NU-OIL AND GAS PLC
AIM symbol: 'NUOG'

31 March 2017

NU-Oil and Gas plc ("NU-Oil" or "the Company")

Interim Results for the six months ended 31 December 2016

NU-Oil, the independent Oil and Gas company, today announces its interim results for the six months ended 31 December 2016.

Key points:

- Strategy focused on utilising redeployable engineering solutions that reduce Opex and Capex to build a portfolio of low risk highly appraised marginal assets;
- Continuing focus on the development of portfolio through Marginal Field Development Company (MFDevCo) Ltd ("MFDevCo"), in which the Company has a 50% interest;
- MFDevCo entered into a collaboration agreement with COSL Drilling Pan Pacific Limited ("CDPL") (the "Collaboration Agreement"), a major drilling and oilfield services company, in order to secure marginal field projects more cost-effectively, earlier and with less up-front capital;
- Currently in discussions with regards to acquiring further projects which are expected to become increasingly valuable as the market improves;
- During the period, the Company raised £1,129,000 net of expenses, primarily towards the implementation of the Company's stranded and marginal field strategy and for general working capital purposes;
- Concluded the specific terms of a production sharing agreement with PVF Services Inc. ("PVF") for PL2002-01(A) (the "Production Sharing Agreement"), which provides for the Company to receive 50% of net revenue from production following the recovery of any costs incurred by PVF in performing its obligations. Work remains on schedule to allow commencement of activity in Q2 2017;

- The period of due diligence on the option agreement with G2 Energy which covers EL1070 (the "Option Agreement") has passed satisfactorily and the agreement has come into full effect;
- The Company reports a loss of £421,000 for the period, a decrease of £51,000 in the loss reported over the corresponding period in 2015; and
- Following the end of the period, the Company raised a further £2,050,000 before expenses and expects this, in conjunction with the funds raised during the reporting period, to meet the Company's requirements in the medium term.

Nigel Burton, CEO of NU-Oil, commented:

"NU-Oil has seen a strong turnaround over the six-month period, with the share price increasing substantially. The Company has raised sufficient funds to implement its clear and focused strategy and plans have been implemented for legacy assets. In addition, the Directors have demonstrated their support for the Company's strategy through the purchase of shares."

For further information, please visit the NU Oil and Gas website www.nu-oilandgas.com or contact:

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). On the publication of this announcement via a Regulatory Information Service ("RIS"), this information is now considered to be in the public domain.

Note to Editors:

NU-Oil and Gas plc is an independent oil and gas company whose strategy is to build a diverse portfolio of assets with a strong emphasis on acquiring interests in stranded and marginal fields.

These fields are low risk highly-appraised projects and consequently the Company's entry cost will be low. NU-Oil will look to develop these assets utilising solutions delivered by MFDevCo and the Marginal Field Development Consortium (see below), which can significantly improve the development economics of a project. This is also expected to enable the early booking of reserves.

Marginal Field Development Company (MFDevCo) Ltd (www.mfdevco.com)

MFDevCo is a joint venture between RMRI (www.rmri.co.uk) and NU-Oil. It focuses on maximising recovery from the vast, undeveloped hydrocarbon resources contained within marginal fields worldwide, utilising appropriate re-deployable solutions to transform these undervalued assets. MFDevCo manages the entire lifecycle of marginal field projects from opportunity screening, suitability assessment and financing through engineering to production and decommissioning. The solutions developed can be used to:

- Realise the potential from marginal or stranded fields;
- Extend the life of mature fields;
- Rejuvenate fields with a previous or existing development solution that is currently sub-economic;
- Defer decommissioning liabilities; and
- Provide early production systems

The Marginal Field Delivery Consortium www.mfdconsortium.com

The Marginal Field Delivery Consortium (the "Consortium") is a collaborative partnership, established and led by MFDevCo, between upstream oil and gas industry specialists committed to developing hydrocarbon resources around the world which cannot be economically recovered using conventional methods. Through its members, the Consortium offers the technology and services required to deliver marginal oil and gas projects from project identification and concept selection through to operation and decommissioning, using cost-effective and re-deployable production solutions, which can transform the economics of marginal fields by reducing the development costs by up to 60% compared to using conventional solutions.

The Consortium is led by MFDevCo and includes:

Arup – ACE platform and project management

Kongsberg – Control and automation systems for 'normally unattended' operations

Frames – Process and utility design for 'normally unattended' solutions

RMRI – Managing regulatory aspects of ‘normally unattended’ operations

Braemar ACM – Facility financing, yard broker and assistance with project acquisition

AGR – Drilling management and well design services

Apollo – NU-SIFT structural engineering

Aibel – Project management and EPC contractor

COSL Pan Pacific – Drilling and oilfield services

Chairman's Statement and Operational Review

I am pleased to provide this update following a fundamental and positive change in the Company's position and prospects. The six months to 31 December 2016 have seen a reversal in the Company's share price decline, with strong progress being made in the development of the Company's legacy assets and strengthening of its financial position, which we expect to allow it, in conjunction with its investment in MFDevCo, to secure projects in line with its marginal field strategy.

The acquisition of the first project will be the event that validates the Company's strategy. Progress always appears slow but the reality is that projects are complex with many factors to be managed, not least of which is the obligations of the Directors who must be sure that the application of the Company's resources will lead to viable projects.

The Company has to gather and interpret a potential project's specific engineering factors and accommodate them within our solution, address the regulatory and taxation framework of any jurisdiction in which we may wish to operate, establish the local management team with the necessary expertise, develop the appropriate financial strategy, negotiate the specific terms under which we might become involved and acquire the seismic and well data to create the subsurface model that allows us to plan well locations and predict the flow rates that generate project returns. In addition, in undertaking this validation work, we need to utilise external specialists, some of which are part of the Consortium. Finally, marginal field projects are in the development and production stage rather than the exploration stage, with correspondingly earlier results but more stringent delivery criteria.

Noting the above constraints, the projects that we have been pursuing have been targets for a significant period of time and much of the work described above has been completed, with only a small number of issues requiring resolution prior to completion. Moreover, it should be noted that the Company continues to advance the activities of the marginal field strategy alongside the revitalisation of its legacy assets.

MFDevCo entered into the Collaboration Agreement with CDPL, a major drilling and oilfield services company, in order to secure marginal field projects more cost-effectively, earlier and with less up-front capital. CDPL is the international branch of China Oilfield Services Limited ("COSL"), in turn, a majority owned subsidiary of China National Offshore Oil Corporation. The agreement envisages delayed invoicing and payment terms to delay a significant portion of costs of drilling until after the production of hydrocarbons on secured projects and collaboration on additional services with sister companies of CDPL. This enables MFDevCo to make commitments on specific work required to secure access to projects at an earlier stage than would otherwise be possible and having raised significantly less capital prior to commencement. In my opinion, this is a significant milestone and will form an important part of a project's financing strategy.

With respect to our assets in Western Newfoundland, the Company concluded the specific terms of the Production Sharing Agreement with PVF for PL2002-01(A). The Production Sharing Agreement provides for the Company to receive 50% of net revenue from production following the recovery of any costs incurred by PVF in performing its obligations. The term of the Production Sharing Agreement is five years and PVF will cover all costs associated with an agreed work programme to restore production from PL2002-01(A) (the "Work Programme"). In addition to PVF providing 100% of the funding for the Work Programme, it will also fund 100% of ongoing operations on PL2002-01(A) in exchange for 50% of net revenue from production following the recovery of its costs.

The Work Programme will be undertaken in two phases, with the first phase involving wireline operations to clean up the well and mill out a physical obstruction in the completion that is restricting flow. The well will then be flowed for a period anticipated to be between 15 and 30 days to allow for reliable analysis and evaluation of the resulting production. Subject to satisfactory results, a rig will be mobilised to site to undertake the second phase of the Work Programme, which will include recompletion of the well and installation of an appropriate artificial lift system.

PVF lead a consortium of engineering service companies who are contributing to the completion of the Work Programme. The consortium includes:

- Ecan Oilfield Services LP, an Ontario based company comprised of nearly 400 personnel who provide a variety of oilfield services including rig provision; and

- IDDEL Engineering Ltd, a Canadian professional engineering consulting firm specialising in mechanical, electrical and environmental engineering and project management.

Work remains on schedule to allow commencement of activity at PL2002-01(A) in Q2 2017.

In addition to the activity on PL2002-01(A), the Option Agreement was signed with G2 Energy Corp ('G2 Energy') whereby G2 Energy has an exclusive option to earn 100% of the Company's working interest in the Deep Rights on EL1070, with the Company's wholly owned subsidiary, Enegi Oil Inc., retaining a 5% gross overriding royalty should the option be exercised. Pursuant to the Option Agreement, G2 Energy had a period of 45 days to conclude due diligence on EL1070, which has concluded satisfactorily and the Option Agreement has come into full effect.

I believe the activities described in this statement demonstrate the significant progress that the Company has made in the six-month period to 31 December 2016. The Board's continued belief in its strategy is demonstrated by the recent purchases of shares by certain Directors and the length of the lock in period built into the options that were awarded to the Directors, as announced on 27 February 2017. I remain confident that we will see the results of that commitment.

Alan Minty
Executive Chairman
31 March 2017

Financials

The accounts for the period have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union using accounting policies that are consistent with those stated in the Company's 2016 Annual Report and Accounts.

The Company reports a loss of £421,000 for the period, a decrease of £51,000 in the loss reported over the corresponding period in 2015. This is primarily due to the Company continuing to reduce its overheads as it resolves the financial and corporate structure required to implement its strategy.

The Company did not generate any revenue during the period (2015: £nil).

Group net liabilities as at 31 December 2016 were £2,525,000 (2015: net liabilities of £3,003,000). The change in the Company's financial position is mainly attributable to its fundraising activities in the period, during which the Company raised £1,129,000 net of expenses.

Future funding and capital requirements

The Directors believe that NU-Oil has developed a very attractive business model in choosing to participate in the development of the marginal fields via its investment in MFDevCo. We expect to see an upturn in activity by utilising this offering to increase our project portfolio.

Following the end of this period the Company raised a further £2,050,000 before expenses and expects this, in conjunction with the funds raised during this period, to meet the Company's requirements in the medium term.

Damian Minty
Chief Financial Officer
31 March 2017

CONSOLIDATED INCOME STATEMENT

	Unaudited 6 months ended 31 December 2016 £'000	Unaudited 6 months ended 31 December 2015 £'000	Audited 12 months ended 30 June 2016 £'000
Revenue	**-**	-	-
Cost of sales	**-**	-	-
Gross Profit	**-**	-	-
Administrative expenses	**(421)**	(472)	(815)
Loss from operations	**(421)**	(472)	(815)
Finance costs	**-**	-	(1)
Loss before tax	**(421)**	(472)	(816)
Taxation	**-**	-	-
Loss for the year	**(421)**	(472)	(816)
Loss per share (expressed in pence per share)			
Basic	**(0.1p)**	(0.2p)	(0.3p)
Diluted	**(0.1p)**	(0.2p)	(0.3p)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31 December 2016 £'000	Unaudited As at 31 December 2015 £'000	Audited As at 30 June 2016 £'000
Non-current assets			
Tangible fixed assets	**889**	791	868
Intangible assets	**848**	899	848
Other long term assets	**502**	405	479
	2,239	2,095	2,195
Current assets			
Trade and other receivables	**1,095**	907	1,150
Cash and cash equivalents	**313**	67	-
	1,408	974	1,150
Total assets	**3,647**	3,069	3,345
Current liabilities			
Trade and other payables	**(4,388)**	(4,093)	(4,604)
Due to related parties	**(1,297)**	(1,590)	(1,514)
	(5,685)	(5,683)	(6,118)
Non-current liabilities			
Provisions	**(487)**	(389)	(466)
Total liabilities	**(6,172)**	(6,072)	(6,584)
Net liabilities	**(2,525)**	(3,003)	(3,239)
Shareholders' equity			
Ordinary share capital	**2,336**	1,981	2,022
Share premium account	**27,246**	26,392	26,431
Reverse acquisition reserve	**9,364**	9,364	9,364
Other reserves	**(2,487)**	(2,487)	(2,487)
Warrant reserve	**355**	355	355
Accumulated losses	**(39,339)**	(38,608)	(38,924)
Total equity	**(2,525)**	(3,003)	(3,239)

CONSOLIDATED STATEMENT OF CASH FLOW

	Unaudited 6 months ended 31 December 2016 £'000	Unaudited 6 months ended 31 December 2015 £'000	Audited 12 months ended 30 June 2016 £'000
Cash flows from operating activities			
Cash used in operations	**(778)**	(354)	(436)
Net cash used in operating activities	**(778)**	(354)	(436)
Cash flows from investing activities			
Expenditure on tangible assets	**-**	-	-
Net cash used in investing activities	**-**	-	-
Cash flows from financing activities			
Share capital issued for cash	**1,129**	380	435
Net cash generated from financing activities	**1,129**	380	435
Net increase / (decrease) in cash and cash equivalents	**351**	26	(1)
Cash and cash equivalents at the start of the period	**-**	1	1
Exchange (losses) / gains	**(38)**	40	-
Cash and cash equivalents at the end of the period	**313**	67	-

NOTE: These statements have been prepared under International Financial Reporting Standards as adopted by the European Union using accounting policies consistent with those in the last Annual Report.