

# **NEW WORLD OIL AND GAS PLC**

**Interim Report**

**For the six months ended  
30 June 2016**

## **Chairman's Statement**

For the six months ended 30 June 2016, the Company reported a profit before tax of £108,000 (2014: Loss £922,000). During this period, the Board has worked to reduce the Company's cost base from historic levels, which has been achieved through a reduction in the size of the board and associated infrastructure.

The value of all assets relating to the Company's oil and gas activities have been fully written down and the Company's assets now principally comprise cash and short term loans. This Interim Report has been produced in pounds sterling (£) as opposed to US Dollars (\$). This change has been made as the majority of the Company's assets now comprise cash or short term loans held in £ and therefore more accurately describes the Company's asset base. The Board also believes that £ is a more appropriate currency for the Company to report in going forward.

## **Strategy**

As previously announced, given the difficulties facing the oil and gas industry and in raising funds for the Company's existing assets in Belize, the Company has been reviewing various acquisition opportunities in sectors other than oil and gas with a view to creating value for shareholders.

The Company's only remaining oil and gas asset is the Blue Creek Production Sharing Agreement in Belize, which is due to expire on 31 October 2016. The Board has recently announced that the Company is currently seeking to dispose or relinquish this asset. The Company has also commenced the process of dissolving the subsidiaries associated with its Danish licenses which were relinquished in September 2015.

On 9 May 2016, the Company announced that it had entered into a conditional agreement to acquire Big Sofa Limited, a company operating in the high growth sector of video analytics. The work on this acquisition is progressing well and the Company expects to update the market with regard to this possible acquisition in the near future. As at today's date, the Company has provided a total of £600,000 as a short term loan for working capital purposes to Big Sofa Limited.

On 9 May 2016, given that the proposed acquisition of Big Sofa Limited would constitute a reverse takeover under the AIM Rules, the Directors requested a suspension in the trading of the shares pending publication of the required AIM admission document. In the event that such a document is not published within six months of suspension, trading in the shares will be cancelled.

Nicholas Lee

Non-executive Chairman

30 September 2016

**Consolidated Statement of Comprehensive Income**

For the 6 months ended 30 June 2016

	<b>Note</b>	<b>Six months ended 30 June 2016 (Unaudited) £'000</b>	Six months ended June 2015 (Unaudited) £'000	Year ended 31 December 2015 (Audited) £'000
Revenue		-	-	-
Impairment of intangible assets		-	(361)	(1,421)
Administrative expenses		<b>(223)</b>	(435)	(860)
Legal and professional costs		<b>(103)</b>	(131)	(347)
Foreign exchange differences on conversion to presentational currency		<b>432</b>	-	(12)
<b>Operating Profit/(Loss)</b>		<b>106</b>	(927)	(2,640)
Interest receivable		<b>2</b>	5	6
<b>Profit / (Loss) before Taxation</b>		<b>108</b>	(922)	(2,634)
Income tax		-	-	-
<b>Profit/(Loss) for the period</b>		<b>108</b>	(922)	(2,634)
<b>Other comprehensive income:</b>				
Foreign exchange differences		<b>5</b>	12	12
<b>Total comprehensive loss for the period</b>		<b>113</b>	(910)	(2,622)
		<b>=====</b>	<b>=====</b>	<b>=====</b>
Basic and diluted loss per share (expressed in pence)	2	<b>0.02</b>	(0.13)	(0.37)

**Consolidated Statement of Financial Position**  
As at 30 June 2016

	Notes	<b>30 June 2016 (Unaudited) £'000</b>	30 June 2015 (Unaudited) £'000	31 December 2015 (Audited) £'000
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Intangible assets – exploration expenditure	3	-	993	-
Tangible assets – plant and equipment		-	5	-
<b>Total non-current assets</b>		<u>-</u>	<u>998</u>	<u>-</u>
<b>CURRENT ASSETS</b>				
Trade and other receivables		<b>386</b>	264	-
Cash and cash equivalents		<b>1,775</b>	188	2,460
<b>Total current assets</b>		<u><b>2,161</b></u>	<u>452</u>	<u>2,460</u>
<b>TOTAL ASSETS</b>		<u><b>2,161</b></u>	<u>1,450</u>	<u>2,460</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables		<b>(87)</b>	(554)	(499)
<b>Total current liabilities</b>		<u><b>(87)</b></u>	<u>(554)</u>	<u>(499)</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u><b>2,074</b></u>	<u>(102)</u>	<u>1,961</u>
<b>NET ASSETS</b>		<u><b>2,074</b></u> =====	<u>896</u> =====	<u>1,961</u> =====
<b>SHAREHOLDERS' EQUITY</b>				
Share capital		-	-	-
Share premium		<b>33,612</b>	30,407	33,558
Share-based payment reserve		<b>163</b>	590	217
Retained losses		<b>(31,718)</b>	(30,113)	(31,826)
Foreign exchange reserves		<b>17</b>	12	12
<b>TOTAL EQUITY</b>		<u><b>2,074</b></u> =====	<u>896</u> =====	<u>1,961</u> =====

**Consolidated Statement of Cash Flows**  
For the 6 months ended 30 June 2016

	<b>£'000</b>	£'000	£'000
	<b>Six months ended 30 June 2016 (Unaudited)</b>	Six months ended 30 June 2015 (Unaudited)	Year ended 31 December 2015 (Audited)
<b>Cash flows from operating activities</b>			
Operating loss	106	(927)	(2,640)
Depreciation	-	4	9
Impairment of intangible assets	-	361	1,421
(Increase) / Decrease in receivables	(387)	67	338
Decrease in payables	(412)	(101)	(187)
Decrease in inventories	-	33	33
Foreign exchange differences	6	(5)	(10)
<b>Net cash outflow from operating activities</b>	<u>(687)</u>	<u>(568)</u>	<u>(1,036)</u>
<b>Returns on investments and servicing of finance</b>			
Interest received	2	5	6
<b>Net cash inflow from returns on investments and servicing of finance</b>	<u>2</u>	<u>5</u>	<u>6</u>
<b>Investing activities</b>			
Payments to acquire intangible assets	-	-	(39)
<b>Net cash outflow from investing activities</b>	<u>-</u>	<u>-</u>	<u>(39)</u>
<b>Cash flows from financing activities</b>			
Proceeds on issuing of ordinary shares	-	-	3,500
Cost of issue of ordinary shares	-	-	(722)
<b>Net cash inflow from financing activities</b>	<u>-</u>	<u>-</u>	<u>2,778</u>
<b>Net decrease/(increase) in cash and cash equivalents</b>	<u>(685)</u>	<u>(563)</u>	<u>1,709</u>
Cash and cash equivalents at beginning of period	2,460	751	751
<b>Cash and cash equivalents at end of period</b>	<u>1,775</u> =====	<u>188</u> =====	<u>2,460</u> =====

**Consolidated Statement of Changes in Equity**

For the 6 months ended 30 June 2016

	Share premium	Share- based payment reserve	Retained loss	Foreign exchange differences	Total
	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 January 2015</b>	<b>30,407</b>	<b>590</b>	<b>(29,191)</b>	<b>-</b>	<b>1,806</b>
Total comprehensive loss for the period	-	-	(922)	-	(922)
Foreign exchange differences	-	-		12	12
<b>At 30 June 2015</b>	<b>30,407</b>	<b>590</b>	<b>(30,113)</b>	<b>12</b>	<b>896</b>
Total comprehensive loss for the period		-	(1,713)	-	(1,713)
<b>Transactions with owners in their capacity as owners</b>					
Shares issued	3,500	-	-	-	3,500
Cost of shares issued	(722)	-	-	-	(722)
Expiration of unexercised warrants	373	(373)	-	-	-
<b>At 31 December 2015</b>	<b>33,558</b>	<b>218</b>	<b>(31,826)</b>	<b>-</b>	<b>1,961</b>
Total comprehensive profit for the period		-	108	5	113
<b>Transactions with owners in their capacity as owners</b>					
Expiration of unexercised warrants	54	(54)	-	-	-
<b>At 30 June 2016</b>	<b>33,612</b>	<b>163</b>	<b>(31,718)</b>	<b>(17)</b>	<b>2,074</b>

**Notes to the Interim Report**

**1. PRINCIPAL ACCOUNTING POLICIES**

**Presentation of Interim results**

This interim report was approved by the Directors on 30th September 2016. The results for the 6 months ended 30 June 2016 have not been audited. The figures have been prepared using applicable accounting policies and practices consistent with those adopted in the 2015 annual report and to be adopted in the 2016 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 2016 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 2015.

The Directors are of the opinion that the funds held indicate that preparation of the accounts on a going concern basis is appropriate.

The Group's functional currency is US dollars and assets and liabilities are translated into pounds sterling, the presentation currency, at the rate of exchange ruling at the balance sheet date. The Group's profit or loss is translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income.

**2. LOSS PER SHARE**

	<b>Six months ended 30 June 2016 (Unaudited) £'000</b>	Six months ended 30 June 2015 (Unaudited) £'000	Year ended 31 December 2015 (Audited) £'000
Profit/(Loss) for the period	<b>108</b>	(922)	(2,634)
Weighted average number of ordinary shares in issue - millions	<b>703</b>	703	703
Profit/(Loss) per share – basic (pence)	<b>0.02</b>	(0.13)	(0.37)

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

**Notes to the Interim Report continued**

**3. INTANGIBLE ASSETS – Exploration Expenditure**

	<b>£'000</b>
<b><u>Cost</u></b>	
As at 1 January 2015	8,096
Additions in the six months ended 30 June 2015:	-
Currency translation differences	(77)
As at 30 June 2015:	<u>8,019</u>
Additions in the six months ended 31 December 2015:	40
Currency translation differences	501
As at 31 December 2015:	<u>8,560</u>
Additions in the six months ended 30 June 2016:	-
Currency translation differences	901
As at 30 June 2016:	<u>9,461</u>
<b><u>Accumulated amortisation and impairment</u></b>	
As at 1 January 2015	6,740
Impairment charge	350
Currency translation differences	(64)
As at 30 June 2015	<u>7,026</u>
Impairment charge	1,096
Currency translation differences	438
As at 31 December 2015:	<u>8,560</u>
Impairment charge	-
Currency translation differences	901
As at 30 June 2016:	<u>9,461</u>
<b>Carrying value at 30 June 2016</b>	<b>-</b>
<b>Carrying value at 31 December 2015</b>	<b>-</b>
<b>Carrying value at 30 June 2015</b>	<b><u>993</u></b>

The Directors undertook an impairment review of the Group's intangible assets as at 31 December 2015 and determined it prudent to record a full impairment reserve.



#### 4. 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.

**Notes to the Interim Report continued**

**4. (Cont'd)**

<b>Six months ended 30 June 2016 Business Segments</b>	<b>Corporate £'000</b>	<b>Exploration &amp; development £'000</b>	<b>Total £'000</b>	
<b>Result</b>				
<b>Profit for the period</b>	108	-	108	
	=====	=====	=====	
<b>Balance sheet</b>				
Segment assets	2,161	-	2,161	
Segment liabilities	(87)	-	(87)	
<b>Net assets</b>	2,074	-	2,074	
	=====	=====	=====	
<b>Geographical segments</b>	<b>Denmark £'000</b>	<b>Belize £'000</b>	<b>Jersey £'000</b>	<b>Total £'000</b>
<b>Result</b>				
<b>Profit for the period</b>	-	-	108	108
	=====	=====	=====	=====
<b>Balance Sheet</b>				
Segment assets - Intangible	-	-	-	-
- Other	-	-	2,161	2,161
Segment liabilities	-	-	(87)	(87)
<b>Net assets</b>	-	-	2,074	2,074
	=====	=====	=====	=====
<b>Six months ended 30 June 2015 Business Segments</b>	<b>Corporate £'000</b>	<b>Exploration &amp; development £'000</b>	<b>Total £'000</b>	
<b>Result</b>				
<b>Loss for the period</b>	(539)	(382)	(921)	
	=====	=====	=====	
<b>Balance sheet</b>				
Segment assets	410	1,040	1,450	
Segment liabilities	(549)	(5)	(554)	
<b>Net assets</b>	(139)	1,035	896	
	=====	=====	=====	

**Notes to the Interim Report continued**

**4. (Cont'd)**

<b>Geographical Segments</b>	<b>Denmark £'000</b>	<b>Belize £'000</b>	<b>Jersey £'000</b>	<b>Total £'000</b>
<b>Result</b>				
<b>Loss for the period</b>	(373)	(9)	(539)	(921)
	=====	=====	=====	=====
<b>Balance Sheet</b>				
Segment assets - Intangible	-	993	-	993
- Other	18	29	409	456
Segment liabilities	(5)	-	(549)	(554)
<b>Net assets</b>	13	1,022	(140)	895
	=====	=====	=====	=====
<b>Year ended 31 December 2015 Business Segments</b>		<b>Corporate £'000</b>	<b>Exploration &amp; development £'000</b>	<b>Total £'000</b>
<b>Result</b>				
<b>Loss for the period</b>		(1,157)	(1,477)	(2,634)
		=====	=====	=====
<b>Balance sheet</b>				
Segment assets		2,443	17	2,460
Segment liabilities		(483)	(16)	(499)
<b>Net assets</b>		1,960	1	1,961
		=====	=====	=====
<b>Geographical Segments</b>	<b>Denmark £'000</b>	<b>Belize £'000</b>	<b>Jersey £'000</b>	<b>Total £'000</b>
<b>Result</b>				
<b>Loss for the period</b>	(408)	(1,069)	(1,157)	(2,634)
	=====	=====	=====	=====
<b>Balance Sheet</b>				
Segment assets - Intangible	-	-	-	-
- Other	8	9	2,443	2,460
Segment liabilities	(16)	-	(483)	(499)
<b>Net assets</b>	(8)	9	1,960	1,961
	=====	=====	=====	=====

**5. EVENTS AFTER THE REPORTING DATE**

- On 19 July 2016, the second tranche of the £500,000 loan to Big Sofa Limited for working capital purposes, being £250,000, was drawn down in full.
- On 1 September 2016, a further loan of £100,000 was provided to Big Sofa Limited on the same terms as the loan already advanced and as announced on 19 July 2016.