

Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')
Final Results for the year to 31 July 2013

Europa Oil & Gas (Holdings) plc, the AIM listed oil and gas exploration, development and production company focused on Europe, announces its final results for the 12 month period ended 31 July 2013.

The full Annual Report and Accounts will be available today on the Company's website at www.europaoil.com and will be mailed to those shareholders who have requested paper copy in early November.

Operational highlights

- Farm-in secured with Kosmos Energy Ireland ('Kosmos') for two blocks offshore Ireland
- Converted two Irish Licence Options to Frontier Exploration Licences ('FEL')
- Commenced 3D seismic acquisition programme offshore Ireland
- Identified large shallow gas prospects on Béarn des Gaves permit onshore France
- Wrote down the Tarbes val d'Adour intangible asset onshore France
- Acquired 77 km of 2D seismic and identified four new conventional hydrocarbon leads in North East Lincolnshire (PEDL181)
- Favourable judgment at High Court for UK Holmwood planning appeal
- 182 boepd recovered from three UK onshore fields – ahead of forecast

Financial performance

- Group revenue £4.5 million (2012: £5.1 million)
- Pre tax profit £0.4 million (2012: loss £12.1 million)
- Pre tax profit excluding exploration write-off and impairment £0.6 million (2012: £1.2 million)
- Cash generated from operations £1.6 million (2012: £2.1 million)
- Net cash balances as at 31 July 2013 £0.7 million (31 July 2012: £0.2 million)

Post reporting date events

- Renewed Béarn des Gaves permit until 23 March 2017
- Received £0.3 million from Kosmos in respect of costs on the two Irish licence options
- 3D seismic acquisition in Ireland on-going, FEL 3/13 is completed
- Two new subsidiary companies established for Irish licence interests
- Leith Hill Action Group announced its intention to appeal against Europa's successful High Court challenge regarding the Holmwood prospect

- Underground Coal Gasification licences allowed to lapse

Europa's CEO, Hugh Mackay said, "Significant milestones have been met at two of our most highly prospective projects, each of which has company-making potential. In Ireland, not only did Kosmos agree to farm-in to our two offshore licences, but has effectively brought forward the 3D seismic acquisition programme by a year to July 2013. This demonstrates both their ambition and resources and ensures the momentum generated will continue into the winter, as the new data is processed and interpreted. Meanwhile in France, the identification of a large shallow gas prospect at Béarn des Gaves with mean un-risked resources of 416 bcf and the recent renewal of the permit, allows us to press ahead with well permitting and to reopen the data room for potential farm-in partners.

"In the UK, the final quarter of the year will see us participate in the drilling of the Wressle prospect which we rate as having a 1 in 3 chance of materially adding to our existing production. While on the nearby licence PEDL181, we will be completing technical work on both newly acquired and existing seismic data, and delivering drillable prospects. We are also evaluating a number of new ventures where we can apply our expertise and add value. This is an exciting period for Europa and in particular I look forward to providing updates as we advance our two company-making projects in Ireland and France."

Chairman's statement

At our Annual General Meeting in December 2012 we stated our objective to become an upper quartile exploration and production company on AIM by 2017. I am pleased to report that we have taken a very significant step towards achieving that objective with our farm-out in Ireland.

Our Irish licences contain prospects that may hold very large volumes of oil. Exploration success at these prospects would be utterly transformational for Europa. In April 2013 we were delighted to announce a farm-in agreement with Kosmos, a leading independent oil and gas exploration and production company. They have immediately moved us into an accelerated exploration programme. Kosmos pioneered the Cretaceous stratigraphic play that has resulted in significant exploration success in the Atlantic margin basins. With such a pedigree, we view Kosmos' participation in our Irish blocks as a vote of confidence in the technical work we carried out. Today, Europa has a 15% free carry on potentially two high impact wells operated by a leading frontier explorer in an emerging hydrocarbon hotspot. We have now moved from talk to action. Should the state of the art 3D seismic we acquired this summer confirm the prospectivity then by the summer of 2014 we could be committing to drill a playmaker exploration well in 2015. This is fast track deepwater frontier exploration and we are already a year ahead of the competition.

New technical work in the Béarn des Gaves permit in the Aquitaine Basin, onshore France has substantially upgraded the gas resources at the Berenx shallow prospect to more than 400 bcf. Exploration success would be a company maker. Having only just received notification of the renewal of the permit we have initiated drilling planning and will immediately look to restart the farm-out process with a view to drilling a shallow well within the next 18 months.

Europa will continue to pursue new ground floor exploration ventures with minimal entry costs. The technical insights that we are acquiring in Ireland provide us with a competitive edge that we will seek to exploit through participation in the next Irish Atlantic margin licensing round. We are also investigating other ground floor exploration opportunities in the North Atlantic and Mediterranean as well as further afield.

We continue to work up our onshore UK portfolio. The Wressle well in PEDL180 will be spudded towards the end of the year. We acquired new seismic in PEDL181 and are working up new prospects that may become candidates for drilling next year. We continue to seek planning approval for the Holmwood well in PEDL143.

In parallel with this exploration activity we are seeking opportunities to acquire production either from actively producing fields or more brownfield activity. We are also reviewing consolidation opportunities. The Europa team is actively in the deal flow and announcements will be made as and when significant events occur.

Europa is not just an oil and gas explorer but also a producer. For the second consecutive year, our production from three UK onshore fields has hit our forecast. This year we produced 182 boepd which generated revenues of £4.5 million over the period, a lower figure than the previous year's average of 200 boepd due to the anticipated natural decline in production. We have completed an integrated reservoir and production engineering study that will provide the technical basis for the future management of the West Firsby field. After taking into account the cost of two work-overs on the West Firsby well in H1 2013 and costs associated with reservoir studies undertaken in H2 2013, profit before tax (before exploration write-offs) for the year was £0.6 million (2012: £1.2 million). Costs were higher over the period, predominantly as a result of additional spend on the work-overs, and exaggerated by administrative costs in the prior period having benefitted from a credit from the disposal of the Ukraine business.

Cash as at 31 July 2013 stood at £0.7 million (2012: £0.2 million). With an additional £0.3 million received from Kosmos in August 2013 in respect of Irish back costs, we can fully fund our share of drilling the Wressle prospect on PEDL180 later this year.

Largely as a result of the progress made during the 12 months under review, the year ahead promises to be a highly active period for Europa including drilling Wressle, completing 3D seismic acquisition offshore Ireland with subsequent processing, interpretation and prospect generation; generating drillable prospects in PEDL181. In addition, following the recent renewal of the Béarn des Gaves permit, we intend to commence the permitting process required to drill a well in the 416 bcf Berenx shallow prospect, in conjunction with reopening a data room for potential partners. Following the favourable High Court judgment in July 2013 regarding our application to drill a temporary exploration well on the Holmwood prospect in the Weald Basin, we are hopeful that we will eventually be in a position to drill what we believe to be one of the best undrilled prospects onshore UK.

Outside our existing portfolio, having proved our low cost exploration model generates value, we are actively looking to acquire new licences around the world which match our criteria and where we can replicate the success we achieved offshore Ireland. We are working hard to close the gap which has opened up between our current share price and the value of our risked and diluted net resources and production. With a team in place that has already achieved much success, as evidenced by Kosmos' decision to farm-in to our Irish licences, I believe we are well placed to become an upper quartile oil and gas company on AIM and in the process generate significant value for shareholders.

Finally, I would like to thank the management team, directors and advisers for their hard work during the year and also to our shareholders for their continued support over the period.

WH Adamson
Chairman

Operational review

Europa operates exploration, production and appraisal assets across three core EU countries.

Ireland - Exploration - Porcupine Basin Frontier Exploration Licences ('FELs') 2/13 and 3/13- Europa (15%); Kosmos (85% and operator)

In November 2011 Europa was awarded two Licence Options ('LO') in the South Porcupine Basin offshore southwest Ireland; LO 11/7 and LO 11/8. The South Porcupine Basin is underexplored and had been overlooked by the mainstream oil and gas industry. The exploration model for the licences involves a new play, the Cretaceous stratigraphic play: comprising Early Cretaceous turbidite sandstone reservoirs; charged by mature Late Jurassic and Early Cretaceous source rocks and contained in stratigraphic traps with elements of structural closure. The Cretaceous play in Ireland is considered to be analogous to the Cretaceous play in the equatorial Atlantic Margin province that has

delivered the Jubilee and Mahogany oil fields. Previous drilling offshore West Ireland during the 1970s and 1980s focused on a North Sea style Jurassic play and failed to find commercial hydrocarbons. We believe that the new Cretaceous play, enabled by modern 3D seismic and deepwater drilling technology, has the potential to deliver commercial hydrocarbon discoveries.

Europa's interpretation of pre-existing 2D seismic identified two previously unknown prospects in the Lower Cretaceous stratigraphic play: Mullen in LO 11/7 and Kiernan in LO 11/8. The Company estimates these to have gross mean un-risked indicative resources of 482 million barrels of oil and 1.612 billion barrels of oil equivalent respectively. Information about the Mullen and Kiernan prospects were provided to the markets in press releases dated 6 November 2012 and 16 January 2013.

Europa launched its farm-out of both Licence Options in November 2012 and opened a data room to prospective farminees in January 2013. There was significant interest from large and mid-cap oil companies and on 18 April 2013 Europa announced it had successfully farmed out both LO 11/7 and LO 11/8 to Kosmos.

Kosmos agreed to farm-in to each Licence Option, earning an 85% interest in, and operatorship of, each licence. The transfer of interest and operatorship was approved by the Irish Government on 8 May 2013 and Kosmos, as operator, undertook to accelerate the conversion of LOs 11/07 and 11/08 into Frontier Exploration Licences ('FELs'). FELs were granted by the Irish Government commencing on 5 July 2013. Following the mandatory 25% relinquishment, LO 11/7 became FEL 2/13 and LO 11/8 became FEL 3/13. Each FEL lasts for a period of 15 years and is broken down into a maximum of four phases. The first phase of three years includes a commitment to acquire 740 km² of 3D seismic on each licence. The second phase lasts four years and has a commitment to drill an exploration well on each licence.

Under the terms of the farm-in Kosmos will fully fund the costs of a 3D seismic programme in the first phase of each FEL. Contingent upon an election of the companies to enter into the second phase of the FEL, which carries a drilling commitment, Kosmos will incur 100% of the costs of the first exploration well on each FEL. The first exploration wells on FEL 2/13 and FEL 3/13 have investment caps of US\$90 million and US\$110 million respectively. Costs in excess of the investment cap would be shared between Kosmos (85%) and Europa (15%).

In parallel with the FEL application process Kosmos secured a seismic vessel and obtained the appropriate permits from the relevant departments of the Irish Government to enable 3D seismic acquisition during the summer 2013 season. The MV Polarcus Amani started acquisition on 5 July 2013. The early conversion to an FEL in July 2013 means that

seismic has been obtained a year earlier than would have been had we followed the conventional timetable and converted in November. FEL 3/13 has been completed and the first phase work commitment on this licence is already fulfilled. Seismic acquisition is on-going over FEL 2/13.

The 3D seismic being acquired over the licences is a very significant first step towards realising the hydrocarbon potential of the basin. Based on the historic 2D seismic, Europa estimates geological risk to be around 1 in 10 for both the Kiernan and Mullen prospects. 3D has the potential to substantially de-risk these prospects. Particularly if features like conformance, flat events and AVO anomalies are observed on the 3D seismic data. It is anticipated that the indicative resources previously provided to the market will change according to the vastly improved prospect mapping arising from the state of the art 3D data currently being acquired. The prospect sizes will likely remain large and the quantum of resources is likely to be hundreds of millions of barrels.

In July 2013 ExxonMobil completed drilling the Dunquin exploration well in licence FEL 3/04 which lies in the South Porcupine basin between FEL 2/13 and 3/13. The well targeted a very different hydrocarbon play comprising carbonate reef reservoir on a volcanic ridge in the middle of the basin and proved to be water bearing with no commercially recoverable hydrocarbons. This result is irrelevant to the Cretaceous turbidite sandstone stratigraphic play being pursued in FEL 2/13 and 3/13 since we are pursuing a completely different reservoir and trap on the flanks of the basin. Of more relevance is the report that oil shows were present in sidewall cores over the upper 44m section of the Dunquin reservoir, suggesting the presence of a possible residual oil column. If correct this indicates that an oil prone source rock is present in the basin and may de-risk the source rock component of the Cretaceous stratigraphic play.

The pioneering work in the Porcupine basin by the participants in the 2011 Atlantic Margin Licensing Round has been endorsed by the entry of mid-cap and large oil companies during the first half of 2013. At the same time as farming into Europa's licences Kosmos also farmed into Antrim's licence FEL 1/13. On 7 May 2013 Cairn Energy announced a farm-in to Chrysaor operated FELs 2/04 and 4/08 and LO 11/2. On 28 June 2013 Woodside Petroleum announced a farm-in to Petrel's LO 11/4 and 11/6 and Bluestack's LO 11/3.

The earliest feasible drill date in our licences is 2015. The operator Kosmos has a new build, 6th generation, ultra-deepwater drillship, Atwood Achiever scheduled for delivery in mid 2014 for a three year contract. With a maximum water depth capability of 3,650m the drillship can work in the 1,000-2,000m water depths in our licences. Further announcements will be made in due course and following prospect mapping with the new seismic in H1 2014.

We are excited by the potential of a new play in an underexplored and overlooked basin. We are at the forefront of exploration of this play. The technical insights that Europa has, and will gain, from its work in the South Porcupine Basin provides a competitive edge that we will seek to exploit through participation in future licensing rounds in Ireland.

France - Béarn des Gaves 100%

Europa holds a 100% interest in the onshore Béarn des Gaves permit in the Aquitaine basin, the heartland of the French oil industry. The permit contains two prospects: Berenx Deep and Berenx Shallow.

Berenx Deep is an appraisal project having previously been explored and drilled by EssoRep with two wells, Berenx-1 (1969) and Berenx-2 (1972), both encountering strong gas shows over a 500m thick gas bearing zone. In 1975 Berenx-2 was re-entered, drill stem tested and flowed gas to surface from the same carbonate reservoir that delivered 9 tcf and 2 tcf from nearby fields at Lacq and Meillon.

Europa possesses all data connected to both wells. Good quality 2D seismic data exists for the licence as well as a reprocessed 3D seismic dataset covering the area between Berenx and Lacq. Europa’s in-house technical work indicates that the Berenx deep appraisal prospect could hold in excess of 500 bcf of recoverable gas resources. In a CPR dated 31 May 2012, ERC Equipoise estimated gross mean un-risked resources of 277 bcf for the Berenx deep gas play. The difference between Europa’s and ERC’s assessment of resources reflects the confidence of each party in mapping in a geologically complex terrain. Europa was able to map a larger area of closure and as a consequence larger resources.

Thorough re-evaluation and interpretation of existing seismic and well data on the permit has resulted in the better definition of a shallow gas prospect, Berenx Shallow. Previous exploration on the concession had focused only on the deep lying gas prospectivity. A comprehensive review of historic well results, re-interpretation of structure and better understanding of proven hydrocarbon bearing reservoir distribution in the shallow Cretaceous and Late Jurassic carbonate sediments by Europa has upgraded the Berenx Shallow gas prospectivity and suggests potential gross mean un-risked resources of 416 bcf.

| | Gross un-risked resources bcf | | | |
|------------------|--------------------------------------|------------|------------|-------------|
| Reservoir | P90 | P50 | P10 | mean |
| Neocomian | 126 | 240 | 402 | 254 |
| Kimmeridgian | 66 | 156 | 261 | 162 |
| Total | | | | 416 |

The Company's strategy for Béarn des Gaves is to first target the shallow gas play, drill a well to deliver a commercial flow rate and, on the back of success, to further appraise shallow prospectivity and undertake work to de-risk the Berenx Deep appraisal project. The anticipated total depth of the Berenx Shallow well is approximately 2,500m.

Europa submitted its application for the renewal of Béarn des Gaves in November 2011 and the renewal process formally started on 22 March 2012. Post-period end on 3 October 2013, the Company was informed by the French authorities that the permit has been successfully renewed. This next phase covers a period of five years from 22 March 2012 and carries an expenditure commitment of approximately €2.5 million. The Directors intend to immediately commence a farm-out process for the permit in tandem with well planning and permitting for a well location on Berenx Shallow ahead of drilling in the next 18 months.

The permit benefits from being located only 20 km from the Lacq Field, which potentially provides a straightforward export route, allowing gas to be processed in an existing facility with spare capacity.

France - Tarbes val d'Adour 100%

As announced in July, the Tarbes Val d'Adour permit has not yet been renewed by the French authorities. Under the terms of the agreement, if notification of renewal has not been received by the expiry date then the permits are deemed to have lapsed.

Europa has submitted an appeal to the relevant French authorities. Further updates with respect to the appeal process will be provided by the Company as and when it is appropriate to do so. Total aggregate exploration costs of £0.2 million previously incurred on the permit by Europa has been written off in the current financial period.

UK - NE Lincolnshire - PEDL180 33.3% (Wressle)

PEDL180 covers an area of 100 km² of the East Midlands Petroleum Province south of the Crosby Warren field. Europa has a 33.3% working interest in the block with its partners Egdon Resources (operator, 25%), Celtique Energie Petroleum Ltd (33.3%) and Union Jack Oil (8.3%). 49 km² of 3D seismic acquisition covering PEDL180 and PEDL182 was acquired in Q1 2012 and has been processed and interpreted. The operator estimates the Wressle prospect to hold mean gross un-risked recoverable resources of 2.1 mmbo. Drilling at Wressle is planned to take place towards the end of 2013.

UK - NE Lincolnshire - PEDL182 33.3% (Broughton)

To the north, PEDL182 is an area of 40 km² with the same equity structure as that of PEDL180. The Broughton prospect was previously drilled by BP and flowed oil. The May

2012 Competent Person's Report ('CPR') estimated the Broughton prospect to hold mean gross un-risked recoverable resources of 1.85 mmbo.

UK - NE Lincolnshire - PEDL181 50%

Europa has a 50% interest in and is the operator of the PEDL181 licence, with Egdon Resources UK Limited and Celtique Energie Petroleum Ltd, each holding a 25% interest. PEDL181 is located in the Carboniferous petroleum play and covers an area of over 540 km² in the Humber Basin. The licence has good potential for conventional oil and gas and unusually for this play has never been previously drilled. The licence is located in a working hydrocarbon system where a number of discoveries have been made along the Brigg-Broughton anticline, an analogous trend to the west of Caistor anticline. Europa's existing oil production at the Crosby Warren field lies at the westernmost end of the anticline. Technical evaluation has confirmed several conventional prospects/leads on PEDL181. Four of these in the southern part of the licence, all with reservoirs of Carboniferous age, were the focus of a 78 km 2D seismic acquisition programme that was completed in April 2013. Reprocessing of 150 km² of existing 3D seismic data has been performed together with processing of the new data. Interpretation of the integrated dataset is being performed with the objective of maturing the four leads and defining drillable prospects. This work is due to be completed later this year, at which point the results will be released along with a forward plan for the licence.

In addition to the conventional prospectivity the licence may also contain shale gas potential in the South Humber basin. Interpretation of the new seismic data suggests that this basin may contain a much thicker sequence of Namurian age sediments than was previously thought. To date this sedimentary package has not been drilled in the South Humber basin. The Namurian section in the Gainsborough Trough basin, located some 25 km to the west of PEDL181 has been drilled and is known to host the Bowland Shale which has well documented potential for shale gas. It is possible that the Namurian section in the South Humber basin may contain a Bowland Shale equivalent with similar potential for shale gas.

UK - Dorking area - PEDL143 40% (Holmwood)

The PEDL143 licence covers an area of 92 km² of the Weald Basin, Surrey. Europa is the operator and has a 40% working interest in the licence with partners Egdon Resources (38.4%), Altwood Petroleum (1.6%), and Warwick Energy (20%). The Holmwood prospect is a Jurassic sandstone project with a low geological risk. The May 2012 CPR estimated Holmwood to hold gross mean recoverable resources of 5.64 mmbo. Europa considers Holmwood to be one of the best undrilled exploration prospects in the UK onshore.

The prospect lies south of Dorking within the Surrey Hills Area of Outstanding Natural Beauty and an application to construct a temporary exploration well on the site was originally made in 2008. This application was refused in 2011 by Surrey County Council contrary to their planning officer's recommendation to approve. An appeal to overturn the decision was heard at a public inquiry in July 2012. The appeal was dismissed on 26 September 2012.

As announced on 1 November 2012, Europa, along with its partners, applied for an order to quash the decision of the Secretary of State for Communities and Local Government's appointed Inspector to dismiss the appeal. On 25 July 2013 in the Royal Courts of Justice the judge, Mr Justice Ouseley, gave judgment in favour of quashing the Inspector's decision. The judge also granted the Leith Hill Action Group ('LHAG') leave to appeal to the Court of Appeal against his judgment. On 19 September 2013, LHAG submitted an appeal to the Court of Appeal. The hearing is expected to be of one day duration and to take place between February and May 2014. If the Court rules in favour of Europa, the appeal will be remitted to the Planning Inspectorate for redetermination, which may involve a further planning inquiry, for the exploratory drill site at Holmwood.

UK – Production (West Firsby 100%; Crosby Warren 100%; Whisby W4 well 65%)

The three UK fields produced 182 boepd in line with management expectations. During the period, workovers were successfully completed on the West Firsby wells which are now back on production. Detailed production and reservoir engineering studies have been conducted and the results implemented with the aim of maximising recovery rates at the producing fields.

Proven and probable ('2P') producing reserves of the three producing fields was estimated at 0.65 mmbo by the CPR (as at 31 December 2011).

UK - Unconventional resources - Underground Coal Gasification (UCG) 90%

Europa (90%) and Oxford Energy Consulting Limited (10%) acquired two UCG licences on the 22 September 2010 from the Coal Authority, using powers conferred on it by the Coal Industry Act 1994; one being the Holderness Offshore Area (CA11/UCG/0015/S) and the other the South Humber Offshore Area (CA11/UCG/0016/S).

Following a technical evaluation, Europa concluded there is at present no commercial means of exploiting the coal using UCG at the depth at which the coal occurs and taking into account thickness of the individual coal seams. As a result, these licences were allowed to lapse on the 22 September 2013.

UK - Unconventional resources - Shale Gas

As previously noted PEDL181 has some potential for shale gas.

Romania

The Company continues to hold interests in two exploration licences in Romania: Brates (100%) and Bacau (19%). Both licences are in the process of being relinquished. The assets were fully written down in the year ended 31 July 2012.

Conclusion

Thanks to the success of the in-house technical work undertaken over the course of the year we have two potential company makers in our portfolio offshore Ireland and onshore France. Ireland is funded and we have begun an exploration programme that could lead to realisation of this potential by drilling in 2015.

Plenty of work remains to be done on our existing projects and on new ventures in the year ahead. We are delighted with the pace that Kosmos has set in advancing the Irish licences since taking over operatorship. By acquiring 3D seismic in summer 2013, the partnership has gained a year and we can focus on processing and interpreting the seismic during the winter months to further define the prospectivity and identify possible drilling targets. Having secured the renewal of Béarn des Gaves, we will target securing a farm-in partner with a view to drilling a well at Berenx Shallow in the next 18 months. In the UK, we are close to identifying drillable prospects on PEDL181 while on PEDL180 we expect to drill Wressle towards the end of 2013. I am excited about the year ahead and look forward to making further significant progress on all our projects and particularly our two company makers.

Hugh Mackay
CEO

The financial information set out below does not constitute the company's statutory accounts for 2013 or 2012. The financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union on a basis that is consistent with the accounting policies applied by the group in its audited consolidated financial statements for the year ended 31 July 2012. Statutory accounts for the years ended 31 July 2013 and 31 July 2012 have been reported on by the Independent Auditors.

The Independent Auditors' Report on the Annual Report and Financial Statements for 2013 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The Independent Auditors' Report on the Annual Report and Financial Statements for 2012 was unqualified, did not contain a statement under 498(2) or 498(3) of the Companies Act

2006 but drew attention by way of emphasis to matters concerning the renewal of the French exploration permits.

Statutory accounts for the year ended 31 July 2012 have been filed with the Registrar of Companies. The statutory accounts for the year ended 31 July 2013 will be delivered to the Registrar in due course.

Consolidated statement of comprehensive income

For the year ended 31 July

| | Note | 2013 £000 | 2012 £000 |
|--|------|------------------------|------------------------|
| Revenue | | 4,503 | 5,080 |
| <i>Other cost of sales</i> | | (2,954) | (2,692) |
| <i>Exploration write-off</i> | 1 | (231) | (12,451) |
| <i>Impairment of producing fields</i> | | - | (785) |
| Total cost of sales | | (3,185) | (15,928) |
| Gross profit/ (loss) | | 1,318 | (10,848) |
| Administrative expenses | | (718) | (755) |
| Finance income | | 15 | - |
| Finance expense | | (208) | (452) |
| Profit/(loss) before taxation | | 407 | (12,055) |
| Taxation (charge)/credit | | (508) | 739 |
| Loss for the year attributable to the equity shareholders of the parent | | (101) | (11,316) |
| Other comprehensive income / (loss) | | | |
| Those that may be reclassified to profit and loss | | | |
| Exchange gain / (loss) arising on translation of foreign operations | | 37 | (36) |
| Total comprehensive loss for the year attributable to the equity shareholders of the parent | | (64) | (11,352) |
| Loss per share (LPS) attributable to the equity shareholders of the parent | | Pence per share | Pence per share |
| Basic and diluted LPS | | (0.07)p | (8.33)p |

Consolidated statement of financial position

As at 31 July

| | Note | 2013 £000 | 2012 £000 |
|-------------------------------|------|--------------|--------------|
| Assets | | | |
| Non-current assets | | | |
| Intangible assets | 1 | 2,446 | 2,127 |
| Property, plant and equipment | | 4,383 | 4,959 |
| Deferred tax asset | | - | 14 |

| | | |
|--|----------------|----------|
| Total non-current assets | 6,829 | 7,100 |
| Current assets | | |
| Inventories | 33 | 56 |
| Trade and other receivables | 928 | 1,250 |
| Cash and cash equivalents | 672 | 230 |
| | 1,633 | 1,536 |
| Other current assets | | |
| Assets classified as held for sale | 338 | 338 |
| Total assets | 8,800 | 8,974 |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | (1,227) | (1,880) |
| Current tax liabilities | (541) | (87) |
| Derivative | (48) | (64) |
| Short-term borrowings | (208) | (230) |
| Short-term provisions | (290) | - |
| Total current liabilities | (2,314) | (2,261) |
| Non-current liabilities | | |
| Deferred tax liabilities | (2,902) | (2,948) |
| Long-term provisions | (1,681) | (1,950) |
| Total non-current liabilities | (4,583) | (4,898) |
| Total liabilities | (6,897) | (7,159) |
| Net assets | 1,903 | 1,815 |
| Capital and reserves attributable to equity holders of the parent | | |
| Share capital | 1,379 | 1,379 |
| Share premium | 13,160 | 13,160 |
| Merger reserve | 2,868 | 2,868 |
| Foreign exchange reserve | 417 | 380 |
| Retained deficit | (15,921) | (15,972) |
| Total equity | 1,903 | 1,815 |

**Consolidated statement of changes in equity
Attributable to the equity holders of the parent**

| | Share capital | Share premium | Merger reserve | Foreign exchange reserve | Retained deficit | Total equity |
|---|---------------|---------------|----------------|--------------------------|------------------|--------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Balance at 1 August 2011 | 1,301 | 12,573 | 2,868 | 416 | (4,719) | 12,439 |
| Total comprehensive loss for the year | - | - | - | (36) | (11,316) | (11,352) |
| Share based payment | - | - | - | - | 63 | 63 |
| Issue of share capital (net of issue costs) | 78 | 587 | - | - | - | 665 |
| Balance at 31 July 2012 | 1,379 | 13,160 | 2,868 | 380 | (15,972) | 1,815 |

| | £000 | £000 | £000 | £000 | £000 | £000 |
|---------------------------------------|--------------|---------------|--------------|------------|-----------------|--------------|
| Balance at 1 August 2012 | 1,379 | 13,160 | 2,868 | 380 | (15,972) | 1,815 |
| Total comprehensive loss for the year | - | - | - | 37 | (101) | (64) |
| Share based payment | - | - | - | - | 152 | 152 |
| Balance at 31 July 2013 | 1,379 | 13,160 | 2,868 | 417 | (15,921) | 1,903 |

| Consolidated statement of cash flows | 2013 | 2012 |
|---|----------------|----------|
| For the year ended 31 July | £000 | £000 |
| Cash flows from operating activities | | |
| Loss after tax | (101) | (11,316) |
| Adjustments for: | | |
| Share based payments | 152 | 63 |
| Depreciation | 578 | 673 |
| Exploration write-off | 231 | 12,451 |
| Impairment of property, plant & equipment | - | 785 |
| Finance income | (15) | - |
| Finance expense | 208 | 452 |
| Taxation expense /(credit) | 508 | (739) |
| Decrease/ (Increase) in trade and other receivables | 621 | (647) |
| Decrease/ (Increase) in inventories | 23 | (13) |
| (Decrease) / Increase in trade and other payables | (535) | 350 |
| Cash generated from operations | 1,670 | 2,059 |
| Income tax payment | (84) | - |
| Net cash from operating activities | 1,586 | 2,059 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (5) | (78) |
| Purchase of intangible assets | (1,020) | (2,955) |
| Expenditure on well decommissioning | (51) | - |
| Net cash used in investing activities | (1,076) | (3,033) |
| Cash flows from financing activities | | |
| Proceeds from issue of share capital (net of issue costs) | - | 665 |
| Decrease in payables related to the issue of share capital | - | (115) |
| Repayment of borrowings | (22) | (1,025) |
| Finance costs | (34) | (289) |
| Net cash used in financing activities | (56) | (764) |
| Net increase / (decrease) in cash and cash equivalents | 454 | (1,738) |
| Exchange (loss) /gain on cash and cash equivalents | (12) | 92 |
| Cash and cash equivalents at beginning of year | 230 | 1,876 |
| Cash and cash equivalents at end of year | 672 | 230 |

Note 1 - Intangible assets

| Intangible assets - Group | 2013 | 2012 |
|----------------------------------|--------------|--------------|
| | £000 | £000 |
| At 1 August | 2,127 | 11,348 |
| Additions | 550 | 3,230 |
| Exploration write-off | (231) | (12,451) |
| At 31 July | <u>2,446</u> | <u>2,127</u> |

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

| | 2013 | 2012 |
|---------------------------------|--------------|--------------|
| | £000 | £000 |
| France (Béarn des Gaves permit) | 950 | 1,039 |
| Ireland | 78 | 66 |
| UK PEDL143 (Holmwood) | 463 | 437 |
| UK PEDL180 (Wressle) | 315 | 279 |
| UK PEDL181 (Caistor) | 429 | 113 |
| UK PEDL182 (Broughton) | 211 | 193 |
| Total | <u>2,446</u> | <u>2,127</u> |

| | 2013 | 2012 |
|------------------------------------|-------------|---------------|
| | £000 | £000 |
| Exploration write-off | | |
| France (Tarbes val d'Adour permit) | 231 | - |
| UK PEDL150 (Hykeham) | - | 2,057 |
| Romania | - | 10,394 |
| Total | <u>231</u> | <u>12,451</u> |

The Tarbes Val d'Adour permit was not renewed by the French authorities within the set timeframe of the renewal process. Under the terms of the agreement, if notification of renewal has not been received by the expiry date then the permit is deemed to have lapsed. While Europa has appealed against this outcome, with this uncertainty, the intangible asset has been written off in the period.

Certain of the UK exploration licences carry well commitments in 2014. If the Group elects to continue with these licences, it will need to fund the drilling of wells by raising finance or by farming down. If the Group is not able to raise funding, or elects not to continue in the licences, then the impact on the financial statements will be the impairment of some or all of the intangible assets disclosed above.

Note 2 – Going Concern

In their assessment of going concern the directors note that the Group is dependent on the existing bank facility in place. The current bank facility is due to expire in January 2014. Based on correspondence with the Group's bankers the directors have no reason to believe that the facility will not be renewed on the same or similar acceptable terms in an appropriate timescale. Therefore given this expectation and the continuing cash inflow from the Group's producing assets 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 Group can continue in operational existence for the foreseeable future, which is deemed to be at least 12 months from the date of signing these financial statements. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

**** ENDS ****

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

| | | |
|---------------------|---------------------------------|----------------------|
| Hugh Mackay | EuropaOil & Gas (Holdings) plc | +44 (0) 20 7224 3770 |
| Phil Greenhalgh | Europa Oil & Gas (Holdings) plc | +44 (0) 20 7224 3770 |
| Matt Goode | finnCap Ltd | +44 (0) 20 7600 1658 |
| Henrik Persson | finnCap Ltd | +44 (0) 20 7600 1658 |
| Frank Buhagiar | St Brides Media and Finance Ltd | +44 (0) 20 7236 1177 |
| Lottie Brocklehurst | St Brides Media and Finance Ltd | +44 (0) 20 7236 1177 |

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. Its highly prospective exploration projects include the Wressle prospect in the UK where a well is due to be drilled towards the end of 2013; and a joint venture with leading independent Kosmos Energy to explore two licences in offshore Ireland in which Europa has identified two prospects with estimated gross mean un-risked indicative resources of 482 million barrels oil and 1.6 billion barrels oil respectively.

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.