

**Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')**  
**Placing of New Shares to raise approximately £2.1 million to fund near term  
work programme and Directors' Dealing**

The Company is pleased to announce that it has conditionally raised approx £2.1 million, before expenses, by way of a placing of 16,170,998 new ordinary shares at a price of 13p per share (the "**Placing Shares**") (the "**Placing**"). Further details of the Placing are set out below.

In addition, the Company intends to enter into a agreements with YA Global Master SPV ("Yorkville") under which the Company will issue a \$1.6 million (approx £1 million) loan note to Yorkville (the "Loan Note") and under which Yorkville will provide a £5 million Standby Equity Distribution Agreement ("SEDA"). Yorkville is an investment fund managed by Yorkville Advisors UK LLP. Further details of the Loan Note and SEDA are described below.

The Company will send a circular to shareholders today convening a general meeting for 15 July 2011 at which the Company will seek the authority of shareholders, to provide the Directors with authority to allot and issue new ordinary shares and/or rights to subscribe for or convert any security into ordinary shares and to disapply pre-emption rights in relation to the Placing Shares and otherwise. The Company is also seeking to update its Articles of Association following the final stage in the implementation of the Companies Act which took place on 1 October 2009.

**Reasons for the Placing and use of Proceeds**

Europa operates exploration, production and appraisal assets across three core EU jurisdictions, namely, the UK, France and Romania. The Company has plans for an active work programme, using the proceeds of the Placing and the Loan Note, in the UK and Romania as described below.

**United Kingdom**

The Company's oil production assets at Crosby Warren near Scunthorpe continue to produce between 35 bopd and 50 bopd. The Company intends to undertake a hydraulic fracture stimulation (frac) of the producing reservoir in the Crosby Warren-1 well in order to improve oil inflow performance. The well responded extremely positively to an initial frac some years ago, however the effectiveness of the original frac has diminished and it is the Directors' belief that a new frac will revitalise production.

Europa has recently reached an agreement in principle with Egdon Resources ("Egdon") and Celtique Energie Petroleum Ltd. ("Celtique") to equalise working interests across contiguous Petroleum Exploration and Production Licences ("PEDL") 180 and 182 in the East Midlands. Egdon is the current operator of PEDL182 and, it has been agreed in principle, that Egdon will assume operatorship of PEDL180. On conclusion of the transaction, Europa will hold a 33.33% interest in both licences. The transaction provides alignment for the planned exploration programme for this area, which contains a trend of oil prone structures including the Broughton oil discovery and Wressle prospect, which spans the two licences. A joint 3D seismic survey is planned for later in 2011 to firm up drilling locations for the licences. It is hoped to drill during 2012 as part of a planned multi-well drilling programme in the East Midlands.

### **Romania**

Europa has a 28.75% net interest in the Brodina concession, which includes the Voitinel gas discovery. Plans to appraise the discovery have progressed following incorporation of the 2010 seismic data into the interpretation model. The joint venture is now planning an appraisal well for later in 2011, located some 3km south of the discovery well and designed to prove commerciality of the base case reserves. Success in this well will pave the way for a pilot development scheme. A further well is planned on the southern part of the play to test the upside reserves potential in early 2012.

The Company also has a 17.5% net interest in the Cuejdiu licence. A 2D seismic acquisition programme is currently underway on Cuejdiu and will be followed by acquisition on the Brodina licence late in 2011.

### **Future Plans**

The Company's future work plans, which are subject to available funding, include a 3D seismic acquisition programme on its Berenx asset in France and the deepening of the Barchiz-1 exploration well in Romania. In addition, contingent on the success of the Voitinel appraisal drilling and the results of the 3D seismic survey on Wressle, the Company may test the upside reserves of Voitinel-3, continue exploratory drilling in either the Wressle area or Broughton in the UK or redevelop the Osmets oilfield in France.

The Barchiz-1 deepening is a priority for the Company for 2011 and the Directors expect that this will either be funded from available existing Company cashflow, judicious use of the SEDA facility or, alternatively, a farm down of the asset to a third party. The Barchiz-1 exploration well, targeting an Oligocene thrust-belt oil prospect, was drilled in late 2010 but failed to reach its planned target horizon. This was due to

a thicker than anticipated Eocene section and a poor formation integrity test in the casing, limiting the depth of drilling. In effect the drilling was terminated before reaching the main exploration objective.

The Barchiz-1 well, located in the Brates licence area, did encounter two oil bearing intervals in low-permeability sand units in the upper part of the Oligocene sandstone reservoir. Analysis of the seismic and well data indicates the probability of a repeat section of Oligocene reservoir sands beneath the current well depth and Europa intends to deepen the well by drilling a to test this deeper target. Europa's joint venture partner has elected to withdraw from the Brates licence, leaving Europa in a strong position with 100% working interest. The Barchiz deepening will be undertaken under an Appraisal Phase of the licence and the Company will, in parallel, agree terms with the government for a further exploration phase for the remainder of the licence.

The Company's wholly-owned Berenx asset in France is a proven gas-bearing high pressure high temperature structure which the Directors believe will be an important asset for the Company's future growth. On 29 March 2011, the Company announced that Berenx requires testing of its reservoir fracture system to quantify reserve size, which could be up to 1.7TCF. Initial 3D seismic work has led to greater confidence in the technical rationale for extending the 3D coverage to the west of the Berenx wells, which when combined with the proven reserves potential close to the existing infrastructure at Berenx, leads the Directors to be optimistic that an acquisition of a further 3D seismic survey of up to 60km<sup>2</sup> would provide a more accurate indication of the potential upside in this exciting project.

At West Firsby, in respect of which the Company announced an update on 6 May 2011, whilst there are currently no plans for significant capital spend on the field, the performance of the new WF-9 well will be monitored closely and an iteration of the reservoir model may conclude that further work on existing wells or new wellbores is justified.

### **Use of Proceeds**

The Company intends to allocate the proceeds of the Placing, together with the Loan Note to the following projects:

Project	Approx Cost £
Crosby Warren - repeat frac stimulation	0.4 million
Brodina and Cuejdiu 2D acquisitions	1.0 million
Voitinel-2 - reserve appraisal	0.9 million
Wressle - 3D seismic survey	0.3 million

Costs of the Placing and Loan Note	0.4 million
Total	3.0 million

### **Details of the Placing**

The Company has today announced that it intends to raise approximately £2.1 million, before expenses, through a conditional Placing by finnCap of 16,170,998 Placing Shares. The Placing Shares will, following allotment, rank pari passu with the Existing Ordinary Shares.

The Placing is conditional on (i) Shareholder approval of the Resolutions to be proposed at the General Meeting and (ii) the Company entering into agreements with Yorkville for the issue of the Loan Note and the provision of the SEDA.

Application will be made for the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Placing Shares will commence on 18 July 2011.

Certain of the Directors are participating in the Placing and will subscribe for, in aggregate, 330,770 Placing Shares. Paul Barrett and his wife will subscribe for 230,770 Placing Shares and will on Admission be interested in 18,034,752 Ordinary Shares. Bill Adamson and Roderick Corrie will each subscribe for 50,000 Placing Shares and will on Admission be interested in 100,000 Ordinary Shares and 87,500 Ordinary Shares respectively.

### **Details of the Loan Note and SEDA**

The Company is currently in discussion with Yorkville regarding the terms of the Loan Note and the SEDA and it is expected, subject to satisfactory due diligence and agreement of terms, that agreements will be finalised and complete prior to the General Meeting.

### **The Loan Note**

The Loan Note will be repayable in tranches over 12 months and will attract interest at a rate of 8% per annum. The Company has the right to repay the loan note at any time and the Loan Note is convertible only in the event of default at a discount of 20% to the mid market price of an ordinary share on the day of conversion.

### **The SEDA**

Subject to its terms, the £5 million SEDA facility can be used entirely at the discretion of the Company. Under the terms of the proposed agreement, Europa may draw down on funds over a period of up to three years in exchange for the issue of new Ordinary Shares in the Company. The Ordinary Shares issued by the Company will be at a 5% discount to the prevailing market price during the 10 day pricing period of a draw down. The Company may also set a minimum price for each draw down. The maximum advance that may be requested is 200% of the average daily trading volume of Ordinary Shares multiplied by the volume weighted average price of such shares for each of the 10 trading days prior to the draw down request. The facility may only be drawn down upon once every 10 days.

### **Irrevocable Undertakings**

Each of the Directors have given irrevocable undertakings to vote in favour of the Resolutions in respect of their own beneficial holdings of Ordinary Shares, totalling 34,613,385 Ordinary Shares, representing, in aggregate, 30.39 per cent. of the Existing Ordinary Shares.

### **Total Voting Rights**

Following admission to trading on AIM of the Placing Shares, which will rank pari passu in all respects with the existing ordinary shares in issue, Europa's total issued and voting share capital will comprise 130,077,728 ordinary shares. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, securities of the Company.

Further information:

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A Circular containing notice of General Meeting has today been posted to shareholders and will be available on the Company's website at [www.europaoil.com](http://www.europaoil.com)