

Europa Oil & Gas (Holdings) plc / Index: AIM / Epic: EOG / Sector: Oil & Gas
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Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')
Update on UK Production and Romanian Interests

Europa Oil & Gas (Holdings) plc, the AIM listed oil and gas exploration and development company with a combination of producing and exploration assets in Europe, is pleased to announce the resumption of production at the West Firsby 7 well in the East Midlands, UK. In addition, following a review of the Company's assets by the new management, the Company announces its decision to relinquish its 28.75% working interest in the Brodina concession in Romania in order to focus on the Company's other assets including the Berenx gas appraisal project in onshore France.

UK Production – West Firsby 7

As reported in the announcement of 16 December 2011, the West Firsby 7 well had been shut in due to a suspected hole in a section of the tubing. The workover programme confirmed and rectified the problem and production at the well restarted on 18 January 2012. Prior to the shut in at West Firsby 7, Europa's average daily production had been running at approximately 200 barrels of oil per day ('bopd'). Following the unscheduled downtime, the Company is pleased to confirm that it remains on course to produce an average of approximately 185 bopd for the six months to 31 January 2012 in line with the range provided in the announcement of 16 December 2011, and representing a 22% improvement on the 151 bopd achieved in the equivalent period the previous year.

Romania – Brodina

In keeping with the Company's active management of its asset base, an extensive review of the EIII-1 Brodina concession in northern Romania both in isolation as well as within the context of the portfolio as a whole was undertaken. This involved a detailed technical and commercial evaluation of all aspects of the Brodina licence including the prospectivity of the project, anticipated costs attributable to Europa's continued participation, associated commitments, timetable and geologic risk. The result of this analysis has led to the Company's decision to notify its partners of its intention to withdraw from the Joint Operating Agreement ('JOA') in the EIII-1 Brodina licence in which it holds a 28.75% interest.

The end of Phase 1 of the four year extension of the Initial Exploration Period for the Brodina licence is 22 March 2012. A minimum 60 day notice period leading up to the anniversary date is required to be given by any participating party wishing to relinquish an interest in the JOA. As a result, 22 January 2012 is the final date for an existing participant to withdraw from the Brodina JOA.

Exploration costs of £2.7million previously incurred by the Company on the Voitinel and Horodnic wells at Brodina will be written off.

The Company continues to actively manage its asset base and remains focused on developing its highly prospective exploration projects in the UK, Ireland, France and Romania.

Europa's CEO, Hugh Mackay commented, "I am delighted that our workover programme for West Firsby 7 has been completed on schedule and that the effect of the shut in on our overall daily production has been kept to a minimum. Our UK producing assets generate considerable cash flow that covers our corporate overheads and at the same time underpins our market valuation.

"In addition, today's news regarding the Brodina licence in Romania is an example of the disciplined approach we have applied to the management of our highly prospective asset base. We continually evaluate the risk/reward trade-off on all our licences and are committed to taking action, whether this involves progressing an individual project along the development curve or, in the case of Brodina, choosing to exit. It is a mark of the quality of our asset base, that Brodina is no longer a priority for Europa. The potential company maker that is Berenx, in onshore France, as well as our highly exciting exploration licences in the UK and Ireland remain our focus and I look forward to providing the market with updates on our progress."

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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. The Company currently produces approximately 200 barrels per day of oil in the UK, generating sufficient revenues to cover corporate overheads. In addition, it has highly prospective exploration projects in the UK, Ireland France and Romania, the most significant asset being the Berenx gas appraisal project in onshore France.