Europa Oil & Gas (Holdings) plc / Index: AIM / Epic: EOG / Sector: Oil & Gas
15 April 2020

Europa Oil & Gas (Holdings) plc ("Europa" or "the Company")
Interim Results

Europa Oil & Gas (Holdings) plc, the AIM traded Ireland, Morocco and UK focused oil and gas exploration, development and production company, announces its interim results for the six month period ended 31 January 2020.

Operational highlights

Onshore UK

- Wressle Development granted planning consent on appeal
- 90bopd produced from Europa's three producing UK onshore fields during H1 – matches H1 2019 and FY 2019 performance
- Net production on course to more than double to over 200bopd when the Wressle oil field comes on stream later this year at an expected initial rate of 500bopd

Offshore Ireland

- Refocus of portfolio towards the proven gas play in the Slyne Basin - follows the Irish Government's recognition of gas' key role in the country's transition to renewable energy and its intention to phase out oil exploration
- Discussions ongoing with prospective partners to farm-out 100%-owned FEL4/19, which is home to the 1.5tcf Inishkea prospect
- See post period reporting events below

Offshore Morocco

- Awarded large Inezgane licence covering 11,192 square km in the Agadir Basin offshore Morocco in September 2019
- Shell, ENI, Repsol, Hunt and Genel currently active in the area
- Data tapes received from ONHYM in preparation for seismic reprocessing
- Large prospects with resource estimates in excess of 250mmbbls have already been identified in the Lower Cretaceous fan sand play, a prolific producer in West Africa
- Licence attracting interest from a number of operators looking to farm-in

COVID-19

- At the reporting date of 31 January 2020 there was no impact from coronavirus

Financial performance

- Revenue £0.8 million (H1 2019: £0.9 million)
- Pre-tax loss before exploration write-off / write-back £0.5 million (H1 2019: £0.4 million)

- Pre-tax loss of £3.5 million including write-offs taken following relinquishment of Irish licences (see post period reporting events below) (H1 2019: pre-tax loss £0.4 million)
- Net cash used in operating activities £0.4 million (H1 2019: £0.3 million)
- Cash balance at 31 January 2020: £1.5 million (31 July 2019: £2.9 million)

Post reporting period events

- COVID-19. Directors, London based staff and consultants have been home based since 16 March, and agreed a temporary salary/rate cut of 20% since 1 April. Operations continue at the three production sites.
- Updated economic model confirms production at Wressle would be economically robust in the current low oil price environment - estimated break-even oil price (excluding Europa's corporate overheads) of US$17.62 per barrel
- Applications submitted for the relinquishment of three licences offshore Ireland where primary prospectivity is oil - LO16/19, LO16/22, FEL 2/13 - total non-cash write-off of £1.7 million
- Application submitted for a 2 year extension and merger of FELs 3/13 and 1/17- should the merger not be granted then FEL 3/13 will be relinquished, and the Company has elected to write-off the £1.3 million intangible asset in these accounts
- Appointment of Stephen Williams as independent Non-Executive director replacing Roderick Corrie

Simon Oddie, Interim CEO and Executive Chairman of Europa, said: "The standout corporate events of the six month review period were the granting of planning consent for the development of Wressle and the award of the Inezgane permit offshore Morocco. Expected to come on stream at a rate of 500bopd in the second half, Wressle will transform Europa's net production and revenue profile. Together with measures we have taken to reduce our already low cost base and, following the repositioning of our portfolio towards gas, we believe Europa will be well placed to withstand a sustained period of oil price volatility and weakness.

"While the ongoing COVID-19 pandemic may impact activity on the ground, there is much we are still able to get on with, notably working towards the farm-out of our strategic position in the Slyne Basin and continuing desktop work and launching the farm-out of our licence offshore Morocco. With gas set to play a key role in Ireland's energy mix and our licences located in a gas play proven by the producing Corrib field, Inishkea represents a compelling investment opportunity with an attractive risk / reward profile. While offshore Morocco is at an earlier stage, we are already talking to a number of parties who expressed an interest in our Inezgane licence, even before we had identified multiple targets with up to 250mmbls of prospective resources.

"These are clearly challenging times for everyone and our priority has to be to ensure the health and safety of all our employees and stakeholders. With this in mind, we will continue to follow the latest government advice and as a result, timescales for certain activities and milestones, including our efforts to add a third leg to our business by securing a late stage appraisal project, may well need to be lengthened. Importantly, the roadmap we have to increase our onshore UK production and to expose our shareholders to potentially value creating events offshore Ireland and Morocco remains in place."

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

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

Chairman's Statement

Financial results such as this latest half yearly report are by their nature backward-looking. They provide an opportunity for companies to comment on progress made, milestones achieved and strategic goals set. In Europa's case, the objective is to build a portfolio of multistage licences, advance these up the development curve, attract partners to fund exploration/development activity, including drilling, and expose shareholders to potentially value creating events while minimising risk. With this in mind, the six months under review has seen a new project added to the portfolio – the large Inezgane licence offshore Morocco; the award of a 15-year Frontier Exploration Licence ('FEL') 4/19 for our flagship prospect, Inishkea – a near field gas exploration project offshore Ireland with 1.5 trillion cubic feet ('TCF') gross mean un-risked prospective gas resources; and the granting of planning consent for the development of the Wressle oil field, which is expected to more than double Europa's UK onshore production to over 200bopd when it comes on stream later this year.

Of course, statements such as this Chairman's Report allow financial results to be forward-looking too, providing companies with an opportunity to update shareholders on upcoming activity and expected timescales. It goes without saying that this is a more challenging exercise this time round due to the COVID-19 virus and the unprecedented efforts being taken around the world to curb the pandemic. With so many unknowns outstanding at the time of writing including infection rates, breadth and depth of the outbreak and how long extreme measures, such as lockdowns, will need to be in place, the situation on the ground is fluid. The health and safety of all our employees and stakeholders are always paramount and, with this in mind, we will at all times continue to follow the latest advice of the relevant authorities. As of today, we continue to produce oil from the three UK sites. However, timings of upcoming activity across our assets onshore UK, offshore Ireland and offshore Morocco may be impacted.

Onshore UK
One key area of planned activity in the second half is the development of the Wressle field in North Lincolnshire. The granting of planning consent during the period under review was a milestone event that has given the partners the green light to bring this discovery online at an initial rate of 500bopd. With a 30% working interest in the field, Europa's net share would equate to 150bopd, which would in turn more than double our existing UK onshore production to well over 200bopd. Importantly with the current low oil price environment in mind, production at Wressle would be economically robust. This follows a recent exercise to update the field's economic model to reflect today's lower oil prices, the results of which estimate the project has a break-even oil price of US$17.62 per barrel excluding Europa's corporate overheads.

With numbers like the above, we are keen to bring Wressle into production at the earliest opportunity. In line with this, work is underway. In March 2020, we reported that first oil at Wressle is envisaged during the second half of 2020 and this remains the case.

Offshore Ireland
Even before the outbreak of COVID-19, oil and gas companies operating offshore Ireland faced a number of headwinds. Chief among these was the Irish Government's intention, announced in September 2019, to phase out future licensing for oil exploration, but not gas exploration. Subsequently, it was confirmed that all existing exploration licences for both oil and gas remain valid. The evolving regulatory landscape and the acknowledgement by the Irish authorities that natural gas, as the cleanest fossil fuel in terms of carbon emissions, has a key role to play in the country's transition towards becoming carbon neutral, prompted an internal re-evaluation at Europa and subsequent re-positioning of our offshore Ireland licence portfolio. This has seen us exit all but one of our licences in Ireland where the identified prospectivity was primarily oil.

Our focus in Ireland remains our flagship 1.5tcf Inishkea prospect on FEL4/19. Located near Corrib and the field's gas processing infrastructure, we believe this provides us with a strategic position in a proven gas play in a jurisdiction where gas is increasingly viewed as a key transition fuel. With this in mind, we remain confident that our ongoing discussions with potential partners to fund drilling activity will prove to be successful.

Offshore Morocco
In September 2019, we announced the award of the Inezgane licence offshore Morocco. Inezgane covers a large area in an underexplored basin where we have identified that all the key elements of a working hydrocarbon system in the Lower Cretaceous are present. Together with Morocco's active oil and gas industry, a supportive Government, and majors such as ENI exploring just to the south of Inezgane, the licence represents an excellent opportunity for us to deploy our technical expertise. As with offshore Ireland, the forward plan for Inezgane is to build a prospect inventory based on reprocessing and interpreting 3D

seismic and, subject to the results, secure partner(s) to drill a well, thereby exposing our shareholders to a potentially value-creating event. As part of the initial two-year phase of the licence data tapes have been received from ONHYM in preparation for seismic reprocessing. Large prospects with resource estimates in excess of 250mmbbls in the Lower Cretaceous fan sand play, a prolific producer in West Africa, have already been mapped. Encouragingly, the award of the licence has already attracted serious industry interest.

UK - Production

Matching the rate reported in H1 2019, production across our three UK onshore fields averaged 90bopd during the six months under review. Recording a zero-decline rate for the period is a creditable performance and testament to the professionalism and expertise of the team on the ground. As mentioned above, Europa's production is set to more than double to over 200bopd once the Wressle field comes online later this year.

Board Changes

During the period and post period end there have been a number of changes to the composition of the Board. In November 2019, Hugh Mackay stepped down from both the Board and his role as Chief Executive Officer, a position he had held since 2011. As well as overseeing Europa's onshore UK exploration, development and production, during his tenure Hugh spearheaded high impact exploration offshore Ireland and was instrumental in securing the award of the Inezgane licence. We wish him well for the future. With regards to Hugh's CEO duties, I moved from the role of Non-Executive Chairman to Interim CEO and Executive Chairman. In light of volatile markets and the ongoing COVID-19 pandemic, the Board has decided to suspend the process of appointing a permanent CEO.

Post period end in March 2020, we announced the appointment of Stephen Williams, Co-CEO of Reabold Resources plc (AIM: RBD), to the Board as an independent Non-Executive Director. Stephen replaces Roderick Corrie, who is stepping down after 12 years. Following this, Brian O'Cathain, who has been an independent Non-Executive Director of the Company since January 2018, has been appointed Senior Independent Non-Executive Director.

Conclusions

Our focus for the second half of the year is to bring the Wressle field into production, showcase our strategic position in the proven gas play of the Slyne Basin offshore Ireland to prospective partners, and continue the work that is underway offshore Morocco to build a robust prospect inventory and seek farm-in partners. In parallel with this we continue to evaluate new ventures, specifically late stage appraisal opportunities, to add a third leg to our portfolio and complete our exposure to all stages of the oil and gas cycle.

Of course, we cannot ignore the COVID-19 pandemic and also recent moves in the oil market. Both will likely determine the pace of progress made. While we cannot control either of these, we are focused on matters we can control. A comprehensive review of our cost profile has been undertaken and as part of this all the executive team, Board and consultants have agreed to a temporary 20% reduction in salaries, while the search for a permanent CEO has been put on hold. Together with our existing UK onshore production and the prospect of this more than doubling when Wressle comes on stream later this year, we believe Europa is well placed, not just to weather the current challenging conditions, but also to continue working towards our strategic goal: to expose our shareholders to value creating events while minimising risk.

Finally, on behalf of the Board I would like to thank the management, employees and consultants for their hard work over the period, and also our shareholders for their support and patience as we navigate through these difficult times.

Simon Oddie
Interim CEO and Executive Chairman
15 April 2020

Operational review

UK Production - East Midlands

Europa produces oil from three UK onshore fields: West Firsby; Crosby Warren; Whisby-4. During the period under review, an average of 90bopd were recovered from the three fields, which matches the performance over full year 2019. This follows the Company's active management of the fields to maximise production.

UK Development – Wressle Oil Field

During the period, planning consent for the development of Wressle in North Lincolnshire, in which Europa holds a 30% working interest, was granted on 17 January 2020. Under the development plan, Wressle is expected to commence production at an initial gross rate of 500bopd from the Ashover Grit formation, which would more than double Europa's existing UK onshore production to over 200bopd.

Following the award of planning consent, the operator, Egdon Resources, carried out a stress test of the economic model in light of the current low oil price environment. The result of this exercise demonstrated the development plan for the field is economically robust at today's oil price levels and that the project has an estimated break-even oil price of US$17.62 per barrel excluding Europa's corporate overheads.

The forward plan for the Wressle development, which lies on licences PEDL180 & 182 ('the Licences'), comprises the following key stages:

1. Discharging the planning conditions, finalising detailed designs, tendering and procurement of materials, equipment and services and finalising all HSE documentation and procedures
2. Installation of the ground water monitoring boreholes and establishment of baseline conditions through monitoring
3. Reconfiguration of the site

4. Installation and commissioning of surface facilities
5. Sub-surface operations
6. Commencement of production

Work to date has concentrated on detailed planning of the enabling works highlighted in point 1 above. The initial work on site will be the installation of the groundwater monitoring boreholes with the main site operations occurring in the last months of the work stream. On current plans, first oil at Wressle is envisaged during the second half of 2020.

The Wressle Oil Field, which was discovered by the Wressle-1 well in 2014, has additional development potential. During testing, a total of 710 barrels of oil equivalent per day were recovered from three separate reservoirs: the Ashover Grit; the Wingfield Flags; and the Penistone Flags. In September 2016, a Competent Person's Report provided independent estimates of reserves and contingent and prospective oil and gas resources for the Wressle discovery of 2.15 million stock tank barrels classified as discovered (2P+2C). In addition, the CPR assigned gross mean un-risked prospective resources of 0.6 million boe and a geological chance of success of 50% to Broughton North, a historic discovery that is located on PEDL 180. Further development of the Wressle field, including producing additional reserves existing in the Penistone Flags formation, is expected in the future.

In addition to granting planning consent for the development of the Wressle field, the Planning Inspector also allowed an application for costs against North Lincolnshire Council ('NLC') and this has subsequently been submitted to NLC.

Europa holds a 30% working interest in the Licences alongside Egdon Resources (operator, 30%), Union Jack Oil (27.5%), and Humber Oil & Gas Limited (12.5%).

Exploration: Offshore Ireland

Following the Irish Government's announcement in September 2019 to phase out oil but not gas exploration, the Company undertook a review of its licence position offshore Ireland. For some time the Company's flagship project offshore Ireland has been the 1.5tcf Inishkea gas prospect in the Slyne Basin, and this, along with the changing regulatory landscape, lies behind management's decision to rebalance the Company's exposure in favour of gas, specifically the proven gas play in the Slyne Basin which is home to the producing Corrib gas field. In tandem with this, it was decided to reduce the Company's position in more early stage and prospective areas of the Irish Atlantic Margin where the primary target is oil.

Post period end the Company announced the relinquishment of four offshore Ireland licences, three of which are in the South Porcupine Basin where the primary target is oil. As well as relinquishing LO16/19 (as announced 5 February 2020), Europa will also be relinquishing LO16/22 and FEL2/13. Europa has proposed the merger of FEL 3/13 and FEL 1/17. Should this be approved, Europa will retain the one licence in the Porcupine, which holds Edgeworth, a firm drilling target with gross mean unrisked prospective resources of 225mmbbl. Should the merger not be approved FEL 3/13 will be relinquished and FEL 1/17 retained. Following these changes, Europa's Irish portfolio consists of three FELs with combined gross prospective resources of 3,857mmbbl oil and 1.5tcf of gas.

The forward plan for Ireland is to continue discussions with several parties regarding the farm-out of the Company's licence position in the Slyne Basin. In tandem with ongoing farm-out discussions, the approval of the drilling location site survey at Inishkea continues.

Further to the relinquishment of licences LO16/22, FEL2/13, and the pending merger of FEL 3/13 and FEL 1/17 the Company is writing off the value of these intangible assets, resulting in a non-cash charge to income of £2,911,000.

Exploration: Offshore Morocco
Europa has been awarded the Inezgane Offshore licence covering an area of 11,192 km2 in the deepwater Agadir Basin, offshore Morocco which commenced in November 2019. Europa has 75% equity and is operator and its partner ONHYM (Office National des Hydrocarbures et des Mines) holds the remaining 25% interest in the licence. ONHYM also acts as the regulator with a reputation for both speed and efficiency. There are a number of mid-caps and majors currently active in this area of Morocco, notably ENI, Hunt, Genel, Shell and Repsol.

Europa's focus in the Inezgane licence is on the Lower Cretaceous fan sand play which is a prolific play in West Africa. Europa recognises that key elements of source (including the world class Cenomanian-Turonian source rock), reservoir and seal are all present within the Inezgane licence. Only 10 wells have been drilled in deepwater Morocco to date of which only three have penetrated a complete Lower Cretaceous section. Given the deepwater basins extend for some 1,800 kilometres offshore Morocco, it is clear that the play is highly under-explored. Water depths in the Inezgane Permit are between 600 and 2,000m.

Results of our initial work, based on extensive 3D seismic data, well data and onshore geology, have to date been encouraging. Europa has identified several large prospects, with potential for stacked reservoirs, some of which have initial resource estimates in excess of 250mmbbls. The Company has also developed some new ideas of reservoir and source rock presence. In addition, examples of shallow gas anomalies have been seen on seismic data which is a positive indication of a working petroleum system operating in the basin.

The Inezgane Permit is of 8-years duration comprising three phases of which the Initial Phase of the licence comprises 2-years. During the Initial Phase, Europa will carry out a work programme including 3D seismic reprocessing as well as other technical studies. At the end of the Initial Phase, Europa has the option to commit to drilling an exploration well in the Second Phase of the licence or to relinquish the licence.

The farm-out campaign will be formally launched in Q3 2020 although it is worth noting that the Company has already received unsolicited interest from three companies which are being followed up. The objective is to mature prospects to drillable status with a view to attracting farminees to drill an exploration well in the Second Phase of the licence. If the Lower Cretaceous play can be successfully unlocked enormous upside lies within the rest of the Permit.

Morocco is a stable country with a transparent and efficient business environment which offers excellent fiscal terms and low political and regulatory risk. From a technical, commercial and strategic perspective Morocco represents an obvious new country entry for Europa complementing our well-established positions in Ireland and the UK.

Financials

Average daily H1 2020 production was 90 boepd unchanged from H1 2019.

There was a 9% decrease in average realised oil price to US$61.4 per barrel (H1 2019: US$67.7). Foreign exchange movements had a minor positive impact on revenues as US Dollar sales converted to Sterling at US$1.28 (H1 2019: US$1.29)

The Group’s cash flow forecast up to 31 December 2020 considers the continuing and forecast cash inflow from the Group’s producing assets, the cash held by the Group at the reporting date, less administrative expenses and planned capital expenditure. Based on that forecast, the Directors have concluded that the Group will be able to continue as a going concern and meet its obligations as and when they fall due. The critical assumption in reaching that conclusion is that Wressle production commences at the forecasted rate in the second half of 2020. In the absence of incremental production from Wressle in 2020 then additional funding would be required. If this was not available there is a risk that commitments could not be fulfilled, and assets would be relinquished.

Conclusion and Outlook

Following the granting of planning consent for the development of Wressle, Europa has a defined route to doubling production to over 200bopd later this year when the oil field is due to commence production. In the second half we expect to receive approval for the Inishkea site survey which will assist the farm-out of our position in the Slyne Basin. Located in a proven gas play and close to the producing Corrib field and associated infrastructure, the Inishkea prospect has been assigned a relatively high chance of success of one in three. Meanwhile, in Morocco, where we have already identified several large prospects, some of which potentially hold in excess of 250mmbbls, we will continue discussions with the three companies that have expressed an interest in the licence and formally launch a farmout campaign.

Timescales relating to the above activity may be lengthened due to the COVID-19 pandemic and current weak oil markets. Measures, such as salary cuts for the executive team, have been taken to ensure all planned activity can be funded at today's oil prices without the need for additional external funding.

Simon Oddie
Interim CEO and Executive Chairman
15 April 2020

Qualified Person Review

This release has been reviewed by Rowland Thomas, geophysical advisor to Europa, who is a geophysicist with over 39 years' experience in petroleum exploration and a member of the Society of Exploration Geophysicists, European Association of Geoscientists and Engineers and the Petroleum Exploration Society of Great Britain, and has consented to the inclusion of the technical information in this release in the form and context in which it appears.

Licence Interests Table

Country	Area	Licence	Field/ Prospect	Operator	Equity	Status
Ireland	South Porcupine	FEL 1/17 & 3/13[1]	Ervine, Edgeworth, Egerton, Beckett, Wilde, Shaw	Europa	100%	Exploration
	Slyne Basin	FEL 4/19	Inishkea, Corrib North	Europa	100%	Exploration
UK	East Midlands	DL 003	West Firsby	Europa	100%	Production
		DL 001	Crosby Warren	Europa	100%	Production
		PL 199/215	Whisby-4	BPEL	65%	Production
		PEDL180	Wressle	Egdon	30%	Development
		PEDL181		Europa	50%	Exploration
		PEDL182	Broughton North	Egdon	30%	Exploration
		PEDL299	Hardstoft	Ineos	25%	Field
		PEDL343	Cloughton	Third Energy	35%	Appraisal
Morocco	Agadir Basin	Inezgane		Europa	75%	Exploration

[1] Assuming the 2 licences are merged

Financials

Unaudited consolidated statement of comprehensive income

	6 months to 31 January 2020 £000	6 months to 31 January 2019 £000	Year to 31 July 2019 (audited) £000
Revenue	**778**	859	1,713
Cost of sales	**(701)**	(855)	(1,682)
Exploration (write-off)/write back (note 5)	**(3,005)**	-	270
Gross profit	**(2,928)**	4	301
Administrative expenses	**(456)**	(375)	(811)
Finance income	**5**	27	43
Finance expense	**(130)**	(93)	(187)
Loss before taxation	**(3,509)**	(437)	(654)
Taxation	**-**	-	-
Loss for the period	**(3,509)**	(437)	(654)
Other comprehensive income			
Items that will not be reclassified to profit/(loss)			
Loss on investment revaluation	**(66)**	-	(59)
Total comprehensive loss for the period attributed to the equity shareholders of the parent	**(3,575)**	(437)	(713)
	Pence per share	Pence per share	Pence per share
Earnings per share (EPS) attributable to the equity shareholders of the parent			
Basic and diluted EPS (note 3)	(0.79)p	(0.13)p	(0.17)p

Unaudited consolidated statement of financial position

	31 January 2020	31 January 2019	31 July 2019 (audited)
	£000	£000	£000
Assets			
Non-current assets			
Intangible assets	**5,439**	6,759	7,818
Property, plant and equipment	**626**	621	575
Right of use assets	**270**	-	-
Total non-current assets	**6,335**	7,380	8,393
Current assets			
Investments	**175**	-	241
Inventories	**27**	26	19
Trade and other receivables	**340**	300	315
Restricted cash	**251**	-	251
Cash and cash equivalents	**1,489**	4,435	2,905
	2,282	4,761	3,731
Total assets	**8,617**	12,141	12,124
Liabilities			
Current liabilities			
Trade and other payables	**(791)**	(918)	(1,086)
Lease liabilities	**(110)**	-	-
Total current liabilities	**(901)**	(918)	(1,086)
Non-current liabilities			
Lease liabilities	**(130)**	**-**	**-**
Long-term provisions	**(3,040)**	(2,826)	(2,917)
Total non-current liabilities	**(3,170)**	(2,826)	(2,917)
Total liabilities	**(4,071)**	(3,744)	(4,003)
Net assets	**4,546**	8,397	8,121
Capital and reserves attributable to equity holders of the parent			
Share capital (note 6)	**4,447**	4,447	4,447
Share premium	**21,010**	21,010	21,010
Merger reserve	**2,868**	2,868	2,868
Retained deficit	**(23,779)**	(19,928)	(20,204)
Total equity	**4,546**	8,397	8,121

Unaudited consolidated statement of changes in equity

	Share capital £000	Share premium £000	Merger reserve £000	Retained deficit £000	Total equity £000
Unaudited					
Balance at 1 August 2018	**3,014**	**18,481**	**2,868**	**(19,508)**	**4,855**
Total comprehensive loss for the period	-	-	-	(437)	(437)
Issue of share capital	1,433	2,546	-	-	3,979
Issue of share options	-	(17)	-	17	-
Balance at 31 January 2019	**4,447**	**21,010**	**2,868**	**(19,928)**	**8,397**
Audited					
Balance at 1 August 2018	**3,014**	**18,481**	**2,868**	**(19,508)**	**4,855**
Loss for the year attributable to the equity shareholders of the parent	-	-	-	(654)	(654)
Other comprehensive loss attributable to the equity shareholders of the parent	-	-	-	(59)	(59)
Issue of share capital	1,433	2,546	-	-	3,979
Issue of share options	-	(17)	-	17	-
Balance at 31 July 2019	**4,447**	**21,010**	**2,868**	**(20,204)**	**8,121**
Unaudited					
Balance at 1 August 2019	**4,447**	**21,010**	**2,868**	**(20,204)**	**8,121**
Total comprehensive loss for the period	-	-	-	(3,509)	(3,509)
Other comprehensive loss attributable to the equity shareholders of the parent	-	-	-	(66)	(66)
Balance at 31 January 2020	**4,447**	**21,010**	**2,868**	**(23,779)**	**4,546**

Unaudited consolidated statement of cash flows

	6 months to 31 January 2020	6 months to 31 January 2019	Year to 31 July 2019 (audited)
	£000	£000	£000
Cash flows used in operating activities			
Loss after taxation	**(3,509)**	(437)	(654)
Adjustments for:			
Depreciation	**47**	47	94
Amortisation on right to use assets	**55**	-	-
Exploration write off/(write back)	**3,005**	-	(270)
Finance income	**(5)**	(27)	(43)
Finance expense	**130**	93	187
(Increase)/decrease in trade and other receivables	**(42)**	22	7
(Increase)/decrease in inventories	**(8)**	(6)	1
(Decrease)/increase in trade and other payables	**(105)**	(35)	17
Net cash used in operating activities	**(432)**	(343)	(661)
Cash flows used in investing activities			
Purchase of property, plant & equipment	**(99)**	-	(1)
Purchase of intangibles	**(790)**	(1,002)	(1,973)
Cash guarantee re Morocco	**-**	-	(251)
Sale of part interest in licence – associated costs	**-**	-	(8)
Interest received	**5**	5	16
Net cash used in investing activities	**(884)**	(997)	(2,217)
Cash flows (used in)/from financing activities			
Proceeds from the issue of share capital	**-**	3,961	4,299
Costs incurred on issue of share capital	**-**	-	(320)
Increase in payables relating to share capital issue costs	**-**	14	-
Option based equity movement on share issue	**-**	18	-
Repayment of leasing liabilities	**(69)**	-	-
Finance costs	**(4)**	(2)	(5)
Net cash (used in)/from financing activities	**(73)**	3,991	3,974
Net (decrease)/increase in cash and cash equivalents	**(1,389)**	2,651	1,096
Exchange (loss)/gain on cash and cash equivalents	**(27)**	13	38
Cash and cash equivalents at beginning of period	**2,905**	1,771	1,771
Cash and cash equivalents at end of period	**1,489**	4,435	2,905

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 14 April 2020.

The consolidated interim financial information for the period 1 August 2019 to 31 January 2020 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 2018 to 31 January 2019 and the audited financial year to 31 July 2019.

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 2019.

The comparatives for the full year ended 31 July 2019 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.

Given the current cash balance and cash inflow from the Group's producing assets, the Directors have concluded, at the time of approving the consolidated interim financial information, that there is a reasonable expectation, based on the Group's cash flow forecasts, that the Group can continue in operational existence for the foreseeable future, which is deemed to be at least 12 months from the date of signing the consolidated financial information. Accordingly, they continue to adopt the going concern basis in preparing the consolidated interim financial information. If there is a further drop in oil prices, or the

Wressle development is delayed as a result of COVID-19, then it is possible that further funding would be required.

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 2020.

Adoption of IFRS 16 has resulted in the Group recognising right-of-use assets and lease liabilities for all contracts that are, or contain, a lease. For leases previously classified as operating leases, under previous accounting requirements the Group did not recognise related assets or liabilities, and instead spread the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment.

The Board has decided it will apply the modified retrospective adoption method in IFRS 16, and, therefore, has only recognised leases on the balance sheet as at 1 August 2019. In addition, it has decided to measure right-of-use assets by reference to the measurement of the lease liability on that date. This will ensure there is no immediate impact to net assets on that date.

Instead of recognising an operating expense for its operating lease payments, the Group has instead recognised interest on its lease liabilities and amortisation on its right-of-use assets.

3 Earnings per share (EPS)

Basic EPS has been calculated on the loss after taxation divided by the weighted average number of shares in issue during the period. Diluted EPS uses an average number of shares adjusted to allow for the issue of shares, on the assumed conversion of all in-the-money options.

The Company's average share price for the period was 2.30p which was below the exercise price of all 23,453,458 outstanding share options (H1 2019: 3.51p which was below the exercise price of all 25,637,898 outstanding share options).

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

	6 months to 31 January 2020	6 months to 31 January 2019	Year to 31 July 2019 (audited)
	£000	£000	£000
Losses			
Loss for the period attributable to the equity	**(3,509)**	(437)	(654)

shareholders of the parent			

Number of shares

Weighted average number of ordinary shares for the purposes of basic and diluted EPS	**444,691,599**	342,665,937	393,259,484

4 Taxation

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

5 Intangible assets

	31 Jan 2020	31 Jan 2019	31 July 2019
	£000	£000	£000
At 1 August	**7,818**	5,959	5,959
Additions	**626**	800	1,869
Disposal	**-**	-	(10)
Exploration write-off	**(3,005)**	-	-
At 31 July	**5,439**	6,759	7,818

Intangible assets comprise the Group's pre-production expenditure on licence interests as follows:

	31 Jan 2020	31 Jan 2019	31 July 2019
	£000	£000	£000
Ireland FEL 2/13 (Doyle A, B, C, Kilroy, Keane & Kiely)	**-**	893	1,280
Ireland FEL 3/13 (Beckett, Wilde, Shaw)	**-**	1,184	1,255
Ireland FEL 1/17	**796**	553	636
Ireland LO 16/19	**-**	75	89
Ireland FEL 4/19 (Inishkea)	**1,363**	866	1,259
Ireland LO 16/22	**-**	168	213
Morocco Inezgane	**104**	-	-
UK PEDL143 (Holmwood)	**-**	10	-
UK PEDL180 (Wressle)	**2,954**	2,800	2,867
UK PEDL181	**103**	94	101
UK PEDL182 (Broughton North)	**29**	27	29
UK PEDL299 (Hardstoft)	**12**	12	12
UK PEDL343 (Cloughton)	**78**	77	77
Total	**5,439**	6,759	7,818
Disposal			
UK PEDL143 (Holmwood)	**-**	**-**	10
Exploration write-off			
Ireland FEL 2/13	**1,387**	**-**	-
Ireland FEL 3/13	**1,284**	**-**	-
Ireland LO 16/19	**94**	**-**	-
Ireland LO 16/22	**240**	**-**	-
Total	**3,005**	**-**	-

Exploration write-back

On 8 May 2019 the Group sold its interest in PEDL143 (Holmwood) to UK Oil & Gas Plc ('UKOG') for 25,951,557 shares in UKOG at 1.156p per share.

	31 Jan 2020 £000	31 Jan 2019 £000	31 July 2019 £000
Consideration for the PEDL143 interest	**-**	-	300
Disposal costs	**-**	-	(20)
Book value of remaining interest	**-**	-	(10)
Exploration write-back	-	-	270

6 Share capital

	6 months to 31 January 2020	6 months to 31 January 2019	Year to 31 July 2019 (audited)
Allotted, called up and fully paid ordinary shares of 1p	**Shares**	Shares	Shares
Start of period	**444,691,599**	301,388,379	301,388,379
Issued in the period	**-**	143,303,220	143,303,220
End of period	**444,691,599**	444,691,599	444,691,599
	£000	£000	£000
Start of period	**4,447**	3,014	3,014
Issued in the period	**-**	1,433	1,433
End of period	**4,447**	4,447	4,447

Ordinary shares issued On 10 December 2018 at 3p issue price	**Number of shares**	**Raised gross**	**Raised net of costs**	**Nominal value**
		£'000	**£000**	**£000**
Placing	133,333,338	4,000	3,692	1,333
Open offer	9,969,882	299	270	100
	143,303,220	4,299	3,962	1,433

7 Post reporting date

- COVID-19. Directors, London based staff and consultants have been home based since 16 March, and agreed a temporary salary/rate cut of 20% since 1 April. Operations continue at the three production sites.
- Updated economic model confirms production at Wressle would be economically robust in the current low oil price environment - estimated break-even oil price (excluding Europa's corporate overheads) of US$17.62 per barrel

- Applications submitted for the relinquishment of three licences offshore Ireland where primary prospectivity is oil - LO16/19, LO16/22, FEL 2/13 - total non-cash write-off of £1.7 million
- Application submitted for a 2 year extension and merger of FEL's 3/13 and 1/17- should the merger not be granted then FEL 3/13 will be relinquished, and the Company has elected to write-off the £1.3 million intangible asset in these accounts
- Appointment of Stephen Williams as independent Non-Executive director replacing Roderick Corrie