

7 August 2019

Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')
Award of 15 Year Frontier Exploration Licence, Offshore Ireland

Highlights

- Receipt of Government approval for conversion of Licensing Option 16/20 in the Slyne Basin into a 15-year Frontier Exploration Licence ('FEL') 4/19
- Contains Europa's flagship Inishkea prospect – a near field gas exploration project with 1.5 trillion cubic feet ('TCF') gross mean un-risked prospective gas resources
- FEL 4/19 becomes Europa's fourth FEL in portfolio of six offshore Ireland licences which potentially hold gross mean un-risked prospective resources of 6.4 billion barrels oil equivalent and 1.5 tcf gas
- Farm out negotiations remain ongoing

Europa Oil & Gas (Holdings) plc, the UK and Ireland focused oil and gas exploration, development and production company, is pleased to announce that the Irish Government has approved the Company's application to convert Licensing Option 16/20 in the Slyne basin in Atlantic Ireland to Frontier Exploration Licence 4/19 ('FEL 4/19' or 'the Licence'). The 100%-owned Licence includes the Company's flagship Inishkea prospect which lies immediately to the north west of, and abuts, the producing Corrib gas field in the Corrib Field Petroleum Lease Area.

The Inishkea prospect has estimated gross mean un-risked prospective gas resources of 1.5 trillion cubic feet ('TCF') and has been assigned a one in three chance of success. The next steps for the Licence, which has a 15-year term commencing from 1 August 2019, include a site survey in preparation for drilling an exploration well, subject to funding and regulatory consent. An application to obtain a site survey on the Inishkea prospect is in process.

Europa's CEO, Hugh Mackay, said: "The conversion of LO 16/20 into a 15-year FEL is an important milestone for the Company, as it allows our flagship Inishkea gas project to be drilled once funding and relevant regulatory permissions have been secured. With a one in three chance of holding gross mean un-risked prospective resources of 1.5tcf of gas, close proximity to the producing Corrib field, and the potential availability of spare capacity in the gas infrastructure, Inishkea represents a low risk opportunity to generate high exploration reward.

"As previously announced, we have negotiated farm-in agreements in respect of FEL 4/19, FEL 1/17 and FEL 3/13 with the NW Europe division of a major oil company (the "Major"). Europa is in regular contact with the Major and continues to await a final investment decision from the Major's head office. However, owing to the length of time it has taken to complete the farm-in agreement, we have continued to market the licences to other potential partners, resulting in a number of other major oil companies expressing an interest in farming in to FEL 4/19. We are focused on being in a position to drill Inishkea at the earliest opportunity and farmout discussions are ongoing with a number of parties, including the Major. Together with the upcoming formal award of an offshore exploration permit on the Atlantic Margin of Morocco and positive news regarding the Wressle

development, this is an exciting period for Europa and I look forward to providing further updates on our progress.”

Further Information

FEL 4/19 contains the Inishkea gas exploration prospect and the 18/20-7 Corrib North gas discovery and is located next to the producing Corrib gas field in the Slyne Basin. The Directors therefore view the Licence as low risk exploration in a proven gas play. The Inishkea prospect is the Company’s flagship prospect and is the priority near-term target.

Inishkea is a large fault bounded Triassic structure which lies to the northwest of the Corrib gas field and is 11 km from Corrib at its nearest point. The reservoir is Triassic age Corrib sandstone, gas is sourced from the underlying Carboniferous. The trap is provided by a combination of Triassic Uilleann Halite top seal and fault seal. Engineering studies demonstrate strong positive economics for a range of porosity outcomes. Europa’s view of porosity at Inishkea is supported by velocity data from its 2018 PSDM 3D seismic data and technical work on regional geological controls. Given the Company’s confidence in trap and reservoir quality and the nearby producing Corrib gas field, prospect risk is regarded as low based on in-house analysis.

Following the completion of a comprehensive work programme encompassing all available data including 3D seismic covering the Inishkea prospect and the Corrib gas field, Europa published updated prospective resource estimates for Inishkea in February 2019, the results of which are included in the table below:

Licence	Prospect	Play	Gross un-risked prospective resources (billion cubic feet)			
			Low	Best	High	Mean
FEL 4/19	Inishkea	Triassic gas	244	968	3,606	1,528

Europa follows Society of Petroleum Engineers (SPE) guidelines for petroleum reserves and resources classification. By definition prospective resources are recoverable and should not be confused with undiscovered gas initially in place (‘GIIP’), which are not. Further information can be found on the SPE website <https://bit.ly/2LtLVia>.

A drilling location for a first exploration well on Inishkea (18/20-H) has been identified. The location benefits from a robust, low risk tie on seismic data for the Corrib Sandstone reservoir back to the Corrib gas field. Subject to regulatory consent, Europa plans to acquire a site survey as part of preparations to drill an exploration well once funding and regulatory permissions for drilling are in place.

Were a gas discovery to be made at Inishkea, there is the potential to fast track development utilising the nearby Corrib gas field facilities. The Corrib field is in decline and growing ullage in the gas infrastructure is predicted to become available.

In addition to Inishkea, the Licence holds the Corrib North structure containing the 18/20-7 gas discovery well drilled by Shell in 2010. Europa has currently identified a wide range of gas initially in place (GIIP) in the Corrib North discovery and subject to a favourable outcome to engineering studies it may be possible to upgrade to contingent resources.

Europa has licence applications in process for FEL 2/13, FEL 3/13 and LO 16/22 further information will be provided as it becomes available.

The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

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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 2020 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 1.5 tcf gas across all six licences.