

## **Arria NLG plc (“Arria” or the “Company”)**

### **Termination of contract and trading update**

The Board of Arria announces that the Company’s contract with Shell Exploration & Production Company ("Shell"), which was announced on 23 May 2014, has been terminated by notice given by Shell in accordance with its terms. Shell has confirmed that the cessation of its relationship with the Company does not reflect the value it sees in Arria’s technology, to which Shell has responded positively and which is demonstrated by the significant development work done to date. The directors of Arria understand that when Shell is better placed to exploit the benefits offered by Arria's technology will Shell consider re-establishing the relationship with Arria.

Under the terms of the contract there will be a termination payment to the Company. Nevertheless, the termination of the contract will have a material adverse impact on the Company’s trading and revenues for the year ending 30 September 2015, which are now expected to be significantly below market expectations.

Furthermore, as stated in the Director's Report in the audited financial statements for the period ending 30 September 2014, there existed a material uncertainty on the continuing financial viability of the Company pending a successful agreement for additional funding. The Company was until yesterday in advanced discussions with a number of institutional and other investors for a substantial equity fundraising at a share price significantly below the current market price, which it was targeting to conclude within a matter of days. This fundraising was predicated on revenue expectations which included the continuation of the Shell contract and, therefore, the Company has suspended these discussions.

The Company intends to re-engage with potential investors to explore the provision of additional capital in light of the revised revenue expectations as a matter of urgency. In addition, the Company will continue to explore all other financing options available to it. There can be no certainty, however, that further financing will be available to the Company on acceptable terms, or at all.

As explained in the Company’s last annual results, the extent of funding required would depend on the speed and quantum with which the Company secures additional profitable revenue growth. The cessation of the Shell relationship creates a significant gap in the funding available to the Company and further funds will be required in the near term if it is to continue as a going concern.

The Directors continue to remain extremely confident in the potential for the Arria technology. Although Shell was a major client and contributor to revenue, revenues are beginning to be generated by other customers. It is encouraging to

see that the number of clients contributing to revenues in the first half of this year has doubled from two to four when compared to the prior year.

As Arria worked through 2014, management assumed that the Company would gain one new client per quarter going forward. As it has turned out, since August of last year, we have achieved an average pace of approximately one new client per month. We also have an exciting opportunity with IBM Watson where we are a part of their partnership programme.

The Company will make further announcements in due course.

**For further information, please visit [www.arria.com](http://www.arria.com) or contact:**

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