



7 November 2012

Dear Member,

**Annual General Meeting - Europa Oil & Gas (Holdings) plc
(Incorporated and registered in England and Wales no. 5217946)**

Please find enclosed a copy of the Annual Report and Accounts for the year ended 31 July 2012.

Included within the Report you will find on page 51 a Notice convening the Annual General Meeting ("AGM") of Europa Oil & Gas (Holdings) plc (the "Company") which is to be held at the offices of BDO LLP, 55 Baker Street, London, W1U 7EU at 11.00am on Tuesday 11 December 2012.

On page 53 you will find a Form of Proxy for use at the AGM. Whether or not you intend to be present at the meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions thereon so as to arrive as soon as possible at the registered office of the Company being 6 Porter Street, London, W1U 6DD, but in any event so that it is received not later than 10.30 am on Sunday 9 December 2012. The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the meeting, if you so wish.

Explanation of the Resolutions

Resolutions 1 to 5 (inclusive) are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolution 6 is proposed as a special resolution. This means that for this resolution to be passed, at least three quarters of the votes cast must be in favour of the resolution.

Resolution 1 – Report and accounts

To adopt the Annual Report and Accounts for the year ended 31 July 2012.

Resolution 2 – Reappointment of auditors

Resolution 2 relates to the reappointment of BDO LLP as the Company's auditors to hold office until the next annual general meeting of the Company and to authorise the directors to set their remuneration.

Resolutions 3 and 4 – Reappointment of directors

Resolutions 3 and 4 deal with the reappointments of, respectively, myself and Roderick Corrie who retire as directors in accordance with the Articles of Association and being eligible offer ourselves for re-election as a directors of the Company.

Resolution 5– Allotment of share capital

Resolution 5 grants the directors general authority in accordance with section 551 of the Companies Act 2006 to allot ordinary shares in the capital of the Company (and/or rights to subscribe for or to convert any security into such ordinary shares) representing up to 50% of the Company's issued ordinary share capital as at 31 October 2012 (the latest practicable date prior to publication of this document) (the "ISC").

Resolution 6 – Disapplication of statutory pre-emption rights

Section 561(1) of the Companies Act 2006 requires that on an allotment of new shares for cash, such shares must first be offered to existing shareholders in proportion to the number of shares that they each hold at that time.

The board of directors of the Company (the "Board") believes that there may be circumstances when it is in the best interests of the Company to allot new ordinary shares either on an entirely non-pre-emptive basis or in a way that departs from the statutory requirements set out in the Companies Act 2006.

In view of the above, Resolution 6 will give the directors general authority to allot shares in the capital of the Company for cash without complying with the pre-emption rights in the Companies Act 2006 in the following circumstances:

- (a) up to all of the shares covered by the Resolution 5 authority pursuant to an offer to existing shareholders on a pre-emptive basis, subject to such appropriate adjustments to the statutory pre-emption requirements set out in the Companies Act 2006, for example to deal with fractional entitlements and overseas legal requirements, as the directors see fit;
- (b) up to a maximum nominal value of £200,000, representing approximately 15% of the ISC, otherwise than pursuant to (a) above.

In proposing the 15% limit referred to in paragraph (b), which would allow the Board to issue up to 20 million shares on a non-pre-emptive basis, the Board has had regard to the terms of the £5 million standby equity distribution facility ("SEDA") that it has in place with Yorkville. No monies have yet been drawn down under the SEDA and the Board wishes to have adequate flexibility (at the right share price) to be able to use the facility. Any draw down under the SEDA would be effected pursuant to the general dis-application referred to in paragraph (b).

In arriving at the 15% figure the Board has made a notional allocation of 15 million shares for the SEDA (representing approximately 11% of the ISC) and 5 million shares (representing approximately 4% of the ISC) for general purposes, whilst retaining the flexibility to utilise the dis-application authority in whole or in part in such manner as it shall determine is in the best interests of the Company.

Recommendation

Your directors believe that the proposals set out in the Notice are in the best interests of the shareholders as a whole and are most likely to promote the success of the Company for the benefit of its members as a whole. The directors unanimously recommend that you vote in favour of the Resolutions as the directors propose to do in respect of their own holdings amounting to approximately 20% of the ordinary share capital of the Company as at the date of this letter.

Yours sincerely



Bill Adamson
Chairman