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

30 September 2014

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, announces its unaudited interim results for the six months ended 30 June 2014.

Chairman's Statement

During the first half of 2014, the Company has expended continuing efforts to progress the Niel Petroleum ('NP') subscription which involves a US$25 million investment into New World by NP as originally announced in August 2013.

Whilst discussions have continued with NP, we regret to inform shareholders that we have not yet seen evidence of sufficient funds for the subscription to proceed although we continue to be assured on a frequent basis that we will and, as noted below, have already received an amount of US$4.8 million in escrow. As announced on 30 July 2014, the subscription would now be subject to the waiver of the obligation on NP to make a general offer under Rule 9 of the Takeover Code being approved by independent shareholders on a poll. It is also, as previously announced, subject to due diligence and such regulatory approvals as are required.

Turning now to our existing projects, during the first half of 2014 we were successful in re-negotiating and extending work programme deadlines in our three Danish licences, allowing us additional time to locate and negotiate farm-out agreements. Over the past 6 months, we have met with and discussed the projects with a number of potentially interested parties, and we continue to do so. In Belize, where we currently hold a 100% working interest in the Blue Creek Project, the deadline for the expiration of our Production Sharing Agreement has been extended to October 2015. With our local partners, Blue Creek Exploration Ltd, we continue to seek out and discuss possible farm-out partnerships. In addition, we have attended industry conferences in both America and in Europe, in our continuing effort to find partners. Finally, we have contracted a reputable search firm to assist in the farm-out process.

Outlook

Your Board and management is well aware of the frustration and disappointment felt by our shareholders over the past year. We continue to work in close partnership with Niel Petroleum to progress the subscription with a view to closing the deal and securing the finance. It has been a trying time for all of us but we remain convinced that completion of the NP subscription would be an important part of New World's future success.

Bill Kelleher
2014

Operations Review

Belize:

The 100%-owned Blue Creek Project ('Blue Creek') is located in the producing Petén Basin in Northwest Belize. The 315sq km licence block is made up of two oil concessions, Blue Creek and West Gallon Jug, granted under a Production Sharing Agreement ('PSA') with the government of Belize.

The licence blocks are located in a highly prospective area 175km east of the Perenco operated >300MMbbl Xan field in Guatemala, approximately 300km south east of giant oil fields in Mexico. Closer to home, Blue Creek is 28km north west of Belize Natural Energy's producing Spanish Lookout and 18km west of its Never Delay fields which were discovered in 2005 and are currently producing approximately > 2,200 bopd. 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 licence 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 of the New World licence area. All of this is greatly encouraging and we remain of the view that an active working hydrocarbon system exists along the eastern margin of the Petén basin.

During 2014, our subsidiary, New World Oil and Gas (Belize Operations) ltd has 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 well. 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 us better understand the possible migration pathways from source areas.

We continue our discussions with potential farm-in partners for the Blue Creek Project and will update the market on our progress in due course.

Denmark:

New World has a 25% working interest in two projects in Denmark. The Danica Resources Project is made up of one large licence, 1/08, totalling 1.67 million acres in the highly prospective northern margin of the Southern Permian Basin, in the Baltic region of southeast Denmark. North West Europe contains some of the world's largest gas reserves. The Permian Zechstein platform margin extends across the 1/08 licence area from North East Germany where 13 oil and gas fields are located. The Zechstein carbonate and Rotliegend sandstone gas plays are the most productive in onshore North West Europe. Additionally, Triassic sandstones, comparable to those found in the Danica Resources licence area, form highly productive reservoirs in the adjacent North Sea. The Groningen field, located in northern Netherlands in the Southern Permian Basin was discovered in 1959 and opened up the North Sea play with its 100 TCF gas discovery. To provide scale to these figures the entire UK consumes 4 TCF of natural gas per year.

New World's second Danish project is the Danica Jutland Project, totalling 1.015 million acres, consisting of two onshore oil and gas licences, 1/09 and 2/09, located in an underexplored area in Jutland, South Western Denmark, on the southern edge of the Northern Permian Basin. The licences are surrounded by Zechstein oil and gas production, and new discoveries including the Johan Sverdrup discovery located off the coast of Stavanger in the Norwegian North Sea that is expected to produce 120,000 to 200,000 bopd. According to RPS, the southern flank of the Northern Permian Basin can be regarded as a mirror image of the northern flank of the Southern Permian Basin where productive reservoirs have been proved in the early Zechstein cycles, notably in Poland and Germany.

As agreed with the North Sea Fund ('NSF') and the Danish Energy Agency ('DEA'), the Company carried out additional technical work in the form of a Vaportec style geochemical survey during the summer of 2014, with the deployment and collection of a total of 626 samples. Additionally 678.8 km of 2-D seismic lines were re-processed. The Company is currently analysing the results of these activities, and updated findings will be submitted to both the NSF and DEA later this year. As part of the request for extensions for all three of New World's licences which now expire in March 2015, an offshore portion of Licence 1/08 has been relinquished.

General

Pending the completion of the Niel subscription, the Company continues to review potential projects that would offer immediate or short-term cash flow. Projects in California, Africa and the Middle East have been analysed, and the process will continue in the coming months.

Financial Review

As an exploration and development company with no current revenues, we are reporting a loss of for the six months ended June 30, 2014 of US$1.9 million. The Company continues to hold the line on expenditures and overheads have been kept to a minimum during the period. In 2014, the Company has eliminated all consultant contracts and the Executive Directors have been diverting 20% of their salary to repay the loans used to participate in the April 2013 Placing.

The Company has also suspended any share issuance for Directors and employees until such time as the Niel Subscription can be completed. New World does not currently have any contractor or consultant liabilities that would require payment by shares.

As part of the Niel/Alfahaid deal, the Company has made a Euro 1 million down payment on the acquisition of 49% of the shares of Al Maraam, the local Kuwaiti trading company. In the event that the deal is not completed, our agreement with Dr. Alfahaid provides for a return of the deposit to New World.

In conjunction with the completion of the Niel subscription, the Company has received US$4.8 million pending the completion of the subscription. In addition, Niel has agreed that the on-going operating and overhead expenses of New World until the completion can be off-set from the amount which might ultimately be repaid out of the escrow account.

Georges Sztyk
2014

Consolidated Statement of Comprehensive Income
For the 6 months ended 30 June 2014

	Note	$'000 Six months ended 30 June 2014 (Unaudited)	$'000 Six months ended June 2013 (Unaudited)	$'000 Year ended 31 December 2013 (Audited)
Revenue		-	-	-

Dry-well costs written off		**-**	(6,891)	(7,071)
Project management and development		**(643)**	(848)	(1,947)
Administrative expenses		**(1,039)**	(1,244)	(2,286)
Legal and professional costs		**(243)**	(264)	(285)
Operating Loss		**(1,925)**	(9,247)	(11,589)
Interest receivable		**12**	8	22
Provision for losses on financial instrument		**(21)**	(259)	(378)
Loss before Taxation		**(1,934)**	(9,498)	(11,945)
Income tax		**-**	-	-
Loss for the period		**(1,934)**	(9,498)	(11,945)
Other comprehensive income:		**-**	-	-
Total comprehensive loss for the period		**(1,934)**	(9,498)	(11,945)
		======	======	======
Basic loss per share (expressed in cents)	2	**(0.28)**	(1.80)	(1.94)

Consolidated Statement of Financial Position
As at 30 June 2014

	Notes	**$'000 30 June 2014 (Unaudited)**	$'000 30 June 2013 (Unaudited)	$'000 31 December 2013 (Audited)
ASSETS				
NON-CURRENT ASSETS				
Intangible assets – exploration expenditure	3	**12,406**	12,215	12,349
Tangible assets – plant and equipment		**28**	177	29
Other receivables		**-**	771	-
Total non-current assets		**12,434**	13,163	12,378
CURRENT ASSETS				
Inventories		**70**	100	90
Cash and cash equivalents	4	**2,876**	3,470	1,108
Trade and other receivables	5	**2,526**	1,351	1,500
Total current assets		**5,472**	4,921	2,698
TOTAL ASSETS		**17,906**	18,084	15,076
LIABILITIES				
Current liabilities				
Trade and other payables	6	**(5,319)**	(1,266)	(555)
Total current liabilities		**(5,319)**	(1,266)	(555)
NET CURRENT ASSETS		**153**	3,655	2,143

NET ASSETS	**12,587**	16,818	14,521
	=======	=======	=======
SHAREHOLDERS' EQUITY			
Share capital	**-**	-	-
Share premium	**47,369**	47,369	47,369
Share-based payment reserve	**920**	770	920
Retained losses	**(35,702)**	(31,321)	(33,768)
TOTAL EQUITY	**12,587**	16,818	14,521
	=======	=======	=======

Consolidated Statement of Cash Flows
For the 6 months ended 30 June 2014

	$'000 Six months ended 30 June 2014 (Unaudited)	$'000 Six months ended 30 June 2013 (Unaudited)	$'000 Year ended 31 December 2013 (Audited)
Cash flows from operating activities			
Operating loss	**(1,925)**	(9,247)	(11,589)
Decrease/(increase) in receivables	**54**	1,186	1,689
Increase/(decrease) in payables	**214**	3,060	(3,771)
Decrease/(increase) in inventories	**20**	364	374
Depreciation	**1**	14	21
Loss on disposal of fixed assets	**-**	-	119
Net cash outflow from operating activities	**(1,636)**	(10,743)	(13.157)
Returns on investments and servicing of finance			
Interest received	**12**	8	22
Net cash inflow from returns on investments and servicing of finance	**12**	8	22
Investing activities			
Payments for exploration expenditure	**(57)**	(1,528)	(1,662)
Net Proceeds/(Payments) from disposal of plant and equipment	**-**	(11)	11
Advance to Al-Maraam	**(1,368)**	-	-
Net cash outflow from investing activities	**(1,425)**	(1,539)	(1,651)
Cash flows from financing activities			
Issue of ordinary share capital	**-**	10,351	10,565
Expenses relating to share issues	**-**	(696)	(760)
Executive directors' participation in placing	**-**	(1,000)	(1,000)
Net realisation/acquisition of financial instruments	**17**	(565)	(565)
Niel Petroleum S.A. Advance	**4,800**	-	-
Net cash inflow from financing activities	**4,817**	8,090	8,240

Net increase/(decrease) in cash and cash equivalents	**1,768**	(4,184)	(6,546)
Cash and cash equivalents at beginning of period	**1,108**	7,654	7,654
Cash and cash equivalents at end of period	**2,876**	3,470	1,108
	=======	=======	=======

Consolidated Statement of Changes in Equity
For the 6 months ended 30 June 2014

	Share premium	**Share-based payment reserve**	**Retained loss**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 January 2013	37,714	770	(21,823)	16,661
Total comprehensive loss for the period	-	-	(9,498)	(9,498)
Transactions with owners in their capacity as owners				
Shares issued	10,351	-	-	10,351
Cost of shares issued	(696)	-	-	(696)
At 30 June 2013	47,369	770	(31,321)	16,818
	======	======	======	======
Balance at 1 January 2013	37,714	770	(21,823)	16,661
Total comprehensive loss for the period	-	-	(11,945)	(11,945)
Transactions with owners in their capacity as owners				
Shares issued	10,565	-	-	10,565
Cost of shares issued	(760)	-	-	(760)
Share-based payments	(150)	150	-	-
At 31 December 2013	47,369	920	(33,768)	14,521
	======	======	======	======
Balance at 1 January 2014	**47,369**	**920**	**(33,768)**	**14,521**
Total comprehensive loss for the period	**-**	**-**	**(1,934)**	**(1,934)**
Transactions with owners in their capacity as owners				
Shares issued	**-**	**-**	**-**	**-**
Cost of shares issued	**-**	**-**	**-**	**-**
At 30 June 2014	**47,369**	**920**	**(35,702)**	**12,587**
	======	======	======	======

1. PRINCIPAL ACCOUNTING POLICIES

Presentation of Interim results

This interim report was approved by the Directors on 30th September 2014. The results for the 6 months ended 30 June 2014 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 2013 annual report and to be adopted in the 2014 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 2014 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 2013.

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 2014 (Unaudited)	$'000 Six months ended 30 June 2013 (Unaudited)	$'000 Year ended 31 December 2013 (Audited)
Loss for the period	**(1,934)**	(9,498)	(11,945)
Weighted average number of ordinary shares in issue - millions	**703**	527	615
Loss per share – basic (cents)	**(0.28)**	(1.80)	(1.94)

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 2013	10,687
Additions in the six months ended 30 June 2013:	1,528
Carrying value at 30 June 2013	12,215
Carrying value at 1 January 2013	10,687

Additions in year to 31 December 2013:	1,662
	12,349
Carrying value at 1 January 2014	**12,349**
Net additions in the six months ended 30 June 2014:	**57**
Carrying value at 30 June 2014	**12,406**

4. CASH AND CASH EQUIVALENTS

The balance as at 30 June 2014 includes $2,657,000 held within the Special Purpose Bank Account set up by the transfer of funds of $4.8 million from Niel Petroleum S.A. of which $4.55 million related to the Share Subscription Agreement and $0.25 million was a deferment charge.

5. TRADE AND OTHER RECEIVABLES

The balance as at 30 June 2014 includes $1,368,000 representing the advance of €1 million in relation to the proposed acquisition of a 49% equity interest in Al-Maraam Al-Ahliya Company for General Trading and Contracting LLC.

6. TRADE AND OTHER PAYABLES

The balance as at 30 June 2014 includes $4,550,000 representing the advance from Niel Petroleum S.A. in respect of the Share Subscription Agreement.

7. 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 2014 **Business Segments**	**Corporate** **$'000**	**Exploration & development** **$'000**	**Total** **$'000**
Result			
Loss for the period	**(1,934)**	**-**	**(1,934)**
	======	======	======
Balance sheet			
Segment assets	**5,430**	**12,476**	**17,906**
Segment liabilities	**(5,231)**	**(88)**	**(5,319)**
Net assets	**199**	**12,388**	**12,587**

		======	======	======

Geographical segments	**Denmark $’000**	**Belize $’000**	**Jersey $’000**	**Total $’000**
Result				
Loss for the period	**-**	**-**	**(1,934)**	**(1,934)**
	======	======	======	======
Balance Sheet				
Segment assets - Intangible	**7,471**	**4,935**	**-**	**12,406**
- Other	**61**	**92**	**5,347**	**5,500**
Segment liabilities	**(88)**	**-**	**(5,231)**	**(5,319)**
Net assets	**7,444**	**5,027**	**116**	**12,587**
	======	======	======	======

Six months ended 30 June 2013 Business Segments	**Corporate $’000**	**Exploration & development $’000**	**Total $’000**
Result			
Loss for the period	(2,607)	(6,891)	(9,498)
	======	======	======
Balance sheet			
Segment assets	4,687	1,397	18,084
Segment liabilities	(294)	(972)	(1,266)
Net assets	4,393	12,425	16,818
	======	======	======

Geographical Segments	**Denmark $’000**	**Belize $’000**	**Jersey $’000**	**Total $’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)	(294)	(1,266)
Net assets	6,934	5,491	4,393	16,818
	======	======	======	======

Year ended 31 December 2013 Business Segments	**Corporate $’000**	**Exploration & development $’000**	**Total $’000**
Result			
Loss for the period	(4,874)	(7,071)	(11,945)
	======	======	======
Balance sheet			
Segment assets	2,727	12,349	15,076
Segment liabilities	(430)	(125)	(555)

Net assets		2,297	12,224	14,521
		======	======	======

Geographical Segments	**Denmark $'000**	**Belize $'000**	**Jersey $'000**	**Total $'000**
Result				
Loss for the period	-	(7,071)	(4,874)	(11,945)
	======	======	======	======
Balance Sheet				
Segment assets - Intangible	7,289	5,060	-	12,349
- Other	105	115	2,507	2,727
Segment liabilities	(157)	-	(398)	(555)
Net assets	7,237	5,175	2,109	14,521
	======	======	======	======

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

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