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

8 September 2011

New World Oil and Gas Plc ('New World' or the 'Company')

Interim Results

New World Oil and Gas Plc, a company focused on making investments in the oil and gas sector, is pleased to announce its results for the six months ended 30 June 2011.

Highlights

- Listed on AIM in May 2011 with the intention of utilising management expertise to make investments in oil and gas projects that are underperforming, underdeveloped and/or undervalued
- Acquisition of the prospective 420 sq km Blue Creek Project in the producing Petén Basin, Northwest Belize - with the option to obtain up to an 100% working interest in the project upon full completion of the earn-in work programme
- Prospectivity of Blue Creek Project highlighted by Competent Person's Report
- Close proximity to the producing Spanish Lookout and Never Delays oil fields, both of which have reported reserves in the range of 25MMbbls, points to the Project being part of a working hydrocarbon system
- Phase 1 seismic completed at Blue Creek Project ahead of time and budget - preliminary results show good data quality with results expected by end of September 2011; phase 2 is now underway
- Transaction process for Danica Jutland Project in the North Permian Basin, Denmark in progress - option to obtain up to an 80% working interest in the project upon full completion of the earn-in work programme
- Danica Jutland Project Competent Person's Report received with positive results pointing towards potential reef-build-ups likely to make excellent reservoirs subject to further seismic acquisition and interpretation
- Continued evaluation of high quality pipeline of investments with a view to building shareholder value
- Strong cash position – funding in place to advance projects up to the start of drilling

New World CEO William Kelleher said, "I am delighted to report on our outstanding progress since our listing in May of this year. Within five weeks of listing, we secured our first project, the Blue Creek Project in Belize, with phase one of the seismic programme complete and phase two underway. In tandem, we are also in the process of completing the transaction process for the Danica Jutland Project in Denmark in the North Permian Basin, having received what your Board believes to be a highly encouraging competent persons report on the project pointing to a high level of prospectivity in a very large and productive basin. Importantly, the Board also remains committed to acquiring additional projects that are close to production which we believe will add significant value to our growing portfolio in order to benefit our shareholders."

Chairman's Statement

New World has made tremendous progress towards achieving its strategic goals within the oil and gas investment market since our admission to the London Stock Exchange's AIM market in May of this year ('the Admission'). This milestone event has been swiftly followed by a series of landmark achievements as we rapidly develop our maiden Blue Creek Project in Belize, and progress towards completion of the transaction for the Danica Jutland Project in Denmark.

As stated in the admission document, New World remains committed to the evaluation and investment in additional oil and gas projects that are underperforming, underdeveloped and/or undervalued. It is our intention to build shareholder value through the acquisition of a portfolio of high quality investments which fit these criteria.

Immediately following the Admission, New World appointed First Meadows Ltd ('First Meadows') to source oil and gas projects and provide consultancy services to the Company. First Meadows has specific experience and access to opportunities principally in Central and South America, an area of particular interest to the Company. As a result, New World promptly acquired the Blue Creek Project in the productive Petén Basin in Northwest Belize ('Blue Creek' or 'the Project') following the signing of a non-binding letter of intent ('the LOI') on 23 May 2011. This granted First Meadows, on behalf of the Company, a 45 day exclusivity period in which to undertake due diligence on two oil concessions, Blue Creek and Blue Creek South, under one Production Sharing Agreement ('PSA'), totalling 420 sq km, within two weeks of listing. Originally, the Blue Creek licence covered an area of 560 sq km. The Company has subsequently relinquished a portion of the concession to the Government of Belize ('GoB'), reducing the size of the total area covered by the PSA to 420 sq km. We have applied to the GoB for an extension to the relinquishment date until the completion of the seismic programme, and will update shareholders on developments in due course.

RPS Energy ('RPS') was subsequently engaged to undertake a Competent Person's Report ('CPR') in the form of a letter of opinion to assist New World in determining the prospectivity of Blue Creek. The results of the CPR received in June 2011 highlighted the prospectivity of this project and drove the Company towards a rapid completion. The close proximity to the productive Spanish Lookout and Never Delays oil fields, both of which have reported reserves in the range of 25MMbbls, points to the Project being part of a working hydrocarbon system. In addition, Blue Creek has shown structurally similar leads to these two producing oil fields giving us further confidence in our future exploration and development of the Project.

New World has since completed a Farm-Out Agreement ('FOA') to acquire up to a 100% participating interest in the PSA over Blue Creek and has entered into a Joint Operating Agreement naming the Company as Operator with respect to the operations on the PSA. The FOA was agreed between our wholly-owned subsidiary, New World Oil and Gas (Belize) Ltd ('NW Belize') and Blue Creek Exploration Ltd ('BCE') which held the original agreement with the Government of Belize. The Company has also entered into an agreement with American Seismic LLC to commence its 170 line km seismic programme.

In order for New World to acquire 100% working interest in the PSA, key provisions of the FOA must be completed. Having completed phase 1 of the 2-D seismic ahead of time and budget, the formal assignment of 12.5% of the PSA to New World is currently being drafted for approval by the Government of Belize. Within weeks of completion of the FOA, the Company's dedicated seismic team had acquired 45.80 km of 2-D seismic spread over three lines. Data tapes have been sent to Excel Geophysical Services Inc. in Denver, Colorado for processing. Preliminary results show good data quality and high resolution interpretation is currently under way with results expected by the end of September 2011.

Phase 2 of the 2-D seismic programme has now commenced, with an initial two lines completed. Due to adverse weather conditions, phase 2 was suspended and will restart when the wet field conditions improve. In the interim period, road improvement work will be carried out to allow safer access into this area, a camp will be prepared to accommodate seismic crews, and better field access arranged. It is important to note that the combined interpretation of the phase 1 seismic programme together with the initial two lines in phase 2 will determine the placement and design of the remainder of the 2-D seismic programme in order to achieve the best subsurface understanding possible prior to drilling. Our intention is to reduce the risk as much as possible prior to drilling.

The remaining 87.5% of the working interest in Blue Creek will be assigned to New World subject to the acquisition of a further 125 line km of 2-D seismic data which will deliver an additional 12.5% working interest. Following the drilling and completion of two wells through the Jurassic interval, the Company will earn into an additional 37.5% working interest per well. Once New World reaches 100% working interest, its partner, BCE, will revert to a 5% over riding royalty interest.

The participation of the Blue Creek Farm-Out was facilitated by the raising of £3 million at the time of our IPO, which will fund the Company beyond the Belize seismic programme right up to the start of drilling. I am particularly pleased to note that our subsurface team and seismic contractor for the Blue Creek Project have accepted shares in New World as partial payment for their services, which the Board believes to be a real vote of confidence in the application of the technology being applied to our Project and its overall prospectivity. New World has committed GBP1.35 million (US$2.165 million), representing 53% of the Company's net IPO cash reserves, over the next 12 months for all seismic programmes, field operations and overhead costs.

Although Europe was originally envisaged to form part of our longer term strategy, the Board believes that a solid investment opportunity has arisen. In July, we signed a non-binding letter of intent with Danica Jutland ApS, granting the Company a 65-day exclusivity period in which to undertake due diligence on two oil concessions, Licence No. 1/09 and Licence No. 2/09, totalling 4,107 sq km (1.015 million acres) in the productive Jutland on-shore area in South Western Denmark ('the Danica Jutland Project'). This region is an area particularly attractive to the Company as it represents a largely underexplored territory, located in the North Permian Basin, with significant production in the immediate region.

Having built up a strong relationship following their work at Blue Creek, we appointed RPS to complete a CPR for the Danica Jutland Project. The report underpinned our experienced Board's belief that the time is right to take advantage of the region's significant opportunities, along with the additional benefit of Denmark having a stable government, generally favourable investment regimes, and access to European Brent pricing. RPS highlighted that the North Permian basin has all the elements of an active working hydrocarbon system, with potential reef-build-ups likely to make excellent reservoirs should our further planned seismic programme prove their existence. RPS also identified two Triassic and eight Zechstein leads, six of which coincide with a feature on existing seismic data that appears to be a carbonate build-up. The two Triassic leads appear to have a strong AVO (amplitude versus offset) response leading the Company to believe there is also a strong potential for gas and gas condensate at this interval.

It is intended that definitive transaction documents will be agreed for our Denmark licences in the form of a Farm-Out and Operating Agreement with New World being named as Operator, and subsequently being named on the licences for both concessions. The earn-in work programme will see New World earning a 12.5% working interest in each of the licences on completion of the initial 2-D and 3-D seismic stages. Following the completion of the seismic stages the Company has the option to drill one well on each license and increase our right to earn up to an 80% working interest in the project.

Outlook

In summary, I believe the progress we have made to date, guided by our investment criteria, our significant pipeline of investments, and rapid execution by our management team is a testament to the dedication and hard work of New World, our partners, and our advisors.

Our Blue Creek project is being advanced through the application of the second phase of the 2-D seismic programme. We look forward to reporting further progress in due course with an updated CPR expected at the end of September 2011, incorporating the results of the first five lines (68 km) of seismic data. We will continue to refine our prospects and remain on course to identify at least two 'drill ready' seismic-based prospects by the end of Q1 2012.

In addition, having received the positive CPR for the Danica Jutland Project, we remain committed to completing the transaction process and starting the permitting process for 2-D seismic acquisition planned for early October of this year. We expect to complete data acquisition for the first phase of the seismic programme by May 2012.

In tandem with advancing these exciting and highly prospective projects, the Board remains committed to the evaluation of additional investments as we look to utilise our management's extensive experience to build New World into a significant new oil and gas exploration and production company.

I would like to take this opportunity to thank the New World team, our partners and shareholders for their hard work and continued support during this period and look forward to reporting back to you all regularly over the coming months.

Bill Kelleher
Chairman
7 September 2011

****ENDS****

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Consolidated Statement of Comprehensive Income
For the 6 months ended 30 June 2011

	Note	**$'000 Six months ended 30 June 2011 (Unaudited)**	$'000 Period from 15 April 2010 to 30 June 2010 (Unaudited)	**$'000 Period from 15 April 2010 to 31 December 2010 (Audited)**
Administrative expenses		(206)	(1)	(280)
Legal and professional costs		(786)	(224)	(236)
Operating Loss		(992)	(225)	(516)
Interest payable		(3)	-	(1)
Loss before Taxation		(995)	(225)	(517)
Taxation			-	-
Loss for the period		(995)	(225)	(517)
Other comprehensive income:		-	-	-
Other comprehensive income for the period, net of income tax		-	-	-
Total comprehensive loss for the period		(995)	(225)	(517)
		=======	=======	=======
Basic loss per share (expressed in cents)	2	(3.42)	(2.14)	(4.92)

Consolidated Statement of Financial Position
As at 30 June 2011

	Notes	**$'000 30 June 2011 (Unaudited)**	$'000 30 June 2010 (Unaudited)	**$'000 31 December 2010 (Audited)**
ASSETS				
NON-CURRENT ASSETS				
Intangible assets – exploration expenditure	3	734	-	-

Total non-current assets		734	-	-
CURRENT ASSETS				
Cash and cash equivalents		3,278	214	155
Other receivables		65	3	2
Total current assets		3,343	217	157
TOTAL ASSETS		4,077	217	157
LIABILITIES				
Current liabilities				
Trade and other payables		(63)	(209)	(131)
Total current liabilities		(63)	(209)	(131)
NET CURRENT ASSETS		3,280	8	26
NET ASSETS		4,014	8	26
		=======	=======	=======
SHAREHOLDERS' EQUITY				
Share capital	4	-	87	87
Share premium		5,526	146	146
Equity element of convertible loan		-	-	310
Retained losses		(1,512)	(225)	(517)
TOTAL EQUITY		4,014	8	26
		=======	=======	=======

Consolidated Statement of Cash Flows

For the 6 months ended 30 June 2011

	$'000	$'000	**$'000**
	Six months ended 30 June 2011	Period from 15 April 2010 to 30 June 2010	**Period from 15 April 2010 to 31 December 2010**
	(Unaudited)	(Unaudited)	**(Audited)**
Cash flows from operating activities			
Operating Loss	(992)	(225)	(516)
Decrease/(increase) in other receivables	(63)	(3)	(2)
Increase/(decrease) in trade and other payables	(68)	209	31
Share-based payments	117	-	-

Net cash outflow from operating activities	(1,006)	(19)	(487)
Returns on investments and servicing of finance – interest paid	(3)	-	-
Capital expenditure			
Payments for exploration expenditure	(521)	-	-
Net cash outflow from investing activities	(521)	-	-
Cash flows from financing activities			
Convertible loans and other short-term borrowings	36	-	409
Issue of ordinary share capital	4,912	233	233
Expenses relating to share issues	(295)	-	-
Net cash inflow from financing activities	4,653	233	642
Net increase in cash and cash equivalents	3,123	214	155
Cash and cash equivalents at beginning of period	155	-	-
Cash and cash equivalents at end of period	3,278	214	155
	=======	=======	=======

Consolidated Statement of Changes in Equity

For the 6 months ended 30 June 2011

	Share Capital	**Share premium**	**Retained loss**	**Equity element of convertible loan**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Balance at 15 April 2010	-	-	-	-	-
Loss for the period	-	-	(225)	-	(225)
Total comprehensive loss for the period	-	-	(225)	-	(225)
Transactions with owners in their capacity as owners					
Shares issued	87	146	-	-	233
Cost of shares issued	-	-	-	-	-
At 30 June 2010	87	146	-	-	233

Balance at 15 April 2010	-	-	-	-	-
Loss for the period	-	-	(517)	-	(517)
Total comprehensive loss for the period	-	-	(517)	-	(517)
Transactions with owners in their capacity as owners					
Shares issued	87	146	-	-	233
Convertible loan issued (equity element)	-	-	-	310	310
At 31 December 2010	87	146	(517)	310	26
Balance at 1 January 2011	87	146	(517)	310	26
Loss for the period	-	-	(995)	-	(995)
Total comprehensive loss for the period	-	-	(995)	-	(995)
Transactions with owners in their capacity as owners					
Shares issued	-	5,558	-	(310)	5,278
Cost of shares issued	-	(295)	-	-	(295)
Share reorganization	(87)	87	-	-	-
At 30 June 2011	-	5,526	(1,512)	-	4,014

Notes to the Interim Report

1. PRINCIPAL ACCOUNTING POLICIES

(a) Presentation of Interim results

This interim report was approved by the Directors on 6th September 2011. The results for the 6 months ended 30 June 2011 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 2010 annual report and to be adopted in the 2011 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 2011 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 2010.

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.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of New World Oil and Gas PLC and its controlled entities. The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. The subsidiary companies that have been formed in the period to 30 June 2011 are New World Oil and Gas (Belize) Limited and New World Oil and Gas (Belize Operations) Limited.

All inter-company balances and transactions have been eliminated in full.

2. LOSS PER SHARE

	$'000 Six months ended 30 June 2011 (Unaudited)	$'000 Period from 15 April 2010 to 30 June 2010 (Unaudited)	**$'000 Period from 15 April 2010 to 31 December 2010 (Audited)**
Loss for the period	(992)	(225)	(517)
Weighted average number of Ordinary shares in issue - million	29.0	10.5	10.5
Loss per share – basic (cents)	(3.42)	(2.14)	(4.92)

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

The comparative loss per share has been recalculated to take account of the share reorganisation which converted 100 “old” ordinary shares to 28 ordinary shares of no par value.

3. INTANGIBLE ASSETS – Exploration Expenditure

Additions in the six months ended 30 June 2011:	**$’000**
- Cash expenditure	521
- Share-based payments	213
Carrying value at 30 June 2011	734

4. SHARE CAPITAL

On incorporation, the Company had an authorised share capital of £1,500,000 divided into 1,000,000,000 ordinary shares of £0.0015 each, of which 2 were issued, fully paid, to the subscribers to the memorandum of association of the Company.

On 15 April 2010, one subscriber share was transferred to Hydrocarbon Technologies Limited and one subscriber share was transferred to Petro Sztyk (Petro Sztyk then transferred the subscriber share to The Black Sea and Caspian Trust on 4 May 2010), and the number of shares issued and fully paid was increased from 2 ordinary shares to 37,500,000 ordinary shares by the issue of a further 37,499,998 ordinary shares to the founder Shareholders at a price of £0.004 per share so that their shareholdings comprised 23,000,000 ordinary shares held by The Black Sea and Caspian Trust, 11,500,000 ordinary shares held by Hydrocarbon Technologies Limited and 3,000,000 ordinary shares held by Simon King.

On 17 November 2010, the number of shares issued and fully paid was increased from 37,500,000 ordinary shares to 38,100,000 ordinary shares by the issue of a further 600,000 ordinary shares to Stephen Polakoff.

On 6 April 2011 the founder shareholders capitalised a further £22,600 of expenses in total in respect of their holdings of 37,500,000 ordinary shares.

Between 26 April and 4 May 2011:

(a) the share capital was converted to no par value and consolidated on the basis of 28 Ordinary Shares for every 100 existing ordinary shares;

(b) the Company converted loans of US$310,000 (at an agreed conversion rate of US$1/£0.625, giving loans of £193,750) into 3,875,000 new Ordinary Shares at a price of 5p per share; and

(c) entered into agreements to issue a total of 18,600,000 Warrants to subscribe for Ordinary Shares at 5p per share with an expiry date of 11 May 2016.

resulting in an authorised share capital divided into 280,000,000 Ordinary Shares of no par value, of which 14,543,000 were in issue, plus a total of 18,600,000 Warrants.

On Admission to AIM on 11 May 2011 the Company:

(a) issued 60,000,000 Ordinary Shares for cash at £0.05 per share;

(b) issued 660,000 Ordinary Shares to advisers at £0.05 per share; and

(c) issued 74,543,000 Warrants to subscribe for Ordinary Shares at 10p per share with an expiry date of 11 May 2014.

On 27 May 2011: issued 525,000 ordinary shares at 5p per share in settlement of professional fees.

On 28 June 2011:

(a) issued 943,841 ordinary shares at 6.5p per share in agreed partial payment of historical costs on the Farm-Out Agreement for the Blue Creek Concession, Belize;

(b) issued 641,815 ordinary shares at 6.5p per share and 455,840 ordinary shares at 6.75p per share as agreed part payment of services provided by consultants on the seismic programme in relation to the Blue Creek Concession, Belize; and

(c) issued 250,000 ordinary shares at 5p per share together with 250,000 warrants to subscribe for shares at 10p per share expiring on 28 June 2014 for consultancy services further to the Agreement with First Meadows Limited to source oil and gas projects.

As at the 30th June 2011 the authorised share capital divided into 280,000,000 Ordinary Shares of no par value, of which 78,019,496 were in issue together with a total of 18,600,000 5p warrants and 74,793,000 10p warrants.

5. POST BALANCE SHEET EVENTS

- On 4 July 2011 the Company signed a non-binding letter of intent to acquire an initial 12.5% working interest, with an option to obtain up to an 80% working interest, in 2 Oil concessions in the Jutland on-shore area in South Western Denmark.

- On 6 July 2011 raised £3 million before expenses via a placing of 50,000,000 ordinary shares at a price of 6p per share.

- On 16 August 2011 the Company released the details of the competent persons report highlighting the prospectivity of the two Jutland licenses in which RPS Energy expressed the opinion that this is an interesting opportunity to assess early stage exploration.

6. REVENUE AND SEGMENTAL ANALYSIS

The group has not commenced production and therefore recorded no revenue.

In the period from incorporation on 15 April 2010 to the acquisition of its 25% Working Interest in the Blue Creek Project in Belize the Company operated as an investing Company with no specific central management base.

The analysis of operating loss before taxation and the net assets employed by geographical segment of operations is shown below:

6 months ended 30 June 2011	**UK $'000**	**Belize $'000**	**Total $'000**
Result			
Operating loss	(992)	-	(992)
Interest payable	(3)	-	(3)
Loss before and after tax	(995)	-	(995)
	=======	=======	=======

Assets	**UK $'000**	**Belize $'000**	**Total $'000**
Intangible assets – exploration expenditure	-	734	734
Other receivables	65	-	65
Cash	3,278	-	3,278
Consolidated total assets	3,343	734	4,077
	======	======	======

Liabilities	**UK $'000**	**Belize $'000**	**Total $'000**
Trade and other payables	63	-	63
	======	======	======