

**16 January 2013**

**Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')**  
**Technical Update Including Unrisked Indicative Resources for Kiernan Prospect in the**  
**Irish Atlantic Margin**

Europa Oil & Gas (Holdings) plc, the AIM listed oil and gas exploration, development and production company focused on Europe, is pleased to provide a technical update on its 100% owned Licensing Options ('LO') 11/7 and LO 11/8, covering a total area of approximately 2,000 sq km and located in the highly prospective South Porcupine Basin in the Irish Atlantic Margin ('IAM'), where two large, previously unknown prospects, Mullen and Kiernan, were identified on Europa's acreage in September 2012.

**Highlights**

- First pass seismic mapping over the Kiernan prospect has been completed with positive results
- Primary focus has been on the Cretaceous clastic section where stratigraphic traps have been identified in three reservoirs: Barremian, Valanginian A and Valanginian B
  - Barremian - Mean unrisked indicative resources estimated at 355 million barrels of oil (mmbo) in the oil case or 2.3 tcf in the gas case (oil is considered to be the most likely hydrocarbon type)
  - Valanginian A- Mean unrisked indicative resources estimated at 5.8 tcf in the gas case or 977 mmbo in the oil case (gas is considered to be the most likely hydrocarbon type)
  - Valanginian B- Mean unrisked indicative resources estimated at 1.9 tcf in the gas case or 280 mmbo in the oil case (gas is considered to be the most likely hydrocarbon type)
- Total mean unrisked indicative resources for the three reservoirs is estimated at 1.612 billion barrels in the oil case or 10 tcf (1.667 billion barrels of oil equivalent) in the gas case
- Technical work is continuing on additional prospectivity identified elsewhere in the Licence area in the Paleocene section and pre-rift Jurassic and Triassic sections
- Europa believes the South Porcupine Basin has the potential to host a new hydrocarbon province and is encouraged by the results of the initial prospect evaluation
- Europa is seeking a joint venture partner or partners to undertake further technical work to de-risk the Mullen and Kiernan prospects and mature them to drillable status

Hugh Mackay, CEO of Europa, commented, "First pass seismic interpretation over Kiernan has proved positive and we are pleased to announce potentially large stratigraphic traps at three levels in the Cretaceous clastic section. Elsewhere in the LO 11/8 area there is potential

for additional prospectivity in the Paleocene section and pre-rift Jurassic and Triassic sections which warrant further investigation. Whilst these initial results are highly encouraging, more work, including a 3D seismic survey is required to further de-risk the Kiernan prospect and mature it to drillable status.

“We recently estimated mean unrisks indicative resources of 482 million barrels of oil for our Mullen prospect on LO 11/7. Exploration success at either of our Irish prospects would therefore be transformative for Europa. We will now be opening a data room for both our Irish Licences, with a view to securing a joint venture partner or partners with whom we can further mature both Mullen and Kiernan. We are not alone in believing the South Porcupine Basin could host a new hydrocarbon province and a carbonate prospect in the basin located just 65kms away from Kiernan will be tested by ExxonMobil’s Dunquin well later this year. This is an exciting time for Europa, as we look to advance our balanced portfolio of assets, which also includes onshore UK production and exploration as well as a large onshore France gas appraisal project, and in the process build substantial value for all our shareholders.”

### **The Mullen and Kiernan Prospects:**

Europa has 100% equity in two licensing options in the South Porcupine Basin in the Irish Atlantic Margin both approximately 1,000sq km in size. LO 11/7 is over blocks 43/9, 43/10, 43/14 and 43/15 whilst LO 11/8 is over blocks 54/1, 54/2, 54/6 and 54/7. Within these Licensing Options, Europa has identified two prospects: Mullen within 11/7 and Kiernan within 11/8. First pass seismic interpretation over both the Mullen and Kiernan prospects has been completed. Europa announced the results for Mullen on 6 November 2012.

Licence option 11/8 is located on the east flank of the South Porcupine basin some 145 km offshore southwest Ireland. The licence contains the Cretaceous Kiernan prospect as well as additional prospectivity elsewhere in the licence area in the Paleocene and in the pre-rift Jurassic and Triassic.

The Kiernan prospect is a stack of three stratigraphic traps at various levels within the Cretaceous section: Barremian, Valanginian A and Valanginian B. Reservoir at the Barremian and Valanginian A levels are interpreted to be deepwater turbidite sandstones. The Barremian is the shallowest with a depth to crest of 3,700 metres below the mudline (‘mbml’) followed by the Valanginian A at 4,475mbml. Reservoir in the Valanginian B is considered to be a more proximal Brae-type fan sandstone with depth to crest estimated at 4,775mbml. The sandstones are considered to be derived from Devonian Old Red Sandstone in the Munster basin on the Irish mainland. Hydrocarbon type in the Middle Cretaceous reservoir is predicted to be most likely oil. Hydrocarbon type in the Valanginian A and B reservoirs is predicted to be most likely gas.

Oil prone marine source rocks are anticipated in the Late Jurassic and Cretaceous intervals. The Late Jurassic source is regarded as well proven in the region and is likely to be in the gas window present day if developed at the prospect. Absence of relevant drilling means that the Cretaceous source is not proven in the region, if present at the prospect it is predicted to be in

the oil window present day. Trap size at all three levels is potentially large. Containment for top seal and bottom seal is provided by Cretaceous mudstones.

Unrisked indicative resources for the three Cretaceous reservoirs are tabulated below:

Reservoir	Water depth (m)	Depth to crest mbml (m)	Oil case (mmbo)				Gas case (tcf)				Gas case (mmboe)
			P90	P50	P10	Mean	P90	P50	P10	Mean	Mean
Barremian	1800	3700	78	269	746	355	0.6	1.8	4.6	2.3	383
Valanginian A	1925	4475	189	712	2063	977	1.5	4.7	11.5	5.8	967
Valanginian B	1925	4775	29	130	710	280	0.2	0.9	4.7	1.9	317
Total						1612				10.0	1667

Geological risk is considered to be high and further technical work is required to de-risk the prospect and mature it to drillable status. A key step is to acquire 3D seismic over the prospect.

The primary play in the Mullen prospect in 11/7 on the west flank of the south Porcupine basin comprises Early Cretaceous turbidite sandstone reservoirs. These reservoirs are charged by mature Late Jurassic and Early Cretaceous organic-rich marine shales. Mullen is a stratigraphic trap, reliant upon updip pinch-out of the turbidite reservoir on to a mud-dominated slope succession. The trapping configurations are analogous to the Jubilee and Mahogany fields in the equatorial Atlantic Margin province.

The Early Cretaceous play is proven in the North Porcupine Basin by the Burren oil discovery made by Phillips in 1978 which flowed circa 700 barrels of oil per day of 34 API oil. The South Porcupine Basin is essentially undrilled and technical success at the upcoming ExxonMobil Dunquin well, which is expected to be drilled in 2013, may help de-risk some source rock elements of the Lower Cretaceous clastic play.

The option period for both licences is from 1 November 2011 to 30 October 2013. Europa has implemented the technical work programme required for the licence option period, which involves the integration and interpretation of existing 2-D seismic and well data sets, and reprocessing of selected 2-D seismic data. Subject to the fulfilment of this work programme, government approval and a minimum 25% relinquishment, a 15 year Frontier Exploration licence may be obtained.

**\*\* ENDS \*\***

For further information please visit [www.europaoil.com](http://www.europaoil.com) or contact:

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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 180 boepd in the UK, generating sufficient revenues to cover corporate overheads. In addition, it has highly prospective exploration projects in the UK, Ireland and France.

## Qualified Person Review

This release has been reviewed by Hugh Mackay, Chief Executive of Europa, who is a petroleum geologist with 30 years' experience in petroleum exploration and a member of the Petroleum Exploration Society of Great Britain, American Association of Petroleum Geologists and Fellow of the Geological Society. Mr Mackay has consented to the inclusion of the technical information in this release in the form and context in which it appears.