

Amsterdam, 16 May 2016

Further announcement regarding likely impacts of the filing of an insolvency petition by OKD

Further to the announcements on 3 and 4 May 2016 regarding the filing of an insolvency petition on behalf of OKD, a.s. ("**OKD**") with the Czech court, the shares in New World Resources Plc ("**NWR Plc**") and together with its subsidiaries, the "**NWR Group**") remain suspended from the London Stock Exchange, Prague Stock Exchange and Warsaw Stock Exchange.

As previously announced on 4 May, as OKD is the only trading subsidiary of the NWR Group, the likely impact of the insolvency of OKD is that the remainder of the NWR Group will be wound up or broken up in an orderly manner. If this occurs, it is expected that there will be very minimal or no returns to the shareholders of NWR Plc, apart from the potential distribution of any cash balances of NWR Plc that may remain after the orderly wind-up or break-up of the NWR Group. Creditors and shareholders of NWR Plc should note that whilst there are expected to be significant liabilities in NWR Plc to be paid from the cash remaining within the company, and whilst there can be no certainty, some cash is expected to be distributed to the shareholders of NWR Plc as part of such a winding-up.

Update on indebtedness

The external indebtedness of the NWR Group comprises the approximately EUR 352 million Senior Secured PIK Notes due 2020 ("**SSNs**"), EUR 162 million Convertible Notes due 2020 ("**Convertible Notes**"), a EUR 50 million export credit agency-backed facility ("**ECA Facility**") and a EUR 35 million super senior credit facility ("**SSCF**").

The creditors under the SSNs and the SSCF (together, the "**Senior Secured Creditors**") benefit from a security and guarantee package principally comprising: (i) pledges of the shares in OKD, NWR Karbonia S.A. ("**Karbonia**") and NWR Holdings B.V. ("**BV**"); (ii) security over all intra-group loans within the NWR Group; (iii) security over the accounts of New World Resources N.V. ("**NV**") and BV; and (iv) unsecured guarantees from OKD and Karbonia. Under the Group's intercreditor agreement, the SSCF is super senior to the rest of the Senior Secured Creditors – in the current circumstances, the SSCF liabilities must be satisfied in full before any return to the other Senior Secured Creditors is possible.

As a result of the insolvency petition being filed by OKD and certain other related events of default, each of the SSCF, SSNs and ECA Facility have accelerated. In addition, the requisite majority of SSCF Lenders have: (i) issued enforcement instructions over the accounts of NV and BV, and instructed the Security Agent to take control over the cash in those accounts^{*}; (ii) issued a demand upon the guarantee given by OKD for payment of the SSCF liabilities; and (iii) informed the Group that they also intend to issue enforcement instructions over the secured intra-group loans. The requisite majority of holders of the SSNs have also issued a demand upon the guarantee given by OKD for payment of the SSN liabilities. As at the date of this announcement, the NWR Group has not received any notice of acceleration from the trustee under the Convertible Notes. The NWR Group understands that certain of the SSCF lenders continue to consider whether there is any value in enforcing the share pledges set out above; it is currently unclear whether such value would be sufficient to repay the SSCF liabilities in full.

As a result of these actions by the Senior Secured Creditors, it is highly unlikely that unsecured creditors of the NWR Group (including creditors in respect of the ECA Facility and the Convertible Notes) will receive any return on their outstanding liabilities towards NV and BV.

As noted above, it is possible that there may be some remaining cash balances at NWR Plc after the orderly wind up or break up of the NWR Group. However, any recoveries for shareholders of NWR Plc are likely to be limited and will possibly be less than €8,000,000. Any funds at NWR Plc are not secured for the benefit of the Senior Secured Creditors and to the extent there is any surplus cash at NWR Plc following an orderly winding-up (which is not certain at this stage), this is expected to be distributed to the shareholders of NWR Plc. Accordingly, holders of the Convertible Notes may wish to consult with their advisers to determine their position regarding conversion of their Convertible Notes into NWR Plc shares and the timing of any such conversion (noting the solvency position of the Group).

Commencement of Sale Process

NWR Plc has appointed Deloitte LLP to commence a process for the sale of NWR Karbonia S.A.. Parties who may be interested in submitting a proposal are asked to contact Andrew Grimstone and Simon Harrison at Deloitte LLP. Their contact details are as follows:

^{*} NWR notes that the current cash balances in the accounts of NV and BV are insufficient to satisfy the SSCF liabilities in full.

Andrew Grimstone
Partner | Financial Advisory | Deloitte LLP
Athene Place, 66 Shoe Lane, London, EC4A 3BQ
Tel: +44 20 7007 2998 | Mobile: +44 7711 776110
agrimstone@deloitte.co.uk

Simon Harrison
Director | Financial Advisory | Deloitte LLP
Direct phone: +44 20 7007 2245 | Mobile: +44 7866 625567
siharrison@deloitte.co.uk

Listing of further shares issued pursuant to conversion of Convertible Notes

NWR Plc does not intend to apply for listing any further shares issued pursuant to a conversion of any PIK Mandatory Convertible Notes due 2020 and issued by New World Resources N.V., unless the suspension of the trading of shares in NWR Plc is lifted.

– End –

Investor and Media Contact:

Radek Nemecek
Tel: +420 727 982 885
rnemecek@nwrgroup.eu

Website: www.newworldresources.eu

About NWR:

New World Resources Plc is a Central European hard coal producer. NWR produces quality coking and thermal coal for the steel and energy sectors in Central Europe through its subsidiary OKD, the largest hard coal mining company in the Czech Republic.