

Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')
Farm-Out of Tarbes Permit in France

Europa Oil & Gas (Holdings) plc, the AIM quoted oil and gas exploration and development company with a combination of producing and exploration assets in Europe, is pleased to announce it has signed a Farm-Out Agreement ('FOA') in relation to its 100% owned Tarbes Val d'Adour Permit ('Tarbes') onshore France with Vermilion REP SAS, a wholly owned subsidiary of Vermilion Energy Inc ('Vermilion') a Calgary, Alberta based international oil and gas producer. Tarbes has previously produced oil from two fields and is located in the Aquitaine basin close to the giant Lacq - Meillon gas fields. This update is in line with Europa's strategy to advance and monetise its multi-stage portfolio of licences.

- Under the terms of the FOA, Vermilion acquires an 80% interest in, and operatorship of, Tarbes with Europa holding the remaining 20% interest.
- Should Vermilion decide to proceed with exploration activities, they will assume 100% of the cost of an optional work programme, which may include seismic acquisition/reprocessing and drilling operations up to a total of €4.65 million. Once costs above this level are incurred, Europa will be responsible for its 20% share of future work programme costs
- Tarbes contains several oil accumulations that were previously licensed by Elf but were abandoned in 1985 due to a combination of technical issues and low oil prices. Two fields, Jacque and Osmets, were drilled using vertical wells and generated modest production.
- The FOA is subject to the relevant approvals being granted by the French authorities – for the transfer of equity and operatorship to Vermilion and obtaining an extension for the permit. Both these approvals processes have already started.

The farm-out process for Europa's other French permit "Bearn des Gaves", also in the Aquitaine basin, is on-going in parallel with planning and permitting for a Berenx shallow well to evaluate the 107 bcf gross mean un-risked contingent resources. A lease has been obtained for the drill site and drilling permit documentation is currently being exchanged with the French authorities.

Europa's CEO, Hugh Mackay said, "Vermilion is the leading exploration and production company currently active in France with net production of approximately 11,000 boepd. They have an excellent technical and operational track record with specific experience of workovers, infill drilling, and secondary recovery opportunities. They are the ideal partner for us on this permit, and we look forward to working alongside them, as we progress Tarbes up the value curve.

“2015 promises to be an exciting year with operations at Wressle and Kiln Lane continuing as previously announced. We will provide further updates with respect to progress when appropriate. We also anticipate the possibility of expanding our UK portfolio via the 14th onshore licensing round and most importantly a drill decision by Kosmos on our Irish licenses. Following on from our announcement last week about testing oil at Wressle completing the first French farmout is another good start to the year.”

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

Hugh Mackay	Europa	+ 44 (0) 20 7224 3770
Phil Greenhalgh	Europa	+ 44 (0) 20 7224 3770
Matt Goode	finnCap Ltd	+44 (0) 20 7220 0500
Henrik Persson	finnCap Ltd	+44 (0) 20 7220 0500
Frank Buhagiar	St Brides Media and Finance Ltd	+44 (0) 20 7236 1177
Lottie Brocklehurst	St Brides Media and Finance Ltd	+44 (0) 20 7236 1177

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. The Company produced 165 boepd in the UK during the 2013/2014 financial year, generating sufficient revenues to cover corporate overheads and some exploration expenditure. Its highly prospective exploration projects include the Wressle (recently drilled and currently undergoing production testing) and Kiln Lane prospects (due to be drilled in Q1 2015) in the UK; 100% owned gas exploration prospect (107 bcf) and appraisal project (CPR 277 bcf) in onshore France; and a joint venture with leading independent Kosmos to explore two licences in offshore Ireland with the potential to host gross mean unrisked prospective resources of 1.5 billion barrels.