	(1,397)	(18,692)
Decrease/(increase) in receivables	**880**	(75)	(1,850)
(Decrease)/increase in payables	**(3,109)**	714	3,754
Decrease/(increase) in inventories	**364**	-	(464)
Share-based payments	**-**	-	110
Depreciation	**14**	-	21
Net cash outflow from operating activities	**(11,098)**	(758)	(17,121)

Returns on investments and servicing of finance			
Interest received	**8**	-	-
Losses on financial instrument	**(259)**	-	-
Net cash outflow from returns on investments and servicing of finance	**(251)**	-	-
Investing activities			
Payments for exploration expenditure	**(1,528)**	(3,962)	(6,791)
Payments for plant and equipment	**(11)**	(105)	(200)
Net cash outflow from investing activities	**(1,539)**	(4,067)	(6,991)
Cash flows from financing activities			
Issue of ordinary share capital	**10,400**	14,983	30,461
Expenses relating to share issues	**(696)**	(1,032)	(2,438)
Executive directors' participation in placing	**(1,000)**	-	-
Net cash inflow from financing activities	**8,704**	13,951	28,023
Net (decrease)/increase in cash and cash equivalents	**(4,184)**	9,126	3,911
Cash and cash equivalents at beginning of period	**7,654**	3,743	3,743
Cash and cash equivalents at end of period	**3,470**	12,869	7,654
	=======	=======	=======

Consolidated Statement of Changes in Equity

For the 6 months ended 30 June 2013

	Share premium	**Share-based payment reserve**	**Retained loss**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 January 2012	10,351	-	(3,131)	7,220
Loss for the period	-		(1,397)	(1,397)
Total comprehensive loss for the period	-	-	(1,397)	(1,397)
Transactions with owners in their capacity as owners				
Shares issued	14,983	-	-	14,983
Cost of shares issued	(1,032)	-	-	(1,032)
At 30 June 2012	24,302	-	(4,528)	(19,774)
	======	======	======	======
Balance at 1 January 2012	10,351	-	(3,131)	7,220
Loss for the period	-		(18,692)	(18,692)

Total comprehensive loss for the period	-	-	(18,692)	(18,692)
Transactions with owners in their capacity as owners				
Shares issued	30,461	-	-	30,461
Cost of shares issued	(2,438)	-	-	(2,438)
Share-based payments	(660)	770	-	110
At 31 December 2012	37,714	770	(21,823)	16,661
Balance at 1 January 2013	**37,714**	**770**	**(21,823)**	**16,661**
Loss for the period	**-**	**-**	**(9,498)**	**(9,498)**
Total comprehensive loss for the period	**-**	**-**	**(9,498)**	**(9,498)**
Transactions with owners in their capacity as owners				
Shares issued	**10,400**	**-**	**-**	**10,400**
Cost of shares issued	**(696)**	**-**	**-**	**(696)**
	9,704	**-**	**-**	**9,704**
At 30 June 2013	**47,418**	**770**	**(31,321)**	**16,867**

Notes to the Interim Report

1. PRINCIPAL ACCOUNTING POLICIES

Presentation of Interim results

This interim report was approved by the Directors on 18 September 2013. The results for the 6 months ended 30 June 2013 have not been audited, but were the subject of an independent review carried out by the Company's auditors, Chapman Davis LLP. Their review confirmed that the figures were prepared using applicable accounting policies and practices consistent with those adopted in the 2012 annual report and to be adopted in the 2013 annual report. The financial information contained in this interim report does not constitute statutory accounts as defined by the Companies (Jersey) Law 1991.

The interim accounts have been prepared under the historical cost convention in accordance with International Financial Reporting Standards as adopted by the European Union.

The Directors acknowledge their responsibility for the interim report and confirm that, to the best of their knowledge, the interim consolidated financial statements for the six months ended 30 June 2013 have been prepared in accordance with International Financial Reporting Standards, including IAS 34 "Interim Financial Statements", and complies with the listing requirements for companies trading securities on the AIM market. This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 31 December 2012.

The Directors are of the opinion that ongoing evaluations of the Company's interests indicate that preparation of the accounts on a going concern basis is appropriate.

2. LOSS PER SHARE

	$'000 Six months ended 30 June 2013 (Unaudited)	$'000 Six months ended 30 June 2012 (Unaudited)	$'000 Year ended 31 December 2012 (Audited)
Loss for the period	**(9,498)**	(1,397)	(18,692)
Weighted average number of ordinary shares in issue – millions	**529**	200	249
Loss per share – basic (cents)	**(1.80)**	(0.70)	(7.51)

No diluted loss per share is presented as the effect of the exercise of outstanding warrants is to decrease the loss per share.

3. INTANGIBLE ASSETS – Exploration Expenditure

	$'000
Carrying value at 1 January 2012	3,896
Additions in the six months ended 30 June 2012:	3,962
Carrying value at 30 June 2012	7,858

Carrying value at 1 January 2012	3,896
Additions in year to 31 December 2012:	6,791
	10,687
Carrying value at 1 January 2013	**10,687**
Additions in the six months ended 30 June 2013:	**1,528**
Carrying value at 30 June 2013	**12,215**

4. OTHER RECEIVABLES

The non-current receivables of $771,000 together with current receivables of $184,000 represents the combined amounts outstanding in respect of loans made to Hydrocarbon Technologies Limited and Dynamic Investments Limited to assist the Executive Directors to participate in the placing to raise gross proceeds of £6.3 million announced on 28 March 2013.

5. REVENUE AND SEGMENTAL ANALYSIS

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

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

Operating and Geographical segments
The Group comprises the following operating segments:

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

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

Six months ended 30 June 2013 **Business Segments**	**Corporate**	**Exploration & development**	**Total**
	$'000	**$'000**	**$'000**
Result			
Loss for the period	**(2,607)**	**(6,891)**	**(9,498)**
	======	======	======
Balance sheet			
Segment assets	**4,687**	**13,397**	**18,084**
Segment liabilities	**(245)**	**(972)**	**(1,217)**
Net assets	**4,442**	**12,425**	**16,867**
	======	======	======

Geographical segments	**Denmark**	**Belize**	**Jersey**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Result				
Loss for the period	**-**	**(6,112)**	**(3,386)**	**(9,498)**
	======	======	======	======
Balance Sheet				
Segment assets – Intangible	**7,084**	**5,131**	**-**	**12,215**
- Other	**114**	**1,068**	**4,687**	**5,869**
Segment liabilities	**(264)**	**(708)**	**(245)**	**(1,217)**
Net assets	**6,934**	**5,491**	**4,442**	**16,867**
	======	======	======	======

Six months ended 30 June 2012 **Business Segments**	**Corporate**	**Exploration & development**	**Total**
	$'000	**$'000**	**$'000**
Result			
Segment result	(1,397)	-	(1,397)
	======	======	======
Loss for the period			
Balance sheet			
Segment assets	12,543	8,517	21,060
Segment liabilities	(896)	(390)	(1,286)
Net assets	11,647	8,127	19,774
	======	======	======

Geographical Segments	**Denmark**	**Belize**	**Jersey**	**Total**
	$'000	**$'000**	**$'000**	**$'000**

Result				
Segment result	-	-	(1,397)	(1,397)
	======	======	======	======
Loss for the period				
Balance Sheet				
Segment assets – Intangible	2,332	5,526	-	7,858
- Other	443	216	12,543	13,202
Segment liabilities	(5)	(385)	(896)	(1,286)
Net assets	2,770	5,357	11,647	19,774
	======	======	======	======

Year ended 31 December 2012 Business Segments	**Corporate**	**Exploration & development**	**Total**
	$'000	**$'000**	**$'000**
Result			
Loss for the period	(4,261)	(14,431)	(18,692)
	======	======	======
Balance sheet			
Segment assets	7,080	13,907	20,987
Segment liabilities	(1,150)	(3,176)	(4,326)
Net assets	5,930	10,731	16,661
	======	======	======

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

6. Events after the Reporting Date

On 21 August 2013 the Company announced the proposed issue of 2,184,897,959 subscription shares to Niel Petroleum S.A. for an aggregate consideration of $25 million gross and a related conditional Debt Facility Commitment Letter in respect of a proposed loan of $25 million. The resolution to approve the subscription was passed at the 2013 Annual General Meeting held on the 12

September 2013. Following the issue of the Subscription Shares on the terms of the Subscription Agreement, Niel Petroleum S.A. will own approximately 75.66 per cent of the enlarged Share Capital of the Company.

**** ENDS ****

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

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Notes

New World Oil and Gas Plc is an oil and gas operating company with three highly prospective projects in Belize and Denmark. New World is operator of all three projects where a systematic programme of seismic acquisition has resulted in multiple prospects being identified and de-risked, a number of which have been classified by the Competent Person as being drill ready. New World also operates two projects in onshore Denmark located in producing basins covering a combined area of over 2.6 million acres, making it the largest holder of acreage in Denmark.

Management is constantly evaluating additional projects that would complement the Company's growing portfolio, particularly late stage exploration or early production projects located in basins with large proven reserves that, in the opinion of the Directors, are undervalued, underdeveloped or under-performing.