

27 September 2011

**Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')**  
**Romanian Operational Update**

The Board of Europa Oil & Gas (Holdings) plc ("the Company" or "Europa"), the independent oil and gas exploration and production company with assets in Romania, France and the United Kingdom, announces the following update to operations.

The Company, together with its partners, is currently undertaking a 2D seismic acquisition programme on its Brodina and Cuejdiu blocks in Romania. In addition, the Voitinel-2 (to be named Horodnic-1) appraisal well (Europa 28.75%) is due to spud in the very near future. This well follows the Voitinel-1 discovery, drilled in 2009, which flowed 3 mmscfpd. Voitinel-2 is a low risk appraisal well intended to prove a minimum gas in place number for commercial development, well below the upside potential for the play of 415bcf.

The Company is also finalising an agreement with a farm in partner for the Brates Licence in Romania where it plans to deepen Barchiz-1, which was drilled in late 2010 but failed to reach the primary target. The anticipated terms of this farm-in arrangement will see Europa's future share of the well cost being fully carried up to an agreed cap. A further announcement on this project will be made in the coming weeks.

In addition, the Company has received notification from the Romanian tax authorities that, in relation to the sale of the Company's Bilca Gas field, which was sold in 2007, VAT should have been paid at the time of the sale and therefore the sum of €730,000 (which includes penalties) is payable immediately.

The Company intends to submit an appeal to the Romanian tax authorities and has received advice from its tax advisers KPMG that it has a strong technical argument for its counter claim.

The appeal process will likely take several months, thus having an effect on cashflow. The Board will be assessing all the Company's projects to prioritise capex spend in the meantime.

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