

New World Oil and Gas Plc / Index: AIM / Epic: NEW / Sector: Oil & Gas
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New World Oil and Gas Plc ('New World' or 'the Company')
Binding Framework Agreement signed for oil production in Kuwait
and update on Subscription to raise US\$25 million

Further to the approval of Shareholders at the Annual General Meeting on 12 September 2013, New World has continued to work with the Subscriber, Niel Petroleum SA ('Niel'), to complete the subscription on the agreed terms. In line with this, New World has been informed that Dr. Muaaz KH M Alfahaid ('Dr Alfahaid'), a Kuwaiti national representing Al Maram Trading & Contracting LTD, will be acquiring a 20% ownership stake in Niel for a consideration of US\$20 million, and in turn Niel will be using this consideration to complete the Subscription with New World.

With this in mind, the Company is pleased to announce that it expects the balance of the Subscription funds to the value of US\$20 million to be paid by Niel no later than 30 July 2014 and following which 2,184,897,959 Subscription Shares will be issued and allotted at a price of 0.735p per share.

In conjunction with the above development, the Company is pleased to announce that it has signed a binding Framework Agreement ('FA') with Dr Alfahaid and Niel which contains certain agreed aspects of a proposed agreement between the parties whereby the Company expects to participate in drilling and production in Kuwait and marketing of crude oil abroad.

In addition to the acquisition of a 20% ownership stake in Niel for US\$20 million, the FA provides for the acquisition by New World of a 49% equity interest (with 60% economic benefit in the net revenues) of Al-Maraam Al-Ahliya Company for General Trading and Contracting LLC ('Al-Maram'), duly registered and established in Kuwait, one of the few companies that has been granted the right to participate in tenders to drill for and produce oil and gas in Kuwait, and to sell and market oil produced in Kuwait to the international market. As part of the definitive transaction, and on completion, New World will nominate a General Manager of Al-Maram. New World, Niel and Dr Alfahaid expect to execute all transaction documents related to this venture shortly and to begin setting up operations in Kuwait thereafter.

As noted above, the transaction is subject to completion including the execution of definitive agreements, the receipt of the respective funds and compliance with regulatory requirements.

Kuwait has announced a programme to increase current production from 2.8 million barrels of oil ('MMbo') per day to 3.5 MMbo per day by the end of 2015. Al-Maram will participate in all future bid rounds for the drilling and production of oil and gas in Kuwait.

New World CEO William Kelleher said: “The signing of this Framework Agreement with Dr Alfahaid should set the stage for New World to become an active player in the Middle East petroleum sector. The completion of the Niel Subscription will provide adequate financial resources to promptly begin operations in Kuwait and participate in upcoming projects. We feel that this development could be a ‘company-maker’ and achieve our stated goal of becoming a successful exploration and production company.

“I would like to take this opportunity to express our gratitude and appreciation to Dr Alfahaid, Nicolas Bourg, Laurent Foucher and the Niel Petroleum team who worked diligently on turning an interesting idea into reality. I look forward to updating the market on all new developments in the near future at this exciting time for New World.”

Further Information on the Framework Agreement

The Framework Agreement provides that upon the conclusion of a share purchase agreement, a shareholders agreement and a put option agreement with Dr Alfahaid, New World shall pay EUR1 million in consideration for an immediate transfer of 49% of the shares in Al Maram (including a 60% interest in the net revenues). New World will pay an additional EUR4 million to Dr Alfahaid once the Subscription is complete and New World receives the US\$25 million. If, however, New World does not receive the Subscription funds by the long stop date of 30 July 2014, New World will have a "put" option that, if exercised, would compel Dr Alfahaid to pay back the initial EUR1 million paid by New World.

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

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Notes to Editors

Dr Muaaz KH M Alfahaid - Biography

Dr. Alfahaid, is the son of Khaled Masoud, a previous minister and prominent member of the Kuwaiti parliament. Dr Alfahaid earned a Bachelor's degree in International Relations from Strasbourg University in 1993; a Master degree in Translation (prompt/spontaneous translation) in 1994, also from Strasbourg University; and a Doctorate in Social Politics from the Sorbonne in 2001.

Dr. Alfahaid is an entrepreneur who has been engaged in forming business ventures internationally for the past two decades. He established several businesses and held the chairmanship and CEO positions in various companies, namely the European Arab Group between the years 1998 and 2000, Egypt téléphérique between 2000 and 2003, Grand Lake in 2003, Uganda Telecom and Immobile Imoja, as well as Kuwait & Joba in Southern Sudan recently.

Reflecting Dr. Alfahaid's progressive agenda when it comes to addressing social issues, he is also a founding member of Dialogue of Civilizations Center aimed at defending democracy in Kuwait.