

13 January 2014

**Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')**  
**Extension of Licence PEDL 181, East Lincolnshire**

Europa Oil & Gas (Holdings) plc, the AIM listed oil and gas exploration, development and production company focused on Europe, is pleased to announce it has received notification from the Department of Energy and Climate Change ('DECC') that phase 1 of the PEDL 181 Licence ('the Licence' or 'PEDL 181') has been extended by one year until 30 June 2015. This will enable Europa to drill the 2.9 mmbo Kiln Lane-1 prospect in the second half of 2014. Europa holds a 50% interest and is operator of PEDL 181 which covers 540 sq km in East Lincolnshire, a known oil producing region.

**Overview:**

- PEDL 181 is a large and previously undrilled licence located in a working hydrocarbon system where a number of other discoveries have been made in adjacent licences
- Kiln Lane-1 is a drillable conventional oil and gas prospect on the PEDL 181 Licence area lying 28 km from Europa's producing Crosby Warren oil field and is a robust structural closure prospective for Carboniferous sandstone reservoirs
- Kiln Lane-1 is estimated to hold gross mean un-risked resources of 2.9 mmbo with a 1 in 3 chance of success
- Exploration success at Kiln Lane-1 would substantially de-risk a number of leads identified on the Licence
- Well planning and permitting has commenced with a view to drilling in H2 2014
- Europa's share of drilling costs is fully funded following the recent placing

Europa's CEO, Hugh Mackay commented, "Thanks to this licence extension and our recent placing, Europa is funded to drill two onshore UK prospects in 2014 with combined gross prospective resources of 5 mmbo and each with a 1 in 3 chance of success. We are particularly excited about Kiln Lane-1. Not only does it have a highly prospective address near to previous discoveries and existing production, but it is also a potential playmaker which, in the event of success, would substantially de-risk a number of additional leads and prospects we have identified on the licence over the last 18 months.

"With well planning and permitting already underway, we intend to drill Kiln Lane-1 in H2 2014. Ahead of Kiln Lane, Europa will be participating with a 33% interest in the drilling of the Wressle prospect in the East Midlands Petroleum Province where the operator, Egdon Resources, expects to commence operations in Q1 2014. Combined with expected news flow at our projects in onshore France, where we recently launched a farm-out and commenced well permitting, and offshore Ireland, where interpretation of the 3-D seismic recently acquired by the operator Kosmos Energy may lead to a decision in summer 2014 to drill a well as early as 2015, the year ahead promises to be a highly exciting one for Europa."

## **PEDL-181 (Kiln Lane-1), East Lincolnshire**

Europa has a 50% interest in and is the operator of PEDL 181 in the Humber Basin, with Egdon Resources UK Limited and Celtique Energie Petroleum Ltd, each holding a 25% interest. PEDL 181 is located in the Carboniferous petroleum play and covers an area of over 540 km<sup>2</sup> in a working hydrocarbon system where a number of other discoveries have been made in adjacent licences. Though PEDL 181 itself has not been previously drilled, the Board considers that the Licence has good potential for conventional oil and gas and is also aware that the area may have potential as a shale gas resource.

During the last 18 months, Europa has carried out considerable technical work on PEDL 181 including the acquisition of 78 km 2-D seismic in Q1 2013, reprocessing of an existing 150 km<sup>2</sup> 3-D dataset together with detailed regional evaluation and prospect specific mapping. This work led to the identification of a drillable conventional oil and gas prospect at the Kiln Lane location in the east of the Licence, approximately 28 km from Europa's producing Crosby Warren oil field. This previously unknown prospect is a robust structural closure prospective for Carboniferous sandstone reservoirs. Europa's research indicates that the Kiln Lane prospect has gross mean un-risked resources of 2.9 mmbo and a chance of success of 36 per cent. In the event of exploration success Europa intends to conduct an extended well test for the purpose of enabling a fast track development. Exploration success at this location would be a significant milestone and would substantially de-risk a number of leads for possible follow-up drilling.

The table below sets out the indicative gross and net un-risked resources of Kiln Lane

### **Kiln Lane Un-risked Resources**

|             | Gross | Net to EOG |
|-------------|-------|------------|
| <b>P90</b>  | 0.50  | 0.25       |
| <b>P50</b>  | 1.80  | 0.90       |
| <b>P10</b>  | 6.70  | 3.35       |
| <b>Mean</b> | 2.90  | 1.45       |

Europa, along with its partners, has commenced the site selection process and expects to submit a planning application in March 2014 for the drilling of an exploration well. It is currently expected that this well will spud in the second half of 2014. The hydrocarbon play type being targeted is the classic East Midlands play. Lower Westphalian and Upper Namurian aged sandstones are the principal targets. Sourcing of the leads is expected from Bowland Shale equivalents in the South Humber Basin located to the south and east of PEDL 181. Intra Carboniferous shales will provide the seals.

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

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

|                     |                                 |                       |
|---------------------|---------------------------------|-----------------------|
| Hugh Mackay         | Europa                          | + 44 (0) 20 7224 3770 |
| Phil Greenhalgh     | Europa                          | + 44 (0) 20 7224 3770 |
| Matt Goode          | finnCap Ltd                     | +44 (0) 20 7220 0500  |
| Henrik Persson      | finnCap Ltd                     | +44 (0) 20 7220 0500  |
| 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 produced 182 boepd in the UK during the 2012/2013 financial year, 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 later in the near term; 100% owned gas exploration prospect (416 bcf) and appraisal project (CPR 277 bcf) in onshore France; and a joint venture with leading independent Kosmos 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.