

Europa Oil & Gas (Holdings) plc / Index: AIM / Epic: EOG / Sector: Oil & Gas
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Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')
Offer of New Offshore Ireland Licensing Options

Europa Oil & Gas (Holdings) plc, the AIM listed oil and gas exploration, development and production company focused on Europe, is pleased to announce it has been offered four new Licensing Options ('LOs') as part of phase two of the 2015 Atlantic Ireland round in the southern Porcupine Basin, the Padraig Basin and the Slyne Trough. This follows the announcement on 3 June 2016 by Seán Kyne T.D., Minister of State for Natural Resources at the Department of Communications, Energy and Natural Resources ('DCENR').

The Company understands it will shortly be issued with a formal offer letter from DCENR, at which point Europa will confirm its acceptance of the LOs. Once all the offers have been accepted DCENR will publish a map showing the awarded LOs and the relevant companies. Following the completion of a work programme, Europa has the option to apply to the Irish authorities for their consent to convert each LO into a full Frontier Exploration Licence ('FEL').

Licence awards in the 2015 Atlantic Ireland round have been made in two phases. Phase one announced on 11 February 2016 was for 14 Licensing Options and involves eight companies: Eni, Europa, ExxonMobil, Nexen, Scotia, Statoil and Woodside as operators, along with BP who will partner with Eni. Europa was awarded LO 16/2 in phase one.

Phase two announced on 3 June 2016 is for 14 Licensing Options and involves 11 companies: AzEire Petroleum, Capricorn Ireland, Europa Oil and Gas, Faroe Petroleum, Petrel Resources, Predator Oil and Gas, Providence Resources, Ratio Petroleum and Scotia Oil and Gas, all as operators, along with Theseus who will partner Predator, and Sosina Exploration who will partner Providence. Europa has been awarded four LOs in phase two.

Europa CEO Hugh Mackay said, "We are delighted with the offer of four Licensing Options in phase two of the 2015 Atlantic Ireland round against strong competition and further building our Irish licence portfolio. Subject to formal award, we will have a diversified portfolio of seven high impact exploration licences across three basins in offshore Ireland and representing a range of geological risk, hydrocarbon plays and exploration maturity. We look forward to providing technical information to the market once our offers have been formally accepted. Europa has a leading position in the Atlantic basins of Ireland; a region that has now emerged as a global exploration hotspot with major and mid-cap oil companies taking substantial acreage positions and associated work programmes.

“Europa was one of the pioneer companies who have played a role in reactivating industry interest in Atlantic Ireland and we feel that the entry of majors and super-majors is providing validation of our belief in Ireland’s exploration potential. This is a hugely exciting moment for Europa and for the rest of the industry and we hope that exploration momentum continues to build and that at some point in the not too distant future the exploration potential is realised with a significant discovery.”

FEL 2/13 and 3/13

Europa understands that formal documentation from the Irish Authorities authorising the transfer of Kosmos Energy Ireland’s interest and operatorship for FEL 2/13 and 3/13 to Europa has been prepared. Once this has been formally approved, Europa’s interest in both these licences will revert to 100%. As announced on 12 May 2015, a Competent Persons Report ('CPR') prepared by ERC Equipoise ('ERCE') detailed total Gross mean Un-risked Prospective Resources of 1.5 billion barrels of oil equivalent ('boe') across three prospects in FEL 3/13. ERCE estimates a mean Un-risked Net Present Value ('NPV') of approximately US\$7 billion to a 100% working interest in these three prospects and a US\$1.1 billion NPV on a risked basis.

Activity on these licences is focused on finding a farm-in partner with whom to take the licences into the next exploration phase and drill an exploration well. The target market is major and mid-cap oil companies and the farm-out data room opened on 11 January 2016. Europa is pleased with the response from target companies and considers both the phase one and phase two awards to be a positive development for the farm-out.

LO 16/2

Europa has a 100% interest in LO 16/2. The LO was awarded for a two year period from 1 March 2016. It covers approximately 522 km² of ground and adjoins the eastern boundary of FEL 3/13 in which Europa also has a 100% interest.

Europa has identified three new pre-rift prospects in LO 16/2 which have combined gross mean un-risked prospective resources of 895 million boe. The pre-rift play has proved very successful in the Flemish Pass basin offshore Newfoundland and it is believed that this play may also be developed in the Southern Porcupine basin and in addition to the existing Cretaceous fan play.

The three new prospects were mapped on Europa’s proprietary 3D seismic which was acquired in 2013 and covers both FEL 3/13 and LO 16/2.

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For further information please visit <http://www.europaoil.com/> or contact:

Hugh Mackay	Europa	+ 44 (0) 20 7224 3770
Phil Greenhalgh	Europa	+ 44 (0) 20 7224 3770
Matt Goode	finnCap Ltd	+ 44 (0) 20 7220 0500
Simon Hicks	finnCap Ltd	+ 44 (0) 20 7220 0500
Frank Buhagiar	St Brides Partners Ltd	+ 44 (0) 20 7236 1177
Susie Geliher	St Brides Partners Ltd	+ 44 (0) 20 7236 1177

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 2015 Europa produced 141 boepd. Its highly prospective exploration projects include the Wressle development (targeting production startup later in 2016 at up to 500 bopd gross) 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 three licences offshore Ireland with the potential to host gross mean un-risked Prospective Resources of approximately 3 billion barrels across the three 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.