

Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')
Kosmos farm-in to Europa's Irish licences approved by Irish Government

Europa Oil & Gas (Holdings) plc, the AIM listed oil and gas exploration and development company with a combination of producing and exploration assets in Europe, is pleased to announce Irish Government consent has been received for the transfer of interest and operatorship ('Transfer') for its two Licensing Options LO 11/7 and LO 11/8 ('Licences'), which cover approximately 2,000 sq km in the highly prospective South Porcupine Basin in the Irish Atlantic Margin, to a subsidiary of the independent oil and gas exploration and production company Kosmos Energy Ltd ('Kosmos').

The Transfer was approved by the Minister of State at the Department of Communications, Energy and Natural Resources on 8 May 2013 and as a result, Kosmos now holds an 85% interest in, and has assumed operatorship of, both Licences with Europa holding the remaining 15%. As announced on 18 April 2013, under the terms of the farm-in Kosmos will fully fund the costs of a 3-D seismic programme on each Licence and pay 85% of costs incurred by Europa to date.

Contingent upon an election of the companies to enter into a subsequent exploration drilling phase on one or both of the Licensing Option areas, Kosmos will also incur 100% of the costs of the first exploration well on each Licensing Option. The first exploration wells on LO 11/7 and LO 11/8 have investment caps of US\$90 million and US\$110 million respectively. Costs in excess of the investment cap would be shared between Kosmos (85%) and Europa (15%).

Kosmos, in conjunction with Europa, will now submit an application to the Irish Government to convert each Licence into a 15 year Frontier Exploration Licence.

Europa's CEO Hugh Mackay said: "Subject to government approval for converting the Licensing Options into full exploration licences, the next steps will involve acquiring 3-D seismic over both blocks. We are pursuing the same Cretaceous stratigraphic play that Kosmos pioneered in the Atlantic Margin basins offshore West Africa. Kosmos have outstanding technical and operational experience of exploring this play and are the ideal partner to lead our exploration programme in the South Porcupine basin.

"The recent announcements by ExxonMobil on 23 April of the commencement of drilling on the nearby Dunquin prospect and by Cairn Energy on 7 May regarding their farm-in to three licences in the North Porcupine basin indicate that we are entering an important period in offshore Ireland oil and gas exploration, in which Europa will be playing a key role. I look forward to updating shareholders on our progress in due course."

About LO 11/7 and LO 11/8, offshore Ireland

LO 11/7 and LO 11/8 each cover an area of approximately 1,000km² in the highly prospective South Porcupine basin, offshore Ireland. The Licences have been mapped using existing 2-D seismic data and are undrilled. Europa's technical work to date has identified two, previously unknown, prospects in the Lower Cretaceous stratigraphic play: Mullen in LO 11/7 and Kiernan in LO 11/8 which the Company estimates to have gross mean un-risked indicative resources of 482 million barrels of oil and 1.612 billion barrels of oil equivalent respectively. Information about the Mullen and Kiernan prospects were provided to the markets in previous RNS releases dated 6 November 2012 and 16 January 2013 respectively.

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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. The Company currently produces approximately 180 boepd in the UK, generating sufficient revenues to cover corporate overheads. Its highly prospective exploration projects include the Wressle prospect in the UK where a well is due to be drilled later this year; a 100% owned deep gas appraisal project with a CPR assigned contingent resource of 277bcf in onshore France; and a joint venture with leading independent Kosmos to explore two licences in offshore Ireland in which Europa has identified two prospects with estimated gross mean un-risked indicative resources of 482 million barrels oil and 1.6 billion barrels oil respectively.