Europa Oil & Gas (Holdings) plc / Index: AIM / Epic: EOG / Sector: Oil & Gas

26 April 2013

Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')

Interim Results

Europa Oil & Gas (Holdings) plc, the AIM listed oil and gas exploration and production company with a combination of producing, appraisal and exploration assets in Europe, announces its interim results for the six month period ended 31 January 2013.

Highlights

- Over 2 billion barrels of oil (total mean un-risked indicative resources) identified in Irish Atlantic Margin ('IAM') Licensing Options
- 4 new leads identified in North East Lincolnshire (PEDL181)
- Commenced review of unconventional resource potential in North East Lincolnshire (PEDL181)
- 177 boepd recovered from UK onshore producing fields – expecting to achieve full year target of 180 boepd

Financial performance

- Revenues of £2.2m (H1 2012: £2.4m)
- Pre tax profit of £0.2m (H1 2012: loss £5.6m)
- 25% increase in cash generated from operations to £1.0m (H1 2012: £0.8m)
- Cash balance at 31 January 2013 of £0.8m (31 July 2012: £0.2m)

Post reporting date events

- Farm-in secured with Kosmos Energy Ltd for two licences offshore Ireland
- Completed 2-D seismic acquisition in North East Lincolnshire (PEDL181)
- UK Holmwood planning appeal hearing expected to take place at the end of July 2013

Europa's CEO Hugh Mackay said, "The year to date has illustrated the benefits of having a multi-asset, multi-stage portfolio of licences. Our UK production has generated increased cash flow over the period that has allowed us to fund in-house technical work on our highly prospective exploration licences in Ireland, the UK and France. As a result, several new prospects have been identified.

The key event is the announcement post-period end that we have successfully farmed out both our Irish licences to Kosmos Energy, a leading US independent oil and gas exploration and production company. They are the ideal partner with whom we can mature, de-risk and drill the potentially very large prospects mapped in our licences. The farm-in provides recognition of the substantial potential value lying in these prospects. The work programme associated with the farm-in has the potential to deliver significant value realisation. Europa's retained 15% interest exposes the Company to substantial upside in the event of drilling success and at a much reduced risk and cost to our shareholders.

"As a result, the next six months promise to be an exciting period for the Company. We expect the renewal of our French onshore permits shortly and as soon as this has been confirmed, we will reactivate our farm–out programme with a view to drilling a well on the permit in 2014. We will also be participating in drilling the Wressle prospect onshore UK. ExxonMobil has spudded a potentially high impact well on the Dunquin prospect located on a block near to our Irish acreage, and we will be working with Kosmos on planning a 3-D acquisition over the Mullen and Kiernan prospects.

"We are delivering on our objective to advance all our projects along the development curve, as we look to generate value for all shareholders."

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

Hugh Mackay	Europa Oil & Gas (Holdings) plc	+44 (0) 20 7224 3770
Phil Greenhalgh	Europa Oil & Gas (Holdings) plc	+44 (0) 20 7224 3770
Matt Goode	finnCap Ltd	+44 (0) 20 7600 1658
Henrik Persson	finnCap Ltd	+44 (0) 20 7600 1658
Frank Buhagiar	St Brides Media and Finance Ltd	+44 (0) 20 7236 1177
Lottie Brocklehurst	St Brides Media and Finance Ltd	+44 (0) 20 7236 1177

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.

Chairman's Statement

Europa has a well balanced portfolio of licences covering all the major stages associated with oil and gas operations including production, appraisal and exploration. Our licences in the UK and France hold net mean risked and diluted resources of 10 million barrels of oil equivalent (CPR and Europa estimates, taking anticipated dilution and geological risk into account), rising to 39 million barrels of oil equivalent including Ireland, which provides material asset backing to our current market valuation.

Our objective is to build Europa into a top quartile company on AIM within five years. For an oil and gas company such as Europa to achieve this milestone, we need to have a large and growing portfolio of prospects and leads that can be progressively proved up through drilling.

The six month period under review has seen considerable progress made with regards to identifying and advancing prospects across our licences, most notably Mullen and Kiernan, our two Irish prospects, which we estimate have gross mean un-risked indicative resources of 482 million barrels of oil and 1.612 billion barrels of oil equivalent respectively. While in the UK, four new leads on PEDL181 onshore UK have been identified. As a result of all this activity, the value of our portfolio of prospects and leads has substantially increased in recent months.

Identifying prospectivity is only half the job. Drilling is required to realise value, book reserves and deliver production. Importantly, the mid-year will see us drill the first of what we believe will be a succession of wells over the next 24 months, which we hope will lead to a step change in Europa's net production and reserve base.

Later this year we will be participating in the drilling of the Wressle prospect on PEDL180 onshore UK which has mean gross un-risked recoverable resources of 2.41 million barrels of oil, as estimated in our independent Competent Person's Report (CPR) last year. Whilst small when compared to our prospects in Ireland and France, the economics of drilling UK onshore prospects of this size are very attractive. Importantly, onshore discoveries can be moved onto production quickly, allowing the cash generated to be recycled into growing the Company further.

Last year we hit our target of recovering 200 boepd from our three UK onshore fields, which generated £5 million in revenues for the year. For the current year our target is 180 boepd, a lower figure due to the expected natural decline in production. In the first six months of the current year, production of 177 boepd generated £2.2 million in revenues. The 177 boepd was slightly below target due to two workovers on the West Firsby wells. With these successfully completed in January, we expect full year production to be on target for the year. Costs were higher, predominantly being additional spend on the workovers, and exaggerated by administrative costs in the prior period having benefitted from a credit from the disposal of the Ukraine business. We report a profit before tax of £190,000 for the six months and ended the period with cash balances of £761,000 compared with £230,000 as at 31 July 2012.

Our existing production plays a key role in our business. This year for example it funds our corporate overheads and some exploration activity: developing the prospects in Ireland and France; paying our share of the costs for drilling Wressle; and our share of seismic acquisition on PEDL181. For a number of our high impact licences, a partner will be required to help fund further exploration. This is particularly relevant to our Irish prospects, where the potential prize of hundreds of millions of barrels of oil will require a seismic acquisition programme followed by drilling, the costs for which we anticipate to be in the range of US$70 million to US$90 million per well. Having opened a data room for our IAM Licensing Options in January 2013, we are delighted to have recently completed a farm-in agreement with Kosmos, a leading independent oil and gas company with proven expertise in the Cretaceous stratigraphic play that has resulted in significant exploration success in the Atlantic margin basins. We look forward to working with Kosmos, as we further explore the prospectivity of these blocks.

In the case of our Béarn des Gaves permit in France, we are twelve months into a 15 month renewal process and expect to receive notification from the French authorities shortly. Subject to a positive outcome, we will restart the farm-out process which was put on hold in the second half of last year until the renewal of the permit had been confirmed. Much has changed since we originally embarked on farming out this 100% owned permit including the identification of shallow gas prospectivity at Berenx. Drilling the shallow prospectivity before the Berenx deep gas prospect provides a low cost route to developing Béarn des Gaves and will therefore form an integral part of the renewed farm-out process.

In the UK, the government’s recent commitment to encourage shale gas exploration, as evidenced by the Chancellor’s pledge to provide generous tax breaks for companies and financial incentives for local communities, could provide the necessary foundations and framework from which the industry can move forward. As detailed in the 2013 Budget, companies engaged in fracture stimulation will get a tax allowance for developing gas fields and will now be able to offset exploration expenditure against tax for a period of ten years. With this in mind, our in-house technical team will commence an evaluation of the potential to recover gas in commercial quantities from tight shale formations on the PEDL 181 licence. Europa remains a conventional oil and gas company and should the results of this work be positive, we would look to find a suitable joint venture partner with appropriate expertise in shale gas development and exploitation in order to move forward.

Outlook

The farm-out of our Irish licences to Kosmos was announced post period end; however it represents the culmination of considerable technical work and effort that took place during the six months under review. This involved the identification of the Mullen and Kiernan prospects with combined mean un-risked indicative resources in excess of 2 billion barrels of oil, the establishment of a data room to accommodate partners and Europa's attendance at several trade events around the world. The progression of our Irish licences to date, from ground floor entry to farm-out, highlights not only the considerable value we can generate in-house but also the model by which we can effectively progress our asset base.

We are constantly looking to add to our asset base both via in-house technical work to identify new prospects on our existing licences, and also by acquiring new projects. New ventures in our area of interest will be targeted but we will only look to secure those that complement our existing portfolio, offer an attractive risk reward trade off and wherever possible can be secured without paying a premium, as we did with our IAM licensing options. Corporate activity through mergers and acquisitions has the potential to help achieve our strategy. We continue to see out such options and will take action on suitable opportunities. Our existing asset base and the combined skillset of our technical, operations and management teams are in my view, an excellent match and one that should see Europa generate considerable value for shareholders in the years to come.

Finally, I would like to thank the management team, directors and advisers for their hard work during the year and also to our shareholders for their continued support over this six month period.

WH Adamson
Chairman, 25 April 2013

Operations Report

Europa operates exploration, production and appraisal assets across three core EU countries.

Ireland

Exploration

Porcupine Basin LO 11/7 and LO 11/8 - Europa (15%); Kosmos Energy Ltd (85% and operator – subject to approval of the farm-in by the Irish government)

In October 2011, Europa was awarded two exploration Licensing Options 11/7 and 11/8 in the South Porcupine Basin in the Irish Atlantic Margin both approximately 1,000 km^2 in size. The plays in both blocks involve the presence of Early Cretaceous turbidite sandstone reservoirs, charged by mature Late Jurassic and Early Cretaceous source rocks and contained in stratigraphic traps. Seismic interpretation over both the Mullen and Kiernan prospects has been completed and Europa has identified two large prospects: Mullen within LO 11/7 and Kiernan within LO 11/8. Both of these prospects are stratigraphic traps, reliant upon up-dip pinch-out of the turbidite reservoir on to a mud-dominated slope succession. The trapping configurations are analogous to the Jubilee and Mahogany oil fields in the equatorial Atlantic Margin province.

The water depth at the Mullen prospect location is approximately 1,000m, and is therefore feasible for a fixed platform development. Depth to top reservoir is approximately 3,750m below the mudline. Mean indicative resources at Mullen are estimated to be 482 mmbo.

Licence Option 11/8 is located on the east flank of the South Porcupine basin 145 km offshore southwest Ireland. The licence contains the Cretaceous Kiernan prospect as well as additional prospectivity elsewhere in the licence area in the Paleocene and in the pre-rift Jurassic and Triassic. The Kiernan prospect is a stack of three stratigraphic traps at various levels within the Cretaceous section: Barremian, Valanginian A and Valanginian B. Reservoir at the Barremian and Valanginian A levels are interpreted to be deep water turbidite sandstones. The Barremian is the shallowest with a depth to crest of 3,700 metres below the mudline ('mbml') followed by the Valanginian A at 4,400 mbml. Reservoir in the Valanginian B is considered to be a more proximal Brae-type fan sandstone with depth to crest estimated at 4,700 mbml. The sandstones are considered to be derived from Devonian Old Red Sandstone in the Munster basin on the Irish mainland. The hydrocarbon type in the Barremian reservoir is predicted to be most likely oil, whereas the Valanginian A and B reservoirs are most likely gas. Europa estimates gross mean un-risked indicative resources in all three stratigraphic levels at Kiernan to be 1.612 billion barrels in the oil case and 10 tcf in the gas case.

Further indicative resource figures are presented in the table below.

Prospect	**Reservoir**	**mmbbl (oil case)**			**mmbbl**	**bcf (gas case)**			**bcf**
		P90	**P50**	**P10**	**Mean**	**P90**	**P50**	**P10**	**Mean**
Mullen	Aptian	66	318	1,092	482	275	1,280	4,151	1,970
Kiernan	Barremian	78	269	746	355	600	1,800	4,600	2,300
Kiernan	Valanginian A	189	712	2,063	977	1,500	4,700	11,500	5,800
Kiernan	Valanginian B	29	130	710	280	200	900	4,700	1,900
	Total				2,094				11,970

The Early Cretaceous play is proven in the North Porcupine Basin by the Burren oil discovery made by Phillips in 1978 which flowed circa 700 bopd of 34 API oil. The South Porcupine Basin is essentially undrilled. Geological risk is considered to be high and further technical work is required to de-risk the prospects and mature them to drillable status. A key step is to acquire 3-D seismic over both prospects. Technical success at the Exxon-operated Dunquin well, which is being drilled in Q2 2013 and is located 60 km from Europa's licences, may help de-risk some source rock elements of the play.

The option period for both licences is from 1 November 2011 to 30 October 2013. Europa has completed the technical work programme required for the licence option period, which involves the integration and interpretation of existing 2-D seismic and well data sets, and reprocessing of selected 2-D seismic data. Subject to the fulfilment of this work programme, government approval and a minimum 25% relinquishment, a 15 year Frontier Exploration licence may be obtained.

In April 2013, Europa announced a farm-in agreement with Kosmos Energy Ltd (NYSE:KOS) for the two Licensing Options LO 11/7 and LO 11/8.

Under the terms of the agreement, Kosmos will:

- acquire an 85% interest and be appointed as operator of both licences
- fully fund the costs of a 3-D seismic programme on each licence
- 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 blocks, Kosmos will also incur 100% of the costs of the first exploration well on each block. 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%).

The completion of the farm-in agreement remains subject to customary conditions precedent including Irish governmental approvals which the Company expects will be met. Further announcements will be made as and when necessary.

France

Europa holds 100% interests in two permits with both appraisal and exploration potential in the Aquitaine Basin, adjacent to the producing Lacq-Meillon gas fields. The permit renewal process is on-going and the Company is actively engaged with the relevant French authorities. We understand that the Béarn des Gaves permit is at the final stage of the process awaiting written confirmation of ministerial approval.

Béarn des Gaves 100%
The Berenx appraisal project, located in the heartland of the French oil industry in the Aquitaine basin, has previously been explored and drilled by EssoRep. Two wells, Berenx-1 (1969) and Berenx-2 (1972), both encountered strong gas shows over a 500m thick gas bearing zone. In 1975 Berenx-2 was re-entered, drill stem tested and flowed gas flow to surface. The carbonate reservoir is the same horizon that delivered 9 tcf and 2 tcf from nearby fields at Lacq and Meillon.

Europa possesses all data connected to both wells. Good quality 2-D seismic data exists for the licence as well as a reprocessed 3-D seismic dataset covering the area between Berenx and Lacq. Europa's in-house technical work indicates that the Berenx deep appraisal prospect could hold in excess of 500 bcf of recoverable gas resources. In a CPR dated 31 May 2012, ERC Equipoise estimated gross mean un-risked resources of 277 bcf for the deep Berenx gas play. The difference between Europa's and ERC's assessment of resources reflects the confidence of each party in mapping in a geologically complex terrain. Europa was able to map a larger area of closure and as a consequence larger resources.

The project also benefits from being located only 20 km from the Lacq Field, which potentially provides a straightforward export route, allowing gas to be processed in an existing facility with spare capacity.

On-going, re-evaluation and interpretation of existing seismic and well data on the permit has resulted in the identification of a shallow gas play. Previous exploration on the concession had focused only on deep lying gas prospects.

The Company's strategy for the Béarn des Gaves permit is to target the shallow gas play and on the back of success, to further explore shallow prospectivity and undertake work to de-risk the Berenx deep appraisal project.

Tarbes Val d'Adour 100%
The Tarbes Val d'Adour permit contains several oil accumulations that were previously licensed by Elf but were abandoned in 1985 due to the then low price of oil. Two fields, Jacque and Osmets, were drilled using vertical wells which generated modest production. At its peak in 1982, Osmets produced up to 50 bopd while peak production at Jacque reached almost 30 bopd in 1981.

Europa intends to farm-out this permit and, with a partner, drill a re-development well on one of these fields in 2014/15.

United Kingdom

NE Lincolnshire

PEDL180 33.3% (Wressle)
PEDL180 covers an area of 100 km^2 of the East Midlands Petroleum Province south of the Crosby Warren field. Europa has an equal working interest share in the block with its partners Egdon Resources (operator) & Celtique Energie Petroleum Ltd. The May 2012 CPR estimated the Wressle prospect to hold mean gross un-risked recoverable resources of 2.41 mmbo. To date, 49 km^2 of 3-D seismic acquisition covering PEDL180 and PEDL182 has been processed and interpreted. Drilling at Wressle is targeted for later this year.

PEDL182 33.3% (Broughton)
To the north, PEDL182 is an area of 40 km^2 with the same equity structure as that of PEDL180. The Broughton prospect was previously drilled by BP and flowed oil. The May 2012 CPR estimated the Broughton prospect to hold mean gross un-risked recoverable resources of 1.85 mmbo.

PEDL181 50% NE Lincolnshire
Europa has a 50% interest in and is the operator of the PEDL181 licence, with Egdon Resources UK Limited and Celtique Energie Petroleum Ltd. each holding a 25% interest. PEDL181 covers an area of over 540 km^2 in the Humber Basin that has the potential for both conventional oil and gas and also for shale gas resources held in Carboniferous basinal

black marine shales known to be 120m thick in the region. The licence is located in a working hydrocarbon system where a number of discoveries have been made along the Brigg-Broughton anticline, an analogous trend to the west of Caistor anticline. Europa's existing oil production at the Crosby Warren field lies at the westernmost end of the Brigg-Broughton anticline.

Technical evaluation has confirmed several conventional prospects/leads on PEDL181. Four of these in the southern part of the licence all with reservoirs of Carboniferous age were the focus of a 78 line km 2-D seismic acquisition programme that was completed in April 2013. Along with the reprocessing of 150 km^2 of existing 3-D seismic data, the new data will be integrated into the existing dataset with the objective of evaluating the four leads, maturing them into prospects, and defining a future drilling programme.

Dorking area

PEDL143 40% (Holmwood)
The PEDL143 licence covers an area of 92 km^2 of the Weald Basin, Surrey. Europa is the operator and has a 40% working interest in the licence with partners Egdon Resources 38.4%, Altwood Petroleum 1.6%, and Warwick Energy 20%. The Holmwood prospect is a Jurassic sandstone project with a low geological risk. The May 2012 CPR estimated Holmwood to hold gross mean recoverable resources of 5.64 mmbo. Europa considers Holmwood to be one of the best undrilled exploration prospects in the UK onshore.

The prospect lies south of Dorking within the Surrey Hills Area of Outstanding Natural Beauty and an application to construct a temporary exploration well on the site was originally made in 2008. This application was refused in 2011 by Surrey County Council contrary to their planning officer's recommendation to approve. An appeal to overturn the decision was heard at a public inquiry in July 2012. The appeal was dismissed on 26 September 2012. Europa believes that this decision was based on a misapplication of planning law and therefore in November 2012, Europa, along with its partners, announced it had submitted an application to the High Court for an order quashing the decision of the Secretary of State for Communities and Local Government to dismiss the appeal. The Company has received notification that the hearing is expected to take place at the end of July 2013.

United Kingdom – Production (West Firsby 100%; Crosby Warren 100%; Whisby W4 well 65%)

The three UK fields produced an average of 177 boepd net to Europa in the period which includes the equivalent of 6 boepd earned as commission on oil deliveries Europa made on behalf of another oil company. The commission arrangement ceased in December 2012.

During the period, workovers were successfully completed on two West Firsby wells and both wells are now back on production. The Company is on course to achieve its full year production target of 180 boepd.

Proven and probable ('2P') producing reserves of the three producing fields was estimated at 0.65 mmbo by the CPR (as at 31 December 2011).

United Kingdom – Unconventional resources

Underground Coal Gasification (UCG) 90%
In August 2010, Europa was awarded two licences by the UK Coal Authority to investigate the potential for underground coal gasification ('UCG') of virgin coals located near offshore, along the eastern coast of England. Europa has a 90% interest in the licence with Oxford Energy Consulting Limited holding the remaining 10%.

Shale Gas
As previously noted PEDL181 has some potential for shale gas. Europa is in discussions with companies specialising in shale gas who have expressed interest in the licence.

Romania

The Company continues to hold interests in two exploration licences in Romania: Brates (100%) and Bacau (19%). Both licences are in the process of being relinquished. The assets were fully written down in the prior period.

Conclusion

During the six months under review, significant progress was made at all three of our core areas of interest. In Ireland we have completed technical work, identified and provided volumetrics for two large prospects, and most importantly post period end announced a farm-out of both blocks with Kosmos Energy.

In France, the renewal process for our onshore permits is entering the final stages and we hope to hear confirmation of renewal shortly. Subject to the permit being renewed, we will step up our farm-out agenda with a view to drilling Berenx shallow in 2014.

In the UK, the three producing fields have performed close to expectations, the revenues from which will fund Europa's share of costs of drilling Wressle this year. Elsewhere in the UK, a seismic acquisition programme in PEDL181 focussing on maturing four identified leads on the licence to drillable status has been completed on schedule and on budget. Europa is operator of the licence with a 50% interest and, subject to the results we would look to drill a well in 2014.

Following extensive in house technical work across our asset base which has resulted in a number of leads/prospects being identified, management are looking forward to re-commencing drilling operations, starting with Wressle later this year. At the same time, we are looking to build our portfolio and continue to evaluate new projects to which we can apply our expertise and progress the growth of the Company.

HGD Mackay
CEO, 25 April 2013

Licence Interests Table

Country	Area	Licence	Field/ Prospect	Operator	Equity	Status
UK	East Midlands	DL003	West Firsby	Europa	100%	Production
		DL001	Crosby Warren	Europa	100%	Production
		PL199/215	Whisby-4	BPEL	65%	Production
		PEDL150	West Whisby	Europa	75%	Exploration
		PEDL180	Wressle	Egdon	33%	Exploration
		PEDL181	Caistor	Europa	50%	Exploration
		PEDL182	Broughton	Egdon	33%	Exploration
	Weald	PEDL143	Holmwood	Europa	40%	Exploration
	North Sea	Holderness	Offshore UCG	Europa	90%	Exploration
		Humber South	Offshore UCG	Europa	90%	Exploration
Ireland	Porcupine	LO 11/7	Mullen	Kosmos (*)	15% (*)	Exploration
		LO 11/8	Kiernan	Kosmos (*)	15% (*)	Exploration
France	Aquitaine	Béarn des Gaves	Berenx (deep)	Europa	100%	Exploration/Appraisal
		Béarn des Gaves	Berenx (shallow)	Europa	100%	Exploration/Appraisal
		Tarbes val d'Adour	Osmets/Jacque	Europa	100%	Exploration/Appraisal
Romania	Carpathians	EIII-4 Bacau		Raffles	19%	Being relinquished
		EPI-3 Brates		Europa	100%	Being relinquished
Western Sahara	Tindouf	Bir Lehlou		Europa	100%	Exploration
	Aaiun	Hagounia		Europa	100%	Exploration

(*) Subject to approval of the farm in by the Irish government

Financials

Unaudited consolidated statement of comprehensive income

	6 months to 31 January 2013	6 months to 31 January 2012	Year to 31 July 2012 (audited)
	£000	£000	£000
Revenue	**2,202**	2,362	5,080
Other cost of sales	***(1,452)***	*(1,214)*	*(2,692)*
Exploration write-off	**-**	*(5,335)*	*(12,451)*
Impairment of producing fields	**-**	*(785)*	*(785)*
Total cost of sales	**(1,452)**	(7,334)	(15,928)
Gross profit/ (loss)	**750**	(4,972)	(10,848)
Administrative expenses	**(413)**	(279)	(755)
Finance income	**-**	69	-
Finance expense	**(147)**	(393)	(452)
Profit / (loss) before taxation	**190**	(5,575)	(12,055)
Taxation	**(137)**	(35)	739
Profit/ (loss) for the period attributed to the equity holders of the parent	**53**	(5,610)	(11,316)
Other comprehensive income			
Exchange gains/(losses) arising on translation of foreign operations	**73**	89	(36)
Total comprehensive profit/ (loss) for the period	**126**	(5,521)	(11,352)
	Pence per share	Pence per share	Pence per share
Earnings/ (loss) per share (EPS/LPS)			
Basic and diluted EPS/LPS (note 4)	0.04p	(4.19)p	(8.33)p

Unaudited consolidated statement of financial position

	31 January 2013	31 January 2012	31 July 2012 (audited)
	£000	£000	£000
Assets			
Non-current assets			
Intangible assets	**2,408**	8,129	2,127
Property, plant and equipment	**4,712**	5,780	4,959
Deferred tax asset	**-**	305	14
Total non-current assets	**7,120**	14,214	7,100
Current assets			
Inventories	**53**	37	56
Trade and other receivables	**550**	713	1,250
Cash and cash equivalents	**761**	293	230
	1,364	1,043	1,536
Other current assets			
Assets classified as held for sale	**334**	-	338
Total assets	**8,818**	15,257	8,974
Liabilities			
Current liabilities			
Trade and other payables	**(1,357)**	(1,544)	(1,880)
Current tax liability	**(309)**	-	(87)
Derivative	**(57)**	(64)	(64)
Short-term borrowings	**(217)**	(86)	(230)
Total current liabilities	**(1,940)**	(1,694)	(2,261)
Non-current liabilities			
Long-term borrowings	**-**	(219)	-
Deferred tax liabilities	**(2,847)**	(4,098)	(2,948)
Long-term provisions	**(2,027)**	(1,635)	(1,950)
Total non-current liabilities	**(4,874)**	(5,952)	(4,898)
Total liabilities	**(6,814)**	(7,646)	(7,159)
Net assets	**2,004**	7,611	1,815
Capital and reserves attributable to equity holders of the parent			
Share capital	**1,379**	1,379	1,379
Share premium	**13,160**	13,160	13,160
Merger reserve	**2,868**	2,868	2,868
Foreign exchange reserve	**453**	505	380
Retained deficit	**(15,856)**	(10,301)	(15,972)
Total equity	**2,004**	7,611	1,815

Unaudited consolidated statement of changes in equity

	Share capital £000	Share premium £000	Merger reserve £000	Foreign exchange reserve £000	Retained deficit £000	Total equity £000
Unaudited						
Balance at 1 August 2011	**1,301**	**12,573**	**2,868**	**416**	**(4,719)**	**12,439**
Total comprehensive income / (loss) for the period	-	-	-	89	(5,610)	(5,521)
Share based payments	-	-	-	-	28	28
Issue of share capital (net of issue costs)	78	587	-	-	-	665
Balance at 31 January 2012	**1,379**	**13,160**	**2,868**	**505**	**(10,301)**	**7,611**
Audited						
Balance at 1 August 2011	**1,301**	**12,573**	**2,868**	**416**	**(4,719)**	**12,439**
Total comprehensive loss for the year	-	-	-	(36)	(11,316)	(11,352)
Share based payments	-	-	-	-	63	63
Issue of share capital (net of issue costs)	78	587	-	-	-	665
Balance at 31 July 2012	**1,379**	**13,160**	**2,868**	**380**	**(15,972)**	**1,815**
Unaudited						
Balance at 1 August 2012	**1,379**	**13,160**	**2,868**	**380**	**(15,972)**	**1,815**
Total comprehensive income for the period	-	-	-	73	53	126
Share based payments	-	-	-	-	63	63
Balance at 31 January 2013	**1,379**	**13,160**	**2,868**	**453**	**(15,856)**	**2,004**

Unaudited consolidated statement of cash flows

	6 months to 31 January 2013	6 months to 31 January 2012	Year to 31 July 2012 (audited)
	£000	£000	£000
Cash flows from operating activities			
Profit / (loss) after taxation	**53**	(5,610)	(11,316)
Adjustments for:			
Share based payments	**63**	28	63
Depreciation	**247**	179	673
Exploration write-off	**-**	5,335	12,451
Impairment of property, plant and equipment	**-**	785	785
Finance income	**-**	(69)	-
Finance expense	**147**	393	452
Taxation expense	**137**	35	(739)
Decrease/(increase) in trade and other receivables	**700**	(104)	(647)
Decrease / (increase) in inventories	**3**	6	(13)
(Decrease)/increase in trade and other payables	**(336)**	(187)	350
Net cash from operating activities	**1,014**	791	2,059
Cash flows used in investing activities			
Purchase of property, plant & equipment	**-**	(64)	(78)
Purchase of intangible assets	**(433)**	(1,899)	(2,955)
Net cash used in investing activities	**(433)**	(1,963)	(3,033)
Cash flows from financing activities			
Proceeds from issue of share capital (net of issue costs)	**-**	665	665
Decrease in payables related to issue of share capital	**-**	(115)	(115)
Repayment of borrowings	**(13)**	(951)	(1,025)
Finance costs	**(14)**	(101)	(289)
Net cash used in financing activities	**(27)**	(502)	(764)
Net increase / (decrease) in cash and cash equivalents	**554**	(1,674)	(1,738)
Exchange (loss) / gain on cash and cash equivalents	**(23)**	91	92
Cash and cash equivalents at beginning of period	**230**	1,876	1,876
Cash and cash equivalents at end of period	**761**	293	230

Notes to the consolidated interim statement

1 Nature of operations and general information

Europa Oil & Gas (Holdings) plc ("Europa Oil & Gas") and subsidiaries' ("the Group") principal activities consist of investment in oil and gas exploration, development and production.

Europa Oil & Gas is the Group's ultimate parent Company. It is incorporated and domiciled in England and Wales. The address of Europa Oil & Gas's registered office head office is 6 Porter Street, London W1U 6DD. Europa Oil & Gas's shares are listed on the London Stock Exchange AIM market.

The Group's consolidated interim financial information is presented in Pounds Sterling (£), which is also the functional currency of the parent Company.

The consolidated interim financial information has been approved for issue by the Board of Directors on 25 April 2013.

The consolidated interim financial information for the period 1 August 2012 to 31 January 2013 is unaudited. In the opinion of the Directors the condensed interim financial information for the period presents fairly the financial position, and results from operations and cash flows for the period in conformity with the generally accepted accounting principles consistently applied. The condensed interim financial information incorporates unaudited comparative figures for the interim period 1 August 2011 to 31 January 2012 and the audited financial year to 31 July 2012.

The financial information contained in this interim report does not constitute statutory accounts as defined by section 435 of the Companies Act 2006. The report should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 July 2012.

The comparatives for the full year ended 31 July 2012 are not the Company's full statutory accounts for that year. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain a statement under section 498 (2) – (3) of the Companies Act 2006 but did include an emphasis of matter which drew attention to the outstanding renewal of the French licences. The Group's French exploration permits are currently in the renewal phase with the French authorities. The Group did not meet its expenditure commitments on those permits and therefore there is a risk that the permits will not be renewed by the French authorities. Although the directors are confident that the permits will be renewed, there can be no guarantee. Should the permits not be renewed, the impact on the financial statements will be the impairment of the French intangible assets. This financial information does not include the adjustments that would result if the permits are not renewed.

The information has been prepared on the going concern basis.

2 Summary of significant accounting policies

The condensed interim financial information has been prepared using policies based on International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board ("IASB") as adopted for use in the EU. The condensed interim financial information has been prepared using the accounting policies which will be applied in the Group's statutory financial information for the year ended 31 July 2013.

This results in the adoption of various standards and interpretations, none of which have had a material impact on the interim report or are expected to have a material impact on the financial statements for the full year.

3 Share capital

There were no shares issued in the 6 months to 31 January 2013. The table below shows all shares issued since 31 July 2011.

Date	**Shares issued**	**Price**	**£000 raised net of commission**	**Total shares in issue**
31 July 2011				130,077,728
31 October 2011	7,777,776	9p	665,000	137,855,504
31 January 2013				137,855,504

All the authorised and allotted shares are of the same class and rank pari passu.

4 Earning per share (EPS)

Basic earning per share has been calculated on the profit after taxation divided by the weighted average number of shares in issue during the period.

The Company's average share price for the period was 8.51p (H1 2012: 9.89p) which was below the exercise price of all the 11,685,000 outstanding share options. The options are not considered dilutive.

The calculation of the basic and diluted loss per share is based on the following:

	6 months to 31 January 2013	6 months to 31 January 2012	Year to 31 July 2012 (audited)

	£000	£000	£000
Profits / losses			
Profit/(loss) after taxation	**53**	(5,610)	(11,316)
Number of shares			
Weighted average number of ordinary shares for the purposes of basic and diluted EPS/LPS	**137,855,504**	134,008,887	135,921,685

5 Taxation

Consistent with the year-end treatment, current and deferred tax assets and liabilities have been calculated at tax rates that are expected to apply to their respective period of realisation.