Europa Oil & Gas (Holdings) plc / Index: AIM / Epic: EOG / Sector: Oil & Gas

17 April 2024

Europa Oil & Gas (Holdings) plc
("Europa" or the "Company")

Interim Results

Europa Oil & Gas (Holdings) plc, the AIM quoted UK, Ireland and West Africa focused oil and gas exploration, development and production company, announces its unaudited interim results for the six-month period ended 31 January 2024.

Financial Performance

- Revenue £1.4 million (H1 2023: £3.7 million)
- Gross loss £0.1 million (H1 2023: £1.5 million profit)
- Pre-tax loss of £1.0 million (H1 2023: pre-tax loss £1.3 million) after impairment charge of £0.2 million (H1 2023: exploration impairment charge £1.7 million)
- Net cash used in operating activities £0.3 million (H1 2023: £1.7 million generated by operating activities)
- Cash balance at 31 January 2024: £3.8 million (31 July 2023: £5.2 million), of which £1.1 million is restricted (see note 8 of the financial statements)

Operational Highlights

Onshore UK

- Over the three months to January 2024, after the completion of the jet pump installation at Wressle, production has averaged over 530 boepd (net 160 boepd to Europa), which is above the forecast upside case from the recent independent technical report (the "CPR")
- Total production across our whole portfolio net to Europa averaged 116 bopd during the H1 period, a 57% decrease on H1 last year
- Wressle net production to Europa decreased 57%, from 207 bopd in H1 2023 to 88 bopd during H1 2024, due to a three-month shutdown period required to source and install a jet pump for artificial lift on the Wressle-1 well
- Wressle continues to be the second most productive onshore UK oilfield
- During March 2024 the well is produced with 24.3% water cut and remains materially cash generative
- A new seismic interpretation and mapping exercise across the Wressle field has highlighted a potentially significant increase in resources from the Ashover Grit and the results of the analysis are now being incorporated into the field development plan. The intention is that two back-to-back development wells will be drilled from the existing Wressle site and planning and permitting work for these wells is ongoing. The wells will be drilled at the earliest opportunity, subject to receipt of regulatory approval
- In addition to the two development wells, work is ongoing to monetise the associated gas being produced from Wressle by connecting to a local gas distribution network. This work is expected to be completed around the same time as the development wells and is subject to the same regulatory approvals
- The revised CPR on Wressle was completed in H1 2024 by ECRE which incorporated the new field interpretation, historical production performance data and the field development plan. The key highlights of the CPR included:
    - 263% increase in 2P Reserves compared to 2016 CPR
    - Reclassification of 1,883 mboe in Penistone Flags Contingent Resources to 2P Reserves
    - 59% upgrade to the Ashover Grit and Wingfield Flags Estimated Ultimate Recoverable

    - 23% upgrade to Broughton North Prospective 2U Resources
- At Cloughton we continue with our stakeholder engagement and believe that we have identified a number of suitable pad locations for an appraisal well which, following commercial rates being established from the appraisal well, could subsequently be used to develop the discovery. Negotiations with landowners to secure a pad are ongoing

Equatorial Guinea

- Europa announced a ground-breaking deal in December 2023 with the acquisition of a 42.9% stake in Antler Global Limited ("Antler"), which has an 80% working interest in licence EG-08 offshore Equatorial Guinea. This gives rise to a joint venture arrangement (note 8)
- Europa agreed a US$3 million cash subscription for new ordinary shares in Antler, with the payments being made in four instalments (see note 8 of the financial statements)
- EG-08 is a highly prospective licence which already has three drill-ready prospects, with internally estimated total prospective resources of 1.4 trillion cubic feet of gas equivalent ("TCFE")
- Antler expects to commence a farm-down process in Q2 this year with a view to bringing in a partner for drilling

Offshore Ireland – Low risk / high reward infrastructure-led exploration in the proven Slyne Basin gas play

- The FEL 4/19 licence extension was granted by the Irish Government, extending the licence term to 31 January 2026
- Licence FEL 4/19 contains the Inishkea West gas exploration prospect, estimated by Europa to hold 1.5 TCF of recoverable gas
- Following the license extension, a farm-out process has begun again with the aim of bringing in a partner to assist with the drilling of the prospect

Offshore UK

- Progress continues with the potential development of the Serenity oil discovery in the Central North Sea alongside our partner i3 Energy plc, ahead of the licence's current expiry date in September 2024
- The partners believe that Serenity offers a commercially viable development opportunity with a number of potential development scenarios available given local infrastructure
- A future development could result in approximately 1,000 bopd net to Europa's 25% interest
- Whilst we continue to assess various development scenarios for Serenity, we are concerned about possible future UK fiscal changes in the event of a change of government which could negatively impact the economics of the project

ESG

- The Company continues to build on the ESG review performed last year which focused on integrating the ESG principles adopted by Europa into the Company's planning and wider strategy. As part of this process, an emissions data gathering process has been initiated to establish an emissions baseline to benchmark Europa against our peers and to potentially establish targets for future cuts
- Europa contributes to the Wressle Community Fund, which has been operating since early 2022 and provides funds to meet the needs of local charities and community groups. The Company and its Wressle JV partners make an annual contribution of around £100,000 to the fund

Board

- Following consultations with shareholders, Simon Oddie and Stephen Williams withdrew their candidacy for re-election at the 2023 Annual General Meeting held on 23 November. This left the board without a majority of non-executive directors

- On 21 December 2023 Mr Simon Ashby-Rudd was appointed to the board as a senior independent non-executive director. Simon has extensive experience in the upstream energy sector, which includes 30 years in investment banking roles at large financial institutions, and brings to the board his significant global experience in advising energy companies on corporate strategy and capital structuring. He has spent much of his career focused on Europe and Africa

Post Period

- On 14 February 2024, the North Sea Transition Authority ("NSTA") notified Europa that it has agreed to a two-year extension of the Initial Term to 20 July 2026 and a two-year extension of the Second Term to 20 July 2028 for PEDL 343 (Cloughton)
- On 8 April 2024 Dr Eleanor Rowley was appointed to the board as independent non-executive director. Eleanor is a proven hydrocarbon finder who has extensive experience in the upstream energy sector working as a geoscientist in both exploration and development projects. Her extensive knowledge of exploration and appraisal asset evaluation will complement the existing strengths of the board very well and her appointment as independent non-executive director enhances the independent governance at Europa, returning the board to a majority of independent directors

Will Holland, CEO of Europa, said:

"It has been an exciting first half to the financial year with Europa entering into a ground-breaking deal in Equatorial Guinea in West Africa. The acquisition of a 42.9% stake in Antler gives the Company material exposure to highly prospective exploration acreage in a genuinely exciting geography. I have always believed that Europa could extend its vast knowledge base into new territories and am very hopeful for the future that in our new licence provides.

We continue to progress our activities offshore West Ireland and I am very pleased that the Irish Government granted us an extension to licence FEL 4/19 containing the 1.5TCF Inishkea West gas prospect, located only 18km from existing infrastructure and the European gas network. I remain very optimistic about our chances of farming this out to a credible industry partner who can then carry us through the exploration phase of the licence.

Despite the lower revenues during the interim period, due to the temporary shutdown to install the jet pump at Wressle, our balance sheet remains robust and we expect to continue generating meaningful cashflow from our UK assets. This sets Europa up well for the future and will allow us to work up our well balanced portfolio and deliver value for shareholders."

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

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

Chairman's Statement

A key focus of the first half of the financial year was to identify a new opportunity that would be highly complementary to our existing asset portfolio and help drive the Europa business forward. The period culminated in the potentially transformational acquisition of a 42.9% stake in Antler, which has an 80% working interest in the highly prospective, infrastructure-supported licence EG-08 offshore Equatorial Guinea in West Africa.

We estimate that EG-08 has total prospective resources of 1.4 TCFE and, given it contains what the Company considers to be drill-ready prospects consisting of three independent targets, we regard EG-08 as a relatively low risk, high impact opportunity with near field exploration potential.

The acquisition is directly in-line with our strategy to build and maintain a balanced portfolio of exploration and production assets in geographies where our board and management team have extensive in-country experience. Equatorial Guinea's Government is highly supportive of its domestic oil and gas industry and remains committed to seeking external investment from private and public companies worldwide, as it aims to cement its position as one of sub-Saharan Africa's major hydrocarbon hubs. We look forward to updating shareholders on developments at the licence in due course.

In the period, we achieved revenue of £1.4 million (H1 2023: £3.7 million), driven by Wressle's ongoing production. Compared to H1 2023, net unrestricted cash decreased to £2.7 million in the first half of the financial year (31 July 2023: £5.2 million), whilst the average realised oil price decreased by 8% to US$81 per barrel. The investment in maintenance and upgrades to Wressle is part of our prudent strategy to manage production rates from the field which in turn maximise value, and we are highly focused on our strategic field development plan. Work continues on the two-well development programme and concurrent monetisation of the associated gas being produced from Wressle. The timing of these works remains subject to regulatory approvals being granted but both Europa and the operator expect the work programme to commence late 2024.

In January 2024, we were delighted to receive confirmation from the Irish Government that the Minister for the Department of the Environment, Climate and Communications has granted an extension to Phase 1 of our offshore Ireland licence FEL 4/19. The licence, which now runs until at least 31 January 2026, represents an exciting opportunity for Europa to support Ireland's energy security ambitions and, as demonstrated by a recent third-party emissions study on the licence commissioned by the Company, gas produced from FEL 4/19 would have considerably lower carbon emissions compared to imports from the UK. We are committed to seeking a farm-in partner to drill this highly prospective licence which contains the extensive 1.5 TCF Inishkea West gas prospect.

Following the departure of two non-executive directors at the end of 2023 we have undertaken an extensive search to find suitable replacements and I am delighted that Simon Ashby-Rudd agreed to join the board in December. His extensive upstream experience as an investment banker, financial advisor and strategic advisor will be invaluable as we look to grow the business. Dr Eleanor Rowley then joined the Europa board in April 2024. She has extensive experience both in exploration and appraisal/development projects and will bring valuable technical expertise and leadership to the board. Her deep knowledge of exploration and appraisal asset evaluation will complement the existing strengths of the board very well and her appointment as independent non-executive director enhances the independent governance at Europa, returning the board to a majority of independent directors.

With the extensions to FEL 4/19 and our PEDL343 (Cloughton) licence, in addition to the recently completed EG-08 acquisition, we have solid foundations in place to support a productive remainder of the year and future. I'd like to thank the entire Europa team for their hard work and dedication throughout the period, without which we wouldn't have been able to complete the potentially significant EG-08 deal that provides investors with exposure to a low-risk, high impact opportunity in West Africa. As always, we will continue to ensure shareholders are updated on activities at all Europa assets on a regular basis and look forward to an eventful period for the Company.

Mr Brian O'Cathain (Non-Executive Chairman)
16 April 2024

Operational Review

Financials

Average daily H1 2024 production was 116 boepd compared to 268 boepd in H1 2023, predominantly due to the three-month shutdown period at Wressle to install a jet pump for artificial lift. In addition, there was an 8% decrease in average realised oil price to US$81 per barrel (H1 2023: US$88) and foreign exchange movements had a negative impact on revenues as US dollar sales converted to pound sterling at US$1.27 (H1 2023: US$1.18).

- Revenue was £1.4 million (H1 2023: £3.7 million)
- Net cash used in operating activities was £0.3 million (H1 2023: £1.7 million net cash generated by operating activities)
- The Group's unrestricted cash balance as at 31 January 2024 was £2.7 million (31 July 2023: £5.2 million)

During the interim period, the Company subscribed to new equity share capital in Antler Global Limited for a total cash consideration of £2.4 million (US$3 million) which is payable in four instalments. As at the reporting date, a total of £2 million consideration remained unpaid and is included in trade and other payables. Restricted cash of £1.1 million is related to that portion of the unpaid consideration which the Company held for and on behalf of Antler until such time as a new Antler bank account was operational, which occurred in March 2024.

With the Antler acquisition we have deployed significant capital where we believe it will generate the maximum return for our shareholders. The money invested will fund the full exploration work programme on EG-08 until at least the end of 2025, with a proportion of it expected to return to the Company as we charge for the technical and commercial work that we undertake. The further development of Wressle, progression of evaluation work on Cloughton and the Inishkea farm-out remains top priorities for the Company which we aim to pursue at the fastest pace possible. We do, however, retain sufficient optionality in terms of timing of the related expenditure and always aim to manage expenditure profiles of any new commitments within the confines of available resources, whilst also constantly monitoring the capital structure of the Company and the availability of, and potential need for, future financing.

Based upon the Group cashflow forecasts, the Directors have concluded that there is a reasonable expectation that the Group will be able to continue in operational existence for the foreseeable future, which is deemed to be at least 12 months from the date of signing the consolidated financial information. Further comments on going concern are included in note 1 to the financial statements below.

Conclusion and Outlook

Due to the three-month shut-in period at Wressle impacting our production and lower realised oil prices, our H1 2024 financial performance was significantly weaker than the previous year. The shutdown of the Wressle oilfield for planned maintenance and the installation of a jet pump, which is normal for an oil well and is designed to extend the life of the field, will ultimately improve production rates and hence cashflow from the field. Wressle production averaged a net 160 boepd over the last three months of the reporting period. Despite the investment in our key producing asset, and the significant investment in Antler, our balance sheet remains robust with unrestricted cash at the period end of £2.7 million (£5.2 million at the end of July 2023).

As we have alluded to in the past, we are always looking for additional geographies where we can reallocate our inhouse expertise. Such an opportunity arose in Equatorial Guinea towards the end of last year, where we are investing in a very high-quality licence with three drill-ready and potentially transformational prospects. We expect to progress this licence as a major shareholder in Antler throughout the coming months, with a view to commencing a farmout process within this calendar year.

We continue to progress the FEL 4/19 licence offshore Ireland and were pleased by the support shown by the Irish Government to extend our licence out to January 2026. We will continue to work up the technical data around the 1.5TCF Inishkea West exploration prospect and have restarted the farm out process to find a suitable partner to carry us through the exploration phase. Ireland desperately needs domestic supplies of low emission gas and we want to play our part in delivering this.

Our work on the offshore UK discovery Serenity is ongoing with our partner i3 Energy and we continue to assess development options. With its proximity to nearby existing infrastructure, we continue to investigate the possibility of developing the field using the infrastructure around Repsol's Blake Field. However, we are mindful that the risk of a future UK Government removing the Energy Profits Levy (EPL) investment allowance may negatively impact the economics of Serenity and may jeopardise any future development.

During the period, we continued work to implement our ESG strategy. We have adopted ESG practices that go beyond the requirements of an AIM-quoted company and will continue to progress these to help contribute to the 2050 Net Zero target.

Will Holland
CEO
16 April 2024

Qualified Person Review
This release has been reviewed by Alastair Stuart, Chief Operating Officer, 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.

Licence Interests Table

Country	Area	Licence	Field/ Prospect	Operator	Equity	Status
Equatorial Guinea	Douala Sub Basin, Gulf of Guinea	EG-08	Amberjack, Barracuda, Corvina	Antler[1]	34.32%[2]	Exploration
Ireland	Slyne Basin	FEL 4/19	Inishkea, Inishkea West	Europa	100%	Exploration
UK	East Midlands	DL 003	West Firsby	Europa	100%	Production
		DL 001	Crosby Warren	Europa	100%	Production
		PL199/215	Whisby-4	BPEL	65%	Production
		PEDL180	Wressle	Egdon	30%	Production
		PEDL182	Broughton North	Egdon	30%	Exploration
		PEDL299	Hardstoft	Ineos	25%	Exploration
		PEDL343	Cloughton	Europa	40%	Exploration
	Central North Sea	P.2358, BLOCK	Serenity	i3	25%	Appraisal

[1] Europa is a 42.9% shareholder in Antler and has one of the two seats on the Antler board of directors
[2] Antler holds an 80% interest in EG08, as a result Europa holds a 34.32% net interest in the licence

Financials

Unaudited condensed consolidated statement of comprehensive income

	6 months to 31 January 2024 £000	**6 months to 31 January 2023 £000**	Year to 31 July 2023 (audited) £000
Continuing operations			
Revenue	**1,420**	**3,695**	6,653
Cost of sales	**(1,381)**	**(2,135)**	(3,448)
Impairment of producing fields	**(174)**	**(18)**	177
Total cost of sales	**(1,555)**	**(2,153)**	(3,271)
Gross (loss) / profit	**(135)**	**1,542**	3,382
Exploration write off (note 3)	**-**	**(1,685)**	(1686)
Administrative expenses	**(914)**	**(846)**	(1872)
Finance income	**245**	**1**	9
Finance expense	**(220)**	**(299)**	(717)
Loss before taxation	**(1,024)**	**(1,287)**	(884)
Taxation (note 5)	**-**	**-**	32
Loss for the period	**(1,024)**	**(1,287)**	(852)
Other comprehensive loss			
Items that will not be reclassified to profit or loss, net of tax			
Loss on investment revaluation	**-**	**(8)**	5
Total comprehensive loss for the period attributed to the equity shareholders of the parent	**(1,024)**	**(1,295)**	(847)

	Pence per share	Pence per share	Pence per share
Earnings per share (EPS) attributable to the equity shareholders of the parent			
Basic EPS (note 4)	(0.11)p	(0.13)p	(0.09p)
Diluted EPS (note 4)	(0.11)p	(0.13)p	(0.09p)

Unaudited condensed consolidated statement of financial position

	31 January 2024	31 January 2023	31 July 2023 (audited)
	£000	£000	£000
Assets			
Non-current assets			
Intangible assets (note 6)	**7,476**	**6,769**	7,146
Property, plant and equipment (note 7)	**2,374**	**2,526**	2,417
Investment in joint venture (note 8)	**2,425**	**-**	-
Total non-current assets	**12,275**	**9,295**	9,563
Current assets			
Investments	**-**	**16**	**-**
Inventories	**10**	**26**	19
Trade and other receivables	**989**	**1,509**	893
Restricted cash (note 8)	**1,121**	**-**	-
Cash and cash equivalents	**2,709**	**5,146**	5,165
Total current assets	**4,829**	**6,697**	6,077
Total assets	**17,104**	**15,992**	15,640
Liabilities			
Current liabilities			
Trade and other payables (note 9)	**(3,030)**	**(1,602)**	(781)
Total current liabilities	**(3,030)**	**(1,602)**	(781)
Non-current liabilities			
Trade and other payables	**(6)**	**(15)**	(12)
Long-term provisions (note 10)	**(4,586)**	**(4,372)**	(4,368)
Total non-current liabilities	**(4,592)**	**(4,387)**	(4,380)
Total liabilities	**(7,622)**	**(5,989)**	(5,161)
Net assets	**9,482**	**10,003**	10,479
Capital and reserves attributable to equity holders of the parent			
Share capital	**9,592**	**9,592**	9,592
Share premium	**23,682**	**23,682**	23,682
Merger reserve	**2,868**	**2,868**	2,868
Retained deficit	**(26,660)**	**(26,139)**	(25,663)
Total equity	**9,482**	**10,003**	10,479

Unaudited condensed consolidated statement of changes in equity

	Share capital £000	Share premium £000	Merger reserve £000	Retained deficit £000	Total equity £000
Unaudited					
Balance at 1 August 2023	**9,592**	**23,682**	**2,868**	**(25,663)**	**10,479**
Comprehensive loss for the period					
Loss for the period attributable to the equity shareholders of the parent	**-**	**-**	**-**	(1,024)	(1,024)
Total comprehensive loss for the period	-	-	-	(1,024)	(1,024)
Contributions by and distributions to owners					
Share-based payments	-	-	-	27	27
Total transactions with owners	-	-	-	27	27
Balance at 31 January 2024	**9,592**	**23,682**	**2,868**	**(26,660)**	**9,482**
Unaudited					
Balance at 1 August 2022	**9,565**	**23,660**	**2,868**	**(24,864)**	**11,229**
Comprehensive loss for the period					
Loss for the period attributable to the equity shareholders of the parent	-	-	-	(1,287)	(1,287)
Other comprehensive loss attributable to the equity shareholders of the parent	-	-	-	(8)	(8)
Total comprehensive loss for the period	**-**	**-**	**-**	**(1,295)**	**(1,295)**
Contributions by and distributions to owners					
Issue of share capital	27	22	-	-	49
Share-based payments	-	-	-	20	20
Total transactions with owners	27	22	-	20	69
Balance at 31 January 2023	**9,592**	**23,682**	**2,868**	**(26,139)**	**10,003**
Audited					
Balance at 1 August 2022	**9,565**	**23,660**	**2,868**	**(24,864)**	**11,229**
Comprehensive loss for the period					
Loss for the year attributable to the equity shareholders of the parent	-	-	-	(852)	(852)
Other comprehensive profit				5	5

attributable to the equity shareholders of the parent	-	-	-		
Total comprehensive loss for the year	**-**	**-**	**-**	**(847)**	**(847)**
Contributions by and distributions to owners					
Issue of share capital	27	22	-	-	49
Share-based payments	-	-	-	48	48
Total contributions by and distributions to owners	27	22	-	48	97
Balance at 31 July 2023	**9,592**	**23,682**	**2,868**	**(25,663)**	**10,479**

Unaudited condensed consolidated statement of cash flows

	6 months to 31 January 2024	6 months to 31 January 2023	Year to 31 July 2023 (audited)
	£000	£000	£000
Cash flows generated from operating activities			
Loss after taxation	**(1,024)**	(1,287)	(852)
Adjustments for:			
Share-based payments	**27**	20	48
Depreciation	**323**	551	1,133
Taxation charge recognised in profit and loss	**-**	-	(32)
Impairment/(reversal) of producing fields	**174**	18	(177)
Exploration write-off	**-**	1,685	1,686
Finance income	**(245)**	-	-
Finance expense	**220**	299	717
(Increase)/decrease in trade and other receivables	**(96)**	356	973
Decrease in inventories	**9**	10	17
Increase/(decrease) in trade and other payables	**302**	54	(765)
Net cash (used in) / generated from operations	**(310)**	1,706	2,748
Income taxes paid	**-**	-	32
Net cash (used in) / generated from operating activities	**(310)**	1,706	2,780
Cash flows (used in) / from investing activities			
Purchase of property, plant & equipment	**(454)**	(74)	(564)
Purchase of intangibles	**(330)**	(4,669)	(5047)
Consideration paid for investment in joint venture (note 8)	**(464)**	-	-
Cash guarantee re Morocco	**-**	260	263
Cash escrow deposit re Serenity	**-**	6,622	6,622
Net cash (used in) / generated from investing activities	**(1,248)**	2,139	1,274
Cash flows used in financing activities			
Gross proceeds from issue of share capital	**-**	49	49
Proceeds from borrowings	**-**	1,000	1,000
Repayment of borrowings	**-**	(1,040)	(1,040)
Lease liability payments	**(20)**	(14)	(20)
Lease liability interest payments	**(2)**	(2)	(2)
Finance costs	**-**	(89)	(35)
Disposal of listed shares	**-**	-	29
Net cash used in financing activities	**(22)**	(96)	(19)
Net (decrease) / increase in cash and cash equivalents	**(1,580)**	3,749	4,035
Exchange gain/(loss) on cash and cash equivalents	**245**	3	(264)
Cash and cash equivalents at beginning of period	**5,165**	1,394	1,394
Cash and cash equivalents at end of period	**3,830**	5,146	5,165
Of which:			
Unrestricted	**2,709**	5,164	5,165
Restricted	**1,121**	-	-
	3,830	5,146	5,165

Notes to the consolidated interim statement

1 Nature of operations and general information

Europa Oil & Gas (Holdings) plc ("Europa Oil & Gas") and its subsidiaries' (the "Group") principal activities consist of investment in oil and gas exploration, development and production.

Europa Oil & Gas is the Group's ultimate parent Company. It is incorporated and domiciled in England and Wales. The address of Europa Oil & Gas's registered office head office is 30 Newman Street, London, W1T 1PT. Europa Oil & Gas's shares are admitted to trading on the AIM market of the London Stock Exchange.

Basis of preparation

The Group's condensed consolidated interim financial information is presented in Pounds Sterling (£), which is also the functional currency of Europa Oil & Gas.

The condensed consolidated interim financial information has been approved for issue by the Board of Directors on 16 April 2024.

The condensed consolidated interim financial statements have been prepared in accordance with the requirements of the AIM Rules for Companies. As permitted, the Group has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing this interim financial information.

The condensed consolidated interim financial information for the period 1 August 2023 to 31 January 2024 is unaudited. In the opinion of the Directors, the condensed consolidated interim financial information for the period presents fairly the financial position, and results from operations and cash flows for the period in conformity with the generally accepted accounting principles consistently applied. The condensed consolidated interim financial information incorporates unaudited comparative figures for the interim period 1 August 2022 to 31 January 2023 and the audited financial year to 31 July 2023.

The financial information contained in this interim report does not constitute statutory accounts as defined by section 435 of the Companies Act 2006. The report should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 July 2023.

The comparatives for the full year ended 31 July 2023 are not the Group's full statutory accounts for that year. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain a statement under section 498 (2) – (3) of the Companies Act 2006.

Going concern

The Directors have prepared a cash flow forecast, which considers the continuing and forecast cash inflow from the Group's producing assets, the cash held by the Group at the half year end, less administrative expenses, planned capital expenditure and the committed further consideration payments in relation to the investment in the Antler joint venture. The Directors have concluded, at the time of approving the financial statements, that there is a reasonable expectation, based on the Group's cash flow forecasts, that the forecasts are achievable and that the Group retains sufficient optionality in relation to the timing of planned expenditure to accommodate potentially adverse scenarios. Accordingly, the Group will be able to continue as a going concern and meet its obligations as and when they fall due for a period of at least 12 months from the date of signing the consolidated financial information. Accordingly, they continue to adopt the going concern basis in preparing the condensed consolidated interim financial information.

Critical accounting judgements and estimates

The preparation of condensed consolidated interim financial information requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the end of the reporting period. Significant items subject to such judgements and estimates are set out in Note 1 of the Group's 2023 Annual Report and Financial Statements. Developments in relation to significant judgements during the interim period are set out below.

<u>Serenity appraisal intangible asset</u>

The cost of the 2022 appraisal well and subsequent expenditure on appraising the opportunity to develop discovered hydrocarbon accumulations have been capitalised within intangible assets. Despite not incurring significant expenditure on the Serenity appraisal prospect during the interim period, Europa Oil and Gas and its joint venture partner, i3 Energy plc, have continued efforts to establish a framework for a commercial development for the prospect. This work was ongoing as at 31 January 2024. The directors have performed an assessment of the existence of indicators of impairment as set out in IFRS 6 and the Group's accounting policy for exploration and evaluation assets and have considered the near-term expiry of the licence in September 2024 as a potential indicator of impairment. In the directors' judgment the potential value of reserves that were discovered by the discovery well, based on management's best estimate calculated on a discounted cash flow basis, exceeds the carrying amount of the related capitalised Serenity intangible asset as at 31 January 2024. There cannot however be certainty that at the end of the evaluation period or at the expiry date of the licence, if earlier, a commercial development of Serenity volumes can be achieved.

Based on judgements at 31 January 2024 there was no write-off of capitalised exploration and evaluation costs, but should the joint venture not be able to extend the licence in September 2024 on terms that are acceptable to the Group, or secure an out of round licence renewal, the full carrying value of the Serenity asset of £4.7 million may be impaired in full.

<u>Accounting for investment in Antler Global Limited ("Antler")</u>

During the interim period, Europa Oil and Gas acquired an equity interest of 42.9% in Antler (note 8), a company incorporated in the United Kingdom which is party to a hydrocarbon production sharing agreement in Equatorial Guinea. Under IFRS, the accounting for an interest in another entity depends on the level of influence held over the investee by the investor. The nature and extent of the influence that Europa Oil and Gas exercises over this investment was assessed, and it was determined that it constituted a joint venture. This assessment was based on the contractual arrangement and the facts and circumstances that evidence joint control over the joint venture. Joint ventures are accounted for using the equity method, which is described in note 2.

<u>Assessment of indicators of impairment of investment in Antler</u>

The Company acquired its interest in Antler in December 2023, as discussed above. No indicators of impairment arose in the short period between investment date and 31 January 2024.

<u>FEL4/19 (Inishkea)</u>

The Phase 1 period of this licence was extended on 29 January 2024 for a for a further period until 31 January 2026. The impairment indicator in relation to the near-term expiry date of the licence that existed as at 31 July 2023 no longer existed as at 31 January 2024.

The nature and amounts of other estimates have not changed significantly during the interim period.

2 Summary of significant accounting policies

The condensed consolidated financial information has been prepared using policies based on UK adopted International Accounting Standards. Except for the new policy in relation investments in joint ventures described below, the condensed consolidated financial information has been prepared using the accounting policies which were applied in the Group's statutory financial information for the year ended 31 July 2023.

(a) Investment in joint ventures

Investments in joint ventures shall be recognised when the Group has joint control and rights to the net assets of the arrangement. The equity method of accounting will be applied to investments in joint ventures. Under this method, the investment is initially recognised at cost, including direct incremental transaction costs, and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the joint venture. The Group's share of joint ventures' profit or loss is recognised in the Group's statement of comprehensive income. Where necessary, adjustments are made to the financial statements of joint ventures to bring the accounting policies used into line with those of the Group. Distributions received from joint ventures will reduce the carrying amount of the investments. Unrealised gains or losses on other transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in them. At each reporting date, the Group will assess whether there is any indication that investments in joint ventures may be impaired. An impairment loss will be recognised when the recoverable amount of the investment is less than its carrying amount.

(b) Accounting developments during 2023

The International Accounting Standards Board (IASB) issued various amendments and revisions to International Financial Reporting Standards and IFRIC interpretations. The amendments and revisions were applicable for the period ended 31 January 2024 but did not result in any material changes to the financial statements of the Group.

(c) New standards, amendments and interpretations in issue but not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. The Group is evaluating the impact of the new and amended standards which are not expected to have a material impact on the Group's results or shareholders' funds.

3 Exploration write off

	31 Jan 2024	31 Jan 2023	31 July 2023
	£000	£000	£000
Exploration write-off – Morocco	-	(1,685)	(1,686)
	-	(1,685)	(1,686)

4 Earnings per share (EPS)

Basic EPS has been calculated on the loss after taxation divided by the weighted average number of shares in issue during the period. Diluted EPS uses an average number of shares adjusted to allow for the issue of shares, on the assumed conversion of all in-the-money options.

As the Group made a loss from continuing operations during the interim period ending 31 January 2024, any potentially dilutive instruments were considered to be anti-dilutive. Therefore, the diluted EPS is equal to the basic EPS.

The calculation of the basic and diluted earnings per share is based on the following:

	6 months to 31 January 2024 £000	6 months to 31 January 2023 £000	Year to 31 July 2023 (audited) £000
Loss			
Loss for the period attributable to the equity shareholders of the parent	**(1,024)**	(1,287)	(852)
Number of shares			
Weighted average number of ordinary shares for the purposes of basic EPS	**959,184,178**	957,457,085	958,804,515
Number of shares			
Weighted average number of ordinary shares for the purposes of diluted EPS	**959,184,178**	957,457,085	958,804,515

5 Taxation

Consistent with the year-end treatment, current and deferred tax assets and liabilities have been calculated at tax rates which were expected to apply to their respective period of realisation at the period end. Due to existence of qualifying carried forward tax losses, the Group did not generate profits subject to the Energy Profits Levy during the interim period.

6 Intangible assets

	31 Jan 2024 £000	31 Jan 2023 £000	31 July 2023 £000
At 1 August	**7,146**	3,785	3,785
Additions	**330**	4,669	5,047
Exploration write-off	**-**	(1,685)	(1,686)
At period end	**7,476**	6,769	7,146

Intangible assets comprise the Group's pre-production expenditure on licence interests as follows:

	31 Jan 2024 £000	31 Jan 2023 £000	31 July 2023 £000
Serenity	**4,746**	4,647	4,726
Ireland FEL 4/19 (Inishkea)	**2,408**	1,890	2,166
UK PEDL181	**113**	106	112
UK PEDL182 (Broughton North)	**35**	34	34
UK PEDL343 (Cloughton)	**174**	92	108
Total	**7,476**	6,769	7,146

7 Tangible assets

Property, plant & equipment

	Furniture & computers £000	Producing fields £000	Right of use assets £000	Total £000
Cost				
At 1 August 2022	18	15,714	67	15,799
Additions	38	290	24	352
At 31 July 2023	56	16,004	91	16,151
Additions	13	441	-	454
At 31 January 2024	**69**	**16,445**	**91**	**16,605**
Depreciation, depletion and impairment				
At 1 August 2022	4	12,723	51	12,778
Charge for year	24	1,090	19	1,133
Impairment	-	(177)	-	(177)
At 31 July 2023	28	13,636	70	13,734
Charge for period	9	309	5	323
Impairment	-	174	-	174
At 31 January 2024	**37**	**14,119**	**75**	**14,231**
Net Book Value				
At 31 January 2024	**32**	**2,326**	**16**	**2,374**
At 31 July 2023	**28**	**2,368**	**21**	**2,417**

Cost				
At 1 August 2022	18	15,714	67	15,799
Additions	35	15	24	74
At 31 January 2023	53	15,729	91	15,873
Depreciation, depletion and impairment				
At 1 August 2022	4	12,723	51	12,778
Charge for period	10	532	9	551
Impairment	-	18	-	18
At 31 January 2023	14	13,273	60	13,347
Net Book Value				
At 31 January 2023	**39**	**2,456**	**31**	**2,526**

8 Investments in joint ventures

On 20 December 2023, the Company completed the acquisition of an interest of 42.9% in Antler Global Limited ("Antler") by way of a subscription for 750,000 new ordinary shares for a total cash consideration of US$3,000,000 (£2,353,000). The consideration is payable in four instalments over a period between the completion date and 1 October 2024 according to the following schedule:

	US$000	£000
Five business days post completion	1,927	**1,511**
1 April 2024	387	**304**
1 July 2024	317	**249**
1 October 2024	369	**289**
Total	3,000	**2,353**

Antler is a special purpose entity which on the date of the subscription for shares by the Company held no identifiable assets, apart from the interest in licence EG-08 offshore Equatorial Guinea, and no identifiable liabilities. The investment has been initially recognised at the value of the purchase price and direct incremental transaction costs of £72,000 for a total investment value of £2,425,000. Antler made no material profit or loss during the short period between the acquisition date and 31 January 2024. Summarised financial information for Antler at 31 January 2023 is included below:

	31 January 2024 £000
Current assets	**1,961**
Non-current assets	**3,530**
Net assets	**5,491**
Company % interest in Antler	**42.857%**
Company share of net assets in £000	**2,353**

Antler currently has a financial year end date of 30 September, and the financial information is based on management accounts which have been adjusted to have consistent IFRS accounting policies as the Group.

As prescribed in the subscription agreement, the Company held the first installment in its own bank account for and on behalf of Antler until such time as Antler's new bank account was fully operational. During this period, the Company disbursed £392,000 (US$500,000) on behalf of Antler for the acquisition of seismic data in partial satisfaction of the first installment. Resultantly an amount of £1,121,000 (US$ 1,427,000), comprising that portion of the first installment that remained in the Company's bank account for and on behalf of Antler as at 31 January 2024 is designated as restricted cash. This remaining amount was paid to Antler in March 2024.

9 Trade and other payables

Current trade and other payables	**31 January 2024**	31 January 2023	31 July 2023 (audited)
	£000	£000	£000
Trade payables	**325**	1,331	454
Lease liabilities	**9**	15	10
Corporation tax payable	**-**	32	-
Other payables	**2,696**	224	317
	3,030	1,602	781
Non-current trade and other payables			
Lease liabilities	**6**	15	12

Included within current trade and other payables is £1,961,000 comprising the total unpaid subscription consideration as at the reporting date.

10 Long term provisions

	31 Jan 2024	31 Jan 2023	31 July 2023
	£000	£000	£000
At 1 August	**4,368**	4,164	4,164
Change in estimated phasing of cash flows	**-**	-	(212)
Charged to the statement of comprehensive income	**218**	208	416
At period end	**4,586**	4,372	4,368

Long term provisions relate exclusively to decommissioning obligations related the Group's UK licences.

11 Post reporting date

On 14 February 2024 the North Sea Transition Authority ("NSTA") notified Europa Oil and Gas that it has agreed to a two-year extension of the Initial Term to 20 July 2026 and a two-year extension of the Second Term to 20 July 2028 for PEDL 343 (Cloughton).

On 8 April 2024 the Company announce the appointment of Dr Eleanor Rowley to the board as Independent Non-executive Director with immediate effect.