

Europa Oil & Gas (Holdings) plc / Index: AIM / Epic: EOG / Sector: Oil & Gas
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Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')
Farm-Out of Holmwood, Weald Basin

Europa Oil & Gas (Holdings) plc, UK and Ireland focussed exploration, development and production company, is pleased to announce that its wholly owned subsidiary has signed a Farm-Out Agreement ('FOA') in relation to a 12.5% interest in the PEDL143 licence in the Weald Basin with a wholly owned subsidiary of Angus Energy PLC ('Angus'). Europa will retain a 20% interest in PEDL143 where a well targeting the 5.6 mmbo conventional Holmwood prospect ('Holmwood') is anticipated to be drilled in 2017.

FOA sees Europa fully carried to drill Holmwood

- Angus will pay 25% of the costs to drill an exploration well at Holmwood up to a gross well cost of £3.2 million ('the Cap') for a 12.5% working interest in PEDL143
- Angus will pay 12.5% of all non-well costs and gross well costs above the Cap
- Europa will pay 20% of all non-well costs and gross well costs above the Cap and is now fully carried on well costs up to £3.2 million
- In the event of a discovery and subsequent development on the licence, Angus has agreed to make a deferred payment to Europa of £265,625 covering back costs plus a 25% uplift
- The FOA is subject to regulatory approval by the Oil & Gas Authority

Well targeting gross mean unrisked prospective resources of 5.6 mmbo

- P90 – P10 resources of 1 - 11 mmbo – assigned one in three chance of success
- Holmwood well will penetrate similar stratigraphy to the nearby Brockham oil field and Horse Hill oil discovery, targeting oil in Upper and Lower Kimmeridge Limestones and Corallian and Portlandian sandstones
- The 5.6 mmbo prospective resources at Holmwood do not include an estimate for the Kimmeridge limestones that produced oil at Horse Hill
- Planning permission in place for a deviated exploration well to be drilled - operations anticipated to commence in 2017
- Fulfilment of planning conditions and detailed well planning and environmental permitting underway

Holmwood located in prolific UK onshore hydrocarbon region

- PEDL143 is in an area of the Weald Basin where 14 oil and gas fields have been found, and an estimated 50 million barrels of oil discovered, of which 30 million barrels have been produced to date

- Holmwood lies 5km to the south of the Angus-operated Brockham oil field (‘Brockham’) and 12km to the west of the Horse Hill-1 well (‘Horse Hill’) in PEDL137
 - Brockham produces oil from Portlandian sandstone reservoirs, discovered by BP in 1987
 - Horse Hill produced at a combined average stable rate of over 1,688 bopd from Upper and Lower Kimmeridge Limestone reservoirs and Upper Portland sandstone reservoir during flow tests as reported by UK Oil & Gas Investments PLC (‘UKOG’)

Europa CEO Hugh Mackay said, “Following today’s farmout, Europa will have a fully carried 20% share in Holmwood and the benefit of a partner with expertise in the Weald basin. As the operator of the nearby Brockham oil field, Angus can provide invaluable technical insights in tandem with our other partners including UKOG, a major stakeholder in the Horse Hill discovery.

“In line with our strategy to expose our shareholders to material rewards through the drillbit while minimising exposure to exploration risk, this is the fourth farm-out we have secured for our UK licences within the last 12 months. We are working hard to replicate this farmout success with our industry-leading licence position offshore Ireland, and I look forward to providing further updates on our progress in due course.”

Subject to approval of the farm-out from the Oil & Gas Authority, Europa will retain a 20% interest in and operatorship of PEDL143 alongside Egdon Resources (18.4%), Altwood Petroleum (1.6%), Warwick Energy (10%), UKOG (30%), UJO (7.5%), and Angus (12.5%)

**** ENDS ****

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

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Notes

Europa Oil & Gas (Holdings) plc has a diversified portfolio of multi-stage hydrocarbon assets that includes production, exploration and development interests, in countries that are politically stable, have transparent licensing processes, and offer attractive terms. In 2016 Europa produced 123 boepd. Its highly prospective exploration projects include the Wressle oil development in the UK and seven licences offshore Ireland with the potential to host gross mean un-risked prospective and indicative resources of more than 4 billion barrels oil equivalent and 1.5 tcf gas across all seven licences.

Qualified Person Review

This release has been reviewed by Hugh Mackay, Chief Executive of Europa, who is a petroleum geologist with 30 years' experience in petroleum exploration and a member of the Petroleum Exploration Society of Great Britain, American Association of Petroleum Geologists and Fellow of the Geological Society. Mr Mackay has consented to the inclusion of the technical information in this release in the form and context in which it appears.