

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")

Operational Update

Europa Oil & Gas (Holdings) plc, the AIM quoted UK and Ireland focused oil and gas exploration, development and production company, provides an operational update on its current activities and the outlook for 2023.

Onshore UK

Europa continues to benefit from the excellent performance of the Company's onshore UK producing assets, particularly the Wressle oilfield in the East Midlands (Europa working interest: 30%). The Company's total UK net production in December 2022 averaged over 300 bopd, and Europa anticipates an active year for Wressle, with a firm development well planned to be drilled for the Penistone horizon in H2 2023 (subject to necessary permits and consents) and preparation for a second Penistone well and Broughton North exploration well to be drilled in 2024. When the Penistone horizon comes online, expected in Q4 2023, the Board forecasts group production net to Europa of over 500 boepd. The production is complemented by the gas monetisation solutions planned for Wressle via a "Gas to Wire" system, forecast to be completed in Q2 2023, and a gas export pipeline, developed in parallel with the Penistone well, expected to be operational by Q4 2023. Both gas monetisation solutions will not only enhance production from the field and substantially increase revenues but will also eliminate routine flaring from the Wressle field.

The Company is also looking at optimising production operations at its Crosby Warren and West Firsby sites (Europa working interest: 100%), which continue to provide stable production of over 40 bopd.

Offshore UK

In conjunction with the Company's partner i3 Energy, in 2023 Europa will continue to explore options for the development of the Serenity oil field in the Outer Moray Firth area of the North Sea (Europa working interest: 25%). The discovered reserve would likely be developed as a subsea tie-back to Repsol Sinopec's Tain Field. The field could be a unitised development which would be highly material to Europa, with net production to Europa anticipated to be circa 1,000 bopd. Further updates will be provided as development discussions between the Serenity and Tain partners progress.

Ireland

Europa has a 100% interest in licence FEL 4-19, which contains the significant Inishkea gas prospect. The Company has engaged Llamas and Bannister Energy Advisors Ltd to assist with a farm out process which will commence shortly (<https://labenergyadvisors.com/>). In the event of a successful discovery

at Inishkea, Europa believes that the field alone has the potential to supply at least two thirds of the gas required for the 2 Gigawatts of new gas-fired power generation committed to in the Irish Government's updated Climate Action Plan. The adjacent producing Corrib gas field is one of the lowest carbon-intensity gases in Europe, much lower than UK imported gas, with a carbon emission intensity of 4.5 kilograms per boe, compared to 22 kilograms per boe for UK imported gas. The Board considers it to be probable that gas from Inishkea would be of similarly low carbon intensity.

New Business

The Company continues to assess new opportunities focussing on appraisal and development projects which provide significant value-accretion whilst minimising risk. This includes participating in the North Sea Transition Authority's 33rd licensing round, where the application period closes this week.

ESG

Europa is working to contribute to local energy security and the global transition to a low carbon economy whilst delivering value to stakeholders. The Company recognises that a wide range of Environmental, Social and Governance ("ESG") topics form the basis of how it conducts its business and operations. The Company will be building on the ESG foundations that have already been laid and during 2023 will set meaningful goals to help contribute towards the 2050 Net Zero target.

2023 Budget

The Europa Board has approved a 2023 budget which includes net committed capex of £5.1 million across the asset base. The Company has a forecast net cash position of £4.6 million at 31 January 2023. In addition, it forecasts that it will generate £4.2 million in free cash flow during 2023 (pre-capex).

Simon Oddie, CEO of Europa, commented:

"We are very excited about the outlook for Europa as we enter 2023. The Wressle oilfield continues to outperform expectations and complements production from our operated assets at Crosby Warren and West Firsby and our interest in Whisby, to provide valuable cashflow to fund the ongoing development of our asset base. In addition, our existing cash balance and ongoing cashflow allows us to seek other opportunities, both onshore and offshore."

The Europa Board adopts a prudent approach, balancing the inherent risks associated with exploration, appraisal and development against the value creation of these upstream activities. The 2023 budget reflects this risk assessed value-driven approach and I look forward to updating the market on our progress throughout the year."

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

Simon Oddie / William Holland /	Europa Oil & Gas (Holdings) plc	mail@europaoil.com
Murray Johnson		
James Dance / James Spinney	Strand Hanson Limited –	+44 (0) 20 7409 3494
	Nominated & Financial Adviser	
Peter Krens	Tennyson Securities	+44 (0) 20 7186 9033
Patrick d'Ancona / Finlay Thomson	Vigo Consulting	+ 44 (0) 20 7390 0230

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 for the year ending 31 July 2022 was 245 bopd. In April 2022, Europa farmed into P.2358, Block 13/23c (“Serenity”) in the Outer Moray Firth area of the North Sea. The licence contains the 2019 Serenity oil discovery, in which Europa now has a 25% interest. The Company holds one exploration licence offshore Ireland, which has 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.