

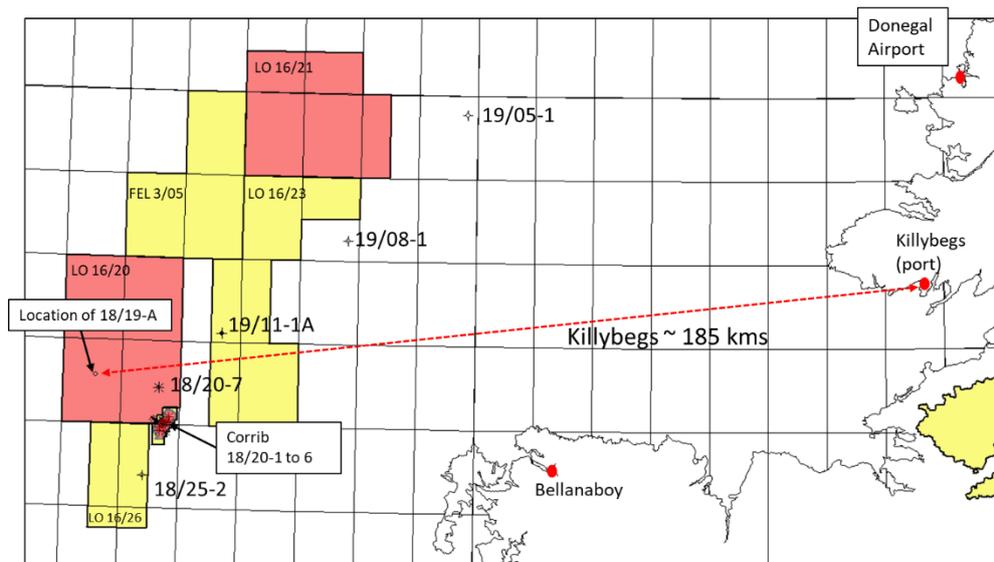
14 March 2018

Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')
Shareholder Newsletter and LO 16/20 Inishkea technical update

Europa Oil & Gas (Holdings) PLC is pleased to provide its investors with the following update on its portfolio of multistage licences offshore Ireland, including Licensing Option ('LO') 16/20 near the Corrib gas field in the Slyne Basin, where management has elected to fast track an ongoing technical work programme following positive results. This update is available on Europa's website www.europaoil.com:

Dear Investor,

Europa has an industry-leading and highly diversified portfolio of prospects across seven licences and licensing options ('LO'), three basins and six play types in Atlantic Ireland. Among these, we have been sufficiently encouraged by recent technical work to consider the Inishkea prospects in LO 16/20 in the Slyne basin and near the Corrib gas field our flagship project in Ireland. We are now seeking to fast track technical work on LO16/20 Inishkea with the intention of delivering a new prospect inventory in H1 2019 and, subject to meeting technical and commercial criteria, identifying a firm drilling target for an exploration well in 2020.



All of the prospects we have identified in Ireland are potential company makers <http://bit.ly/2FiyCGX>. We are choosing to push the prospects in LO 16/20 harder however for the following reasons:

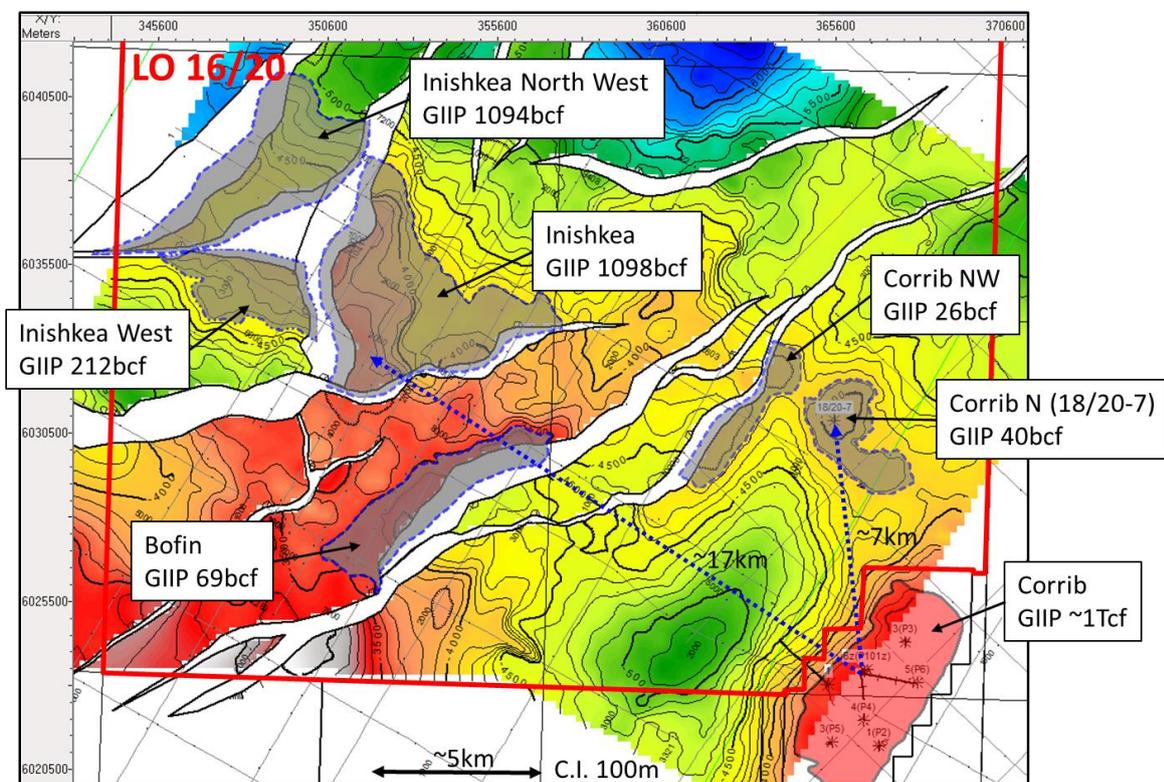
- The Triassic Gas hydrocarbon play is well understood and proven to work both technically and commercially in the Slyne basin by the Corrib gas field. Therefore, play risk is lower than in other Atlantic Ireland basins where play risk remains to be conclusively proven by a commercially successful exploration discovery.
- We believe 2.5 tcf of undiscovered Gas Initially In Place (GIIP) is likely to translate into commercially significant prospective resources. <http://bit.ly/2FIIj1A> We understand that the recovery factor at the Corrib field is ~ 80%.

- Water depths are comparatively shallow (400-600m) and do not require harsh environment sixth generation drillships therefore drill costs are lower. We have recently conducted a drill cost estimate for a well on the Inishkea prospect and dry hole cost including mob and demob is US\$28 million using a prevailing rig rate of US\$120,000 per day.
- Gas infrastructure is already present nearby at Corrib therefore a fast track path to commercialisation is potentially available, subject to negotiation and cooperation with the infrastructure owners
- Gas is likely to be a significant component of Ireland's future energy needs both for electricity generation and domestic and industrial heating.

LO 16/20 Prospects

We have identified 2.5 tcf undiscovered GIIP in 6 prospects and leads on LO 16/20 and in the Triassic Gas hydrocarbon play (see table below). The Triassic gas play comprises Triassic Sherwood sandstone reservoir, Carboniferous source rocks, Triassic Mercia mudstone seal and structural traps. The Foyle prospect complex has been renamed Inishkea after islands off the Mullet peninsula in County Mayo.

Prospect	Best technical estimate undiscovered GIIP bscf
Corrib North discovery	40
Inishkea prospect	1,098
Inishkea NW prospect	1,094
Inishkea W prospect	212
Corrib NW prospect	26
Bofin lead	69
Total bscf/tcf	2,539/2.5



These six prospects have been mapped by Europa on legacy 3D seismic data originally acquired in 2002 which we purchased from the Irish government. These existing time domain data require further processing to the depth domain. This will significantly improve the definition of the complex geology of the area. We have started this work with DownUnder GeoSolutions (DUG) to reprocess the 3D seismic data through a Pre-Stack Depth Migration process. The additional clarity this will provide should enable some of the prospects to be upgraded to drillable status during H1 2019. These data are now being loaded at DUG with the same processing team that has been working with us to great effect for over a year on two South Porcupine 3D reprocessing projects. We are confident they will deliver yet another high quality product for the Slyne Trough.

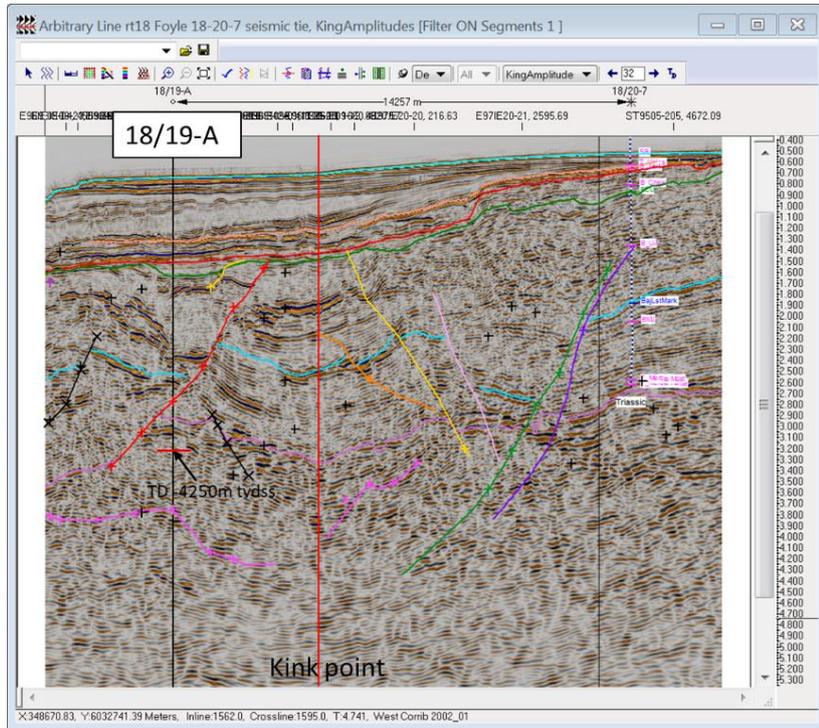
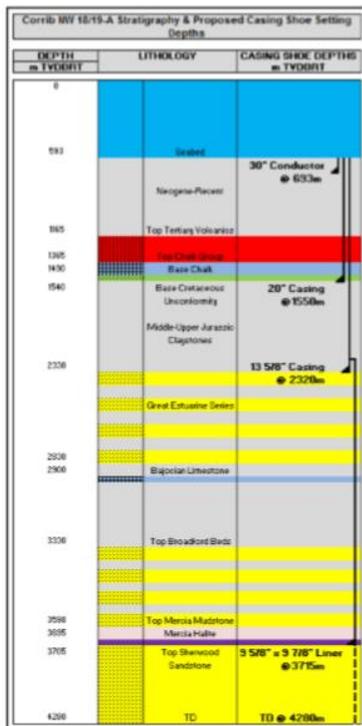
More legacy 3D seismic data over the Corrib field will become available in the public domain in May and December 2018. The new data are ocean bottom cable (OBC) 3D seismic data acquired in 2012 and 2013. We understand that it provides much improved definition of the Corrib field and also extends over the Corrib North gas discovery, which lies within LO 16/20. A combination of the OBC 3D over Corrib together with PSDM reprocessed 3D over our prospects should enable better quality maps to be produced and better geotechnical insight, which will enable better definition of geological risk and prospective resources.

We are working with OPC a specialist subsurface and production engineering group on porosity and permeability modelling, development scenarios and costs. We believe that the Inishkea prospect complex has been less deeply buried than the Corrib field, suggesting that Inishkea poroperm and therefore recovery factors should be at least as good as Corrib. We are also evaluating the 18/20-7 gas discovery well on the Corrib North prospect. Whilst poroperm at Corrib North is towards the tighter end of the spectrum and the GIIP is comparatively low we believe it is possible that it could nevertheless represent a commercially viable reserve. The outcome of this work will inform our commercial and economic assessment and will be used together with the new PSDM mapping to make a prospect selection and drill decision during Q1 2019.

The Corrib field was discovered by Enterprise Oil in 1996. Europa has access to a number of former Enterprise staff responsible for this project including: the geophysicist who first mapped the Corrib prospect, the Dublin exploration manager responsible for the first four exploration and appraisal wells and the Dublin general manager responsible for taking the field through to consent for plan of development. Europa therefore has significant and relevant technical, commercial and project management expertise to apply to gas exploration in LO 16/20.

Drill costs

Conceptual well design and a high level cost estimate for an exploration well (18/19-A) on the Inishkea prospect, have been prepared for Europa by Zenith Energy. Well design is for a vertical well to evaluate the Triassic Sherwood sandstone reservoir, drilled to a total depth of 4250 mTVDSS and in a water depth of 563m. A rig day rate of US\$120,000 has been used for the time and cost estimate based on the current market conditions. Dry hole cost is therefore estimated to be US\$28 million including mobilisation and demobilisation.



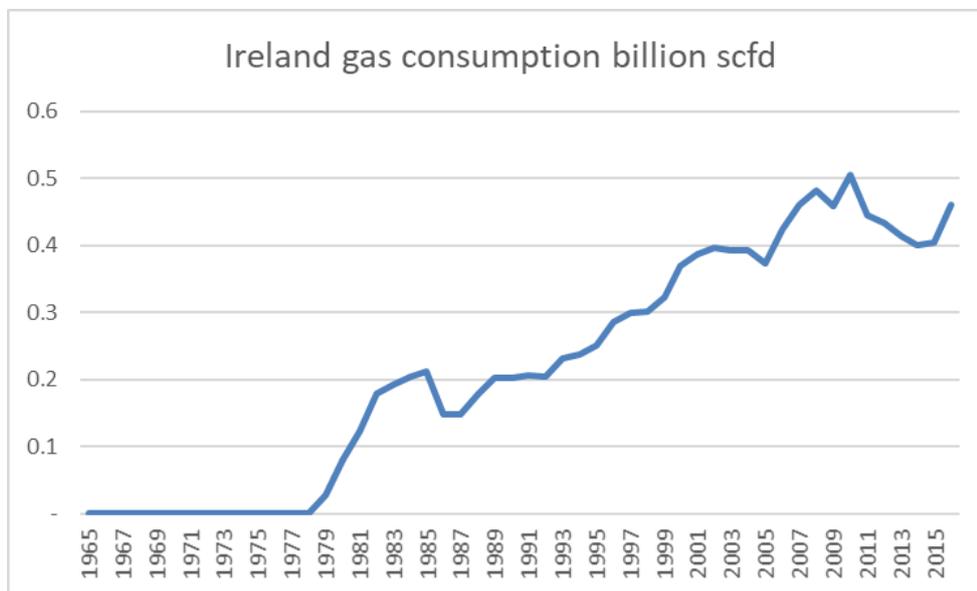
Corrib gas field

The Corrib gas field currently produces around 350 mmscf/d and provides approximately 60% of Ireland's gas demand <http://bit.ly/2H4rWN4>. The remaining 40% of Ireland's gas needs are imported via two gas interconnectors from the UK. The Kinsale Heads gas field in the Celtic Sea offshore Cork and which was previously an important source of gas to Ireland is nearing the end of its productive life. Corrib production will decrease to 50% of its initial rate by 2025 <http://bit.ly/2oR68wU> and the field is estimated to have a 15 year productive life <http://bit.ly/2oNw24K>.

Ireland gas demand

In 2025 the 915 MW Moneypoint coal-fired power station on the Shannon <http://bit.ly/2FYds25> will reach the end of its useful life. Page 79 of the Irish Government's National Development Plan <http://bit.ly/2FVLOmr> states that the most suitable low carbon technology will be required to replace Moneypoint. In addition (and also on page 79) two peat-fired power stations accounting for some 235 MW at West Offaly <http://bit.ly/2Ff749j> and Lough Ree <http://bit.ly/2Fkxtib> will have to be converted to more sustainable low carbon technologies following the expiry of the Public Service Obligation in respect of the plants at the end of 2019. These power stations represent 1,150 MW of supply and were gas to be utilised as a source for some or all of it then Ireland's gas demand would increase at the same time as its supply from Corrib had decreased to 50% of its current rate. This would therefore increase Ireland's reliance on gas imports. As a rule of thumb 400 MW of electricity requires 350 mmscf/d of gas and is equivalent to production from a Corrib-sized gas field.

The table below shows Irish gas consumption from 1965 to 2016. During 2016 Ireland consumed an average of 0.461 billion standard cubic feet of gas per day and the Corrib gas field supplied ~60% of this demand.



Further information on Ireland’s energy future can be found in the report “Energy in Ireland 1990-2016” published by the Sustainable Energy Authority of Ireland <http://bit.ly/2I6tafc>.

Proposition

We believe that our gas exploration prospects in LO 16/20 could potentially:

- supply a significant part of Ireland’s future gas demand needs - be it for electricity generation or domestic and industrial heating
- provide an element of security of supply
- provide some of the solution to the intermittency of renewable electricity
- prolong utilisation of the existing Corrib gas infrastructure and increase sustainability of the project

These favourable gas demand factors together with low geological risk in a proven hydrocarbon play, comparatively shallow water and therefore lower operating cost environment, and existing production infrastructure potentially leading to rapid commercialisation, has led to the decision to fast track exploration of our gas prospects in LO 16/20 in the Slyne Basin near the Corrib gas field.

South Porcupine

We remain very motivated and encouraged by our oil exploration prospects in the South Porcupine basin and where we have a leading position with four licences and 2 billion boe of audited prospective resources across five prospects and a further 2.2 billion boe of prospective in-house resources across eleven prospects and leads. Further information on our Atlantic Ireland prospect inventory can be found on our website <http://bit.ly/2FiyCGX>.

Following a very large investment in seismic acquisition virtually the whole of the South Porcupine basin is now covered by modern 3D seismic data. The phase of seismic acquisition, processing and prospect mapping is drawing to a close and we are transitioning to the next phase which is exploration drilling.

We are working very hard to complete a farm-in to our South Porcupine licences so that we can play an active part in the exploration drilling phase. We have undertaken a major programme of 3D seismic PSDM reprocessing, the project has been running since February 2017. PSDM reprocessing over FEL 3/13 and 1/17 has been completed and we are very encouraged by the improved product and impact on prospect mapping, more details will be released later in H1 2018. PSDM reprocessing over FEL 2/13 is close to completion and we will also release more information about the prospects during H1 2018. Our South Porcupine farm-out process will relaunch in Q2 2018 and with the added benefit of significant uplift in prospect mapping and geological risk reduction delivered by our technical team and with the new reprocessed data.

In addition, we have a 30% interest in the Cairn-operated LO 16/19 on the west side of the South Porcupine. 3D seismic was acquired in summer 2017 and we expect delivery of a final processed product in Q4 2018 leading to a prospect inventory in H1 2019. As a result of the successful farm-out announced in April 2017, Europa is fully carried on this work programme.

The South Porcupine is dominated by major and supermajors and we believe that exploration drilling will be led by them and at their pace. We will be part of this evolving exploration story. Our portfolio exposes our investors to the full range of South Porcupine hydrocarbon plays and we will benefit from exploration success in the basin in whichever play it is found. We believe that in due course oil will be found in our prospects.

Opportunity

Europa has an opportunity to show leadership and drive fast track exploration and monetisation of our gas prospects in LO 16/20 near Corrib hence prioritising Inishkea as our flagship project with the objective of drilling in 2019 or 2020. We will do this without taking our eye off the ball in the South Porcupine. I look forward to updating investors as we make progress towards achieving our goals.

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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 2017 Europa produced 113 boepd. Its highly prospective exploration projects include the Wressle development (targeting production

start-up in 2018 at up to 500 bopd gross) in the UK and seven licences offshore Ireland with the potential to host gross mean un-risked prospective and indicative resources of 4.7 billion barrels oil equivalent and 2.5 tcf undiscovered GIIP 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.