

Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')
Commencement of Drilling at Kiln Lane Prospect, onshore UK

Europa Oil & Gas (Holdings) plc, the AIM quoted oil and gas exploration and development company with a combination of producing and exploration assets in Europe, is pleased to announce its Kiln Lane -1 conventional exploration well ('Kiln Lane') on Licence PEDL 181 in Northeast Lincolnshire spudded at 0706 hours on 23 February 2015. The Company estimates Kiln Lane has mean gross un-risked recoverable resources of 2.9 million barrels of oil. Europa is operator of and has a 50% working interest in PEDL 181, which covers an area of over 540 km² in the East Midlands Petroleum Province. Egdon Resources and Celtique Energie Petroleum Ltd each have a 25% interest in the Licence.

The planned well will be drilled as a straight hole to a total depth of approximately 2,500 metres. Europa anticipates drilling operations will take 36 days. The Kiln Lane prospect is a robust structural closure defined on 3-D seismic data and the well has been designed to intersect a number of prospective Upper Carboniferous age sandstone reservoirs in a structurally favourable position near the crest of the structure. Kiln Lane is located some 25 km east of both Europa's Crosby Warren field, which has been producing oil for almost 28 years, and the recent Egdon-operated Wressle-1 oil discovery in PEDL 180 in which Europa has a 33.3% interest. The prospect is a typical East Midlands Petroleum Province oil play but in a comparatively underexplored part of the basin.

In the event of exploration success Europa will suspend the well and return with a dedicated test rig for production testing operations in a similar fashion to the current testing operations at Wressle. Should production testing prove successful Europa will follow up with an extended well test with the intention of obtaining more detailed reservoir performance information to enable fast track development. Success at Kiln Lane also has the potential to substantially de-risk a number of other exploration leads in the licence area for possible follow-up drilling. Kiln Lane is a conventional exploration well targeting oil in Upper Carboniferous sandstone reservoirs. It is not a shale gas well and therefore operations at the site will not involve high volume unconventional hydraulic fracturing.

Europa's CEO, Hugh Mackay said, "'We are delighted to commence operations on the Kiln Lane conventional oil prospect and we look forward to updating shareholders with the results from this well towards the end of March. I wish to thank our geoscience, operations and permitting teams all of whom have delivered excellent performance and have brought the well to spud on schedule against a tight timeframe. We are encouraged by the recent discovery of oil at the neighbouring Wressle well and we hope that Kiln Lane will be similarly successful and provide another opportunity to build on our existing oil production and revenues from conventional oil fields in the East Midlands Petroleum Province."

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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 produced 165 boepd in the UK during the 2013/2014 financial year, generating sufficient revenues to cover corporate overheads and some exploration expenditure. Its highly prospective exploration projects include the Wressle (recently drilled and undergoing testing) and Kiln Lane prospects in the UK; 100% owned gas exploration prospect (107 bcf) and appraisal project (CPR 277 bcf) in onshore France a joint venture with Vermillion Energy also in onshore France; and a joint venture with leading independent Kosmos to explore two licences in offshore Ireland with the potential to host gross mean unrisked prospective resources of 1.5 billion barrels.

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.