

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')
Annual General Meeting Statement

Europa Oil & Gas (Holdings) plc, the AIM quoted UK and Ireland-focussed oil and gas exploration and production company, is holding its Annual General Meeting ('AGM') later today. At the meeting, Simon Oddie, Chairman of Europa, will make the following statement:

"Europa holds a multi-stage portfolio of production, development and exploration assets in the UK as well as an industry-leading licence position offshore Ireland, one which is exposed to the same plays being targeted by major operators in the upcoming round of drilling that is due to commence in 2019.

"Europa has played an active role in offshore Ireland exploration in recent years and we intend to continue to do so. With this in mind, considerable progress has been made over the last twelve months towards delivering on our goal to drill our first well offshore Ireland in 2020. Over and above our excellent work in Ireland, however, the last twelve months have demonstrated the importance of having a diversified portfolio of projects, not only in terms of stage of development, but also in terms of jurisdiction. Here too, progress has been made, specifically with regards to adding a third territory of interest to our portfolio.

"Offshore Ireland, a successful technical work programme focused on identifying and de-risking multiple targets across our licences using state of the art 3D seismic data resulted in a more than 50% increase in gross mean unrisked resources. This substantial step-up is all the more impressive when one considers last year's AGM Statement made reference to the circa 4 billion barrels of oil and 1.5 TCF of gas that, by that point, we had identified across these same licences. Today, the numbers stand at 6.4 billion barrels of oil equivalent and 2.5 tcf of GIIP. It is numbers like these that help to explain why blue-chip operators are investing heavily in exploration projects in the region.

"The technical work we undertook could well have resulted in a substantial downgrade to last year's eye-catching volumetrics or even kill, at a stroke, the various prospects and plays on our licences. Instead, not only have all our targets remained intact and the volumetrics increased substantially, but a number of lower grade leads have been reclassified as prospects. This is a major achievement and one that has caught the attention of the blue-chip operators we are looking to partner with to take these prospects to the next stage: drilling. As announced on 20 November 2018, we are currently negotiating farm-in agreements with a major international oil and gas company in respect of LO 16/20 in the Slyne Basin and

Frontier Exploration Licences ('FEL') 1/17 and 3/13 in the South Porcupine Basin which, subject to a successful conclusion, could result in Europa having material interests in up to three high impact wells.

“In tandem with these farm-out negotiations, we have commenced planning to drill a well targeting our flagship Inishkea Prospect on LO16/20 in the Slyne Basin in 2020. The decision to upgrade Inishkea to flagship status during the year was an easy one: a robust geological model based on a gas play that has been proved up by the nearby producing Corrib field and the Shell 18/20-7 gas discovery well drilled in 2010; close proximity to infrastructure; relatively low drilling costs due to shallow water depths; and the growing importance of gas in Ireland’s energy mix. Our target drill date for Inishkea is 2020 and shareholders can expect further updates on our plans over the course of the next 12 months.

“While major milestones were chalked up across our Irish portfolio in 2018, the same cannot be said for our UK onshore assets. Our existing production benefited from rising oil prices, generating revenues of £1.6 million during the last financial year. We are constantly looking to maximise our existing production, and we have a number of initiatives underway focused on achieving just that. However, efforts to scale up output both by bringing the Wressle oil discovery in North Lincolnshire on line and by drilling the conventional Holmwood prospect in the Weald Basin, proved fruitless following unfavourable decisions at the council and governmental levels respectively. We remain optimistic that Wressle will eventually be brought into production at a gross rate of 500 bopd, even after the disappointing decision by the Council’s planning committee to refuse permission despite a recommendation from its own professional planning officer. However, following the decision by the Secretary of State for Environment, Food and Rural Affairs not to renew the lease for the drill site at Bury Hill Wood, we took the decision to withdraw our application to extend planning permission to drill Holmwood. We are evaluating PEDL143’s remaining prospectivity ahead of developing a forward plan.

“Our experience onshore UK during 2018 has vindicated the Board’s decision to add a third territory to our portfolio. Over the course of the year, we have evaluated a number of potential projects in several new jurisdictions and, as announced on 20 November 2018, we are pursuing a new venture opportunity in Morocco to further diversify our asset base. By next year’s AGM Statement, I am confident Europa will not only have a clear line of sight towards the drilling of at least one potentially transformational well offshore Ireland, but also have a portfolio of assets in at least three jurisdictions, all at various stages of development and all contributing to our growing pipeline of opportunities offering significant re-rating potential.”

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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 2018 Europa produced 94 boepd. Its highly prospective exploration projects include the Wressle development in the UK (targeting production start-up in 2019 at 500 bopd gross) and six licences offshore Ireland with the potential to host gross mean un-risked prospective resources of 6.4 billion barrels oil equivalent and 2.5 tcf undiscovered GIIP across all six 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.