

Europa Oil & Gas (Holdings) plc / Index: AIM / Epic: EOG / Sector: Oil & Gas
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Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')
Update on UK Onshore Licences

Europa Oil & Gas (Holdings) plc, the AIM quoted oil and gas exploration and development company with a combination of producing and exploration assets in Europe, provides an update on its activities across its UK onshore licences located in the established East Midlands Petroleum Province.

Europa produces hydrocarbons from six wells across three fields: Crosby Warren (100% interest); Whisby (65% interest); and West Firsby (100% interest). Five of the wells are producing in line with expectations, year to date, although the lowest producer of the six, WF9 is currently shut-in and requires a recompletion. WF9 was producing around 8 bopd. At current oil prices however, the Directors have concluded it would not be economic to undertake a recompletion of WF9, which as a result will remain shut-in for the foreseeable future. The Directors will reconsider this course of action should the oil price recover to a level at which the recompletion of WF9 would become economic.

With WF9 remaining offline, the Company now expects average production for the 12 month period to 31 July 2015 to be approximately 144 boepd, compared to previous guidance of 150 boepd. Europa's oil production is sold at a small discount to Brent crude prices, and consequently the Company's revenues and profitability for the current financial year will be impacted by the recent fall in oil prices, with a revised revenue expectation for the full year of approximately £2.1 million. As the majority of costs associated with the Company's production are fixed, there will be a corresponding impact on full year profitability.

Operations at Europa's 33% owned Wressle discovery in PEDL 180 and 50% owned 2.9 mmboe Kiln Lane prospect on PEDL 181 continue as previously disclosed. Further updates will be provided as and when it is appropriate to do so.

Europa's CEO, Hugh Mackay said, "The decision not to recomplete WF9 in light of current oil prices demonstrates our focus on ensuring capital is prioritised for developing projects that have the potential to generate significant value for shareholders. Thanks to having a portfolio of licences at various stages of development, we have a number of near term opportunities to transform Europa's production and revenues. I look forward to providing further updates on our progress during what promises to be an exciting year for Europa."

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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 produced 165 boepd in the UK during the 2013/2014 financial year, generating sufficient revenues to cover corporate overheads and some exploration expenditure. Its highly prospective exploration projects include the Wressle (recently drilled and scheduled for testing) and Kiln Lane prospects (due to be drilled this year) in the UK; 100% owned gas exploration prospect (107 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 with the potential to host large oil resources.