

Europa Oil & Gas (Holdings) plc
(“Europa” or “the Company”)

Signature of Serenity Farm-in Agreement

Europa Oil & Gas (Holdings) plc, the AIM traded UK, Ireland and Morocco focused oil and gas exploration, development, and production company, announces the signature of the Serenity farm-in agreement with i3Energy North Sea Limited (“i3E”) in respect of UK Seaward Production Licence P.2358, Block 13/23c (“Serenity”).

Highlights

- Europa is acquiring a 25% interest in Serenity by paying 46.25% of the appraisal well cost, equating to a 1.85 to 1 carry (the “Carry”).
- The farm-in is in line with Europa’s previously stated strategy to acquire an appraisal asset, adding to its existing producing and high impact exploration assets, and thereby creating a more balanced asset portfolio for its investors.
- The Serenity appraisal well is scheduled to be drilled and formation tested in late Q3 2022 at a gross cost of £14 million.
- The Carry is capped at a gross well cost of £15 million, of which Europa’s interest will be £6.94 million. Thereafter, each party will fund its interests proportionally.
- Serenity is strategically located near existing infrastructure in the North Sea, however the appraisal well could provide sufficient recoverable volumes for a standalone development.
- There are no material conditions for Europa to satisfy to complete the farm-in,
- Europa will fund an escrow account with its paying interest obligation.
- Completion is subject to approval of the North Sea Transition Authority (“NSTA”) to the creation of a new block within Licence P.2358 (the “New Serenity Block”) and to assignment of an interest in the Licence and New Serenity Block to Europa.

Simon Oddie, CEO said:

“I’m delighted to announce the signature of this farm-in which fulfils our promised goal of adding an appraisal asset to the Europa portfolio. Serenity is a late-stage appraisal and development asset that provides our shareholders with exposure to a very exciting asset that could deliver significant near-term value to our shareholders with the drilling of the Serenity appraisal well expected in late Q3 of 2022. The objective of the well is to prove up additional volumes of hydrocarbons beyond those encountered in the original discovery well, which alone are considered commercially viable. It is a welcome addition to our existing producing and high impact exploration assets and part of our long-term strategy to create a balanced portfolio of high-quality assets with the view of creating long-term value for our shareholders.”

Background

Europa announced a Conditional Fundraising to raise up to £7 Million on 2nd March 2022 to fund the acquisition by the Company of a farm in of Serenity located in the Central North Sea. On 3rd March it announced that it had conditionally raised gross proceeds of £7.02 million, before

expenses, through the conditional placing of 390,000,000 new ordinary shares of £0.01 each at an issue price of 1.8 pence per share and this was subsequently approved at the General Meeting held on 25th March. The Farm-in Agreement in for Serenity was signed on 20th April 2022.

Qualified Person Review

This release has been reviewed by Alastair Stuart, engineering advisor to Europa, who is a petroleum engineer with over 35 years' experience and a member of the Society of Petroleum Engineers and has consented to the inclusion of the technical information in this release in the form and context in which it appears.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the company's obligations under Article 17 of MAR.

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Notes to Editors

Europa Oil & Gas (Holdings) plc has a diversified portfolio of multi-stage hydrocarbon assets which includes production, development and exploration interests, in countries that are politically stable, have transparent licensing processes, and offer attractive terms. Production in the half-year to 31st January 2022 was 208 boepd. The Company holds two exploration licences offshore Ireland, which have the potential to host gross mean un-risked prospective resources of 1.5 trillion cubic feet ('tcf') gas. Inishkea is a near field gas prospect in the Slyne Basin which the Company classifies as lower risk due to its close proximity to the producing Corrib gas field and associated gas processing infrastructure. In September 2019, Europa was awarded a 75% interest in the Inezgane permit offshore Morocco. Initial results of technical work have identified 30 prospects and leads that have the potential to hold in excess of one billion barrels of un-risked oil resources. In December 2021, Europa announced a collaboration between Baker Hughes and CausewayGT to conduct a geothermal clean heat project at the Company's West Firsby field. If this project is successful it will prove the operational ability to extract and use geothermal heat from the site.