

**Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')**  
**Update on Porcupine Licences, Offshore Ireland**

Europa Oil & Gas (Holdings) plc, the AIM quoted oil and gas company with producing and exploration assets in Europe, announces that, subject to an application being made to the Irish Authorities and approval granted, it intends to assume 100% interest in, and operatorship of, licences FEL 2/13 and FEL 3/13 in the Porcupine Basin, offshore Ireland. This follows Kosmos Energy Ireland's ('Kosmos') decision to exercise its option to withdraw from the Joint Operating Agreements for both licences. FEL 2/13 and FEL 3/13 have the potential to hold gross mean un-risked Prospective Resources of approximately 1.7 billion barrels of oil equivalent (boe), and given the record number of applications in Ireland's 2015 Atlantic Margin Round, the Board is confident there will be interest in partnering with Europa in both licences.

Ireland's 2015 Atlantic Margin Licensing Round closed on 16 September 2015. The Irish Authorities have reported they have received 43 applications from major, mid cap and small companies, the largest number of applications ever received in any Irish offshore licensing round. Europa has applied for multiple blocks in the 2015 Irish Atlantic Margin Licensing Round and has undertaken considerable proprietary technical work in relation to these licence applications.

Europa's enthusiasm for the petroleum potential of its Ireland's Atlantic Margin licences FEL 2/13 and FEL 3/13 remains undiminished. A CPR by ERC Equipoise announced on 12 May 2015 identified gross mean un-risked prospective resources of 1.5 billion boe over three prospects in FEL 3/13. On 16 June 2015, the Company announced that its then 15% interest in FEL 3/13 had a net mean un-risked NPV10 of US\$1.6 billion. Subject to Europa being reassigned a 100% interest in FEL 3/13, this net mean un-risked NPV10 will increase. Europa is the beneficiary of more than US\$15 million expenditure across both blocks and Europa has enjoyed a free carry on most of this expenditure. Work done includes acquisition of a state of the art 2,565 km<sup>2</sup> 3D seismic survey in 2013, delivery of a processed dataset and prospect inventory in 2014 which led to Europa's CPR and valuation in 2015. The technical insights gained from interpretation of this exclusive 3D dataset have proved absolutely invaluable; not only for Europa's independent assessment of FEL 2/13 and 3/13 but also for guiding our applications in the 2015 Atlantic Margin Licensing Round.

Europa's CEO, Hugh Mackay, said "Europa has been active in the Atlantic Margin since 2011. We have a very strong technical team and in particular have conducted substantial and independent technical work on the Atlantic Margin throughout most of 2015 in support of our CPR and valuation (RNS of 12 May 2015 and 16 June 2015) and our applications in the 2015 Atlantic Margin Licensing Round that closed on 16 September 2015. As a consequence we have an up to date and detailed understanding of the prospectivity of both licences and have no hesitation in stepping up to assume operatorship of FEL 2/13 and 3/13.

“Whilst we are disappointed that Kosmos has elected to withdraw from Ireland we appreciate the necessity for portfolio rationalisation in the current business environment and their decision brings opportunity to Europa. Drilling costs have already fallen substantially: day rates for rigs capable of drilling in the Atlantic Margin have reduced from US\$600,000 per day to US\$300,000 per day or less. We anticipate that the 2015 licensing round will bring new entrants into the basin including major and mid-cap oil companies. We are very confident in our technical and commercial work and look forward to updating the market as we take these licences forward.”

Kosmos will remain operator during the period of its withdrawal from the Contract and Joint Operating Agreement. Further announcements will be made as and when appropriate.

**\*\* ENDS \*\***

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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 H1/2015 Europa produced 144 boepd generating sufficient revenues to cover corporate overheads and some exploration expenditure. Its highly prospective exploration projects include the Wressle discovery (recently drilled and tested at an aggregate of 710 boepd from four zones) 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 two licences in offshore Ireland with the potential to host gross mean un-risked Prospective Resources approximately 1.7 billion barrels across both 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.

