Europa Oil & Gas (Holdings) plc / Index: AIM / Epic: EOG / Sector: Oil & Gas

15 April 2015

Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')

Interim Results

Europa Oil & Gas (Holdings) plc, the AIM listed oil and gas exploration and production company with a combination of producing, appraisal and exploration assets in Europe, announces its interim results for the six month period ended 31 January 2015.

Highlights

- Irish prospect inventory received from Kosmos identified 1.5 billion barrels of gross mean un-risked prospective oil resources
- Wressle exploration well in PEDL180, Lincolnshire, discovered oil with aggregate production from all payzones of 710 boepd during testing operations
- Applications submitted for 14th UK onshore licensing round

Financial performance

- Revenue £1.3m (H1 2014: £2.1m)
- Pre-tax loss prior to field impairments of £0.3m, (H1 2014: pre-tax profit from continuing operations £0.5m)
- Pre-tax loss post field impairments of £1.4m (H1 2014: pre-tax profit from continuing operations £0.5m)
- Net cash generated from operations £0.2m (H1 2014: £0.6m)
- Cash balance at 31 January 2015 £3.6m (31 January 2014: £4.8m)

Post reporting date events

- Farm-out of Tarbes Val d'Adour permit in France to Vermilion Energy
- Oil and gas production from four intervals tested at the Wressle discovery in PEDL180
- The Kiln Lane exploration well in PEDL181, Lincolnshire was drilled and abandoned; whilst not a discovery, oil shows indicate a working petroleum system in the licence
- A new Jurassic hybrid play recently reported in PEDL137 in the Weald Basin next to Europa's 40% owned PEDL143
- Retirement of Bill Adamson from the Board and appointment of Colin Bousfield as Chairman

Europa's CEO, Hugh Mackay said, "We are confident the momentum that has been established across our portfolio of multistage projects will be maintained in the second half of 2015 and beyond: a CPR on our Irish and UK licences; an extended well test on the Wressle discovery that may lead to a fast track development; and the results of our applications in the 14th UK onshore licensing round are anticipated following the general election. In addition, we are working with our new farm-in partner and operator Vermilion Energy to advance our Tarbes permit in onshore France and the farm-out of our Bearn des Gaves permit onshore France is ongoing.

“Outside our existing portfolio, we are evaluating a number of new opportunities, as we look to leverage our proven technical expertise to generate significant value for shareholders. This is precisely what we have done with our Irish licences, which our partner Kosmos Energy estimates have gross mean un-risked prospective resources of up to 1.5 billion barrels of oil. We are intent on building the very high reward component of our portfolio. Our recent technical work indicates that there is substantial exploration upside in the Porcupine Basin and we will be bidding for new licences in the 2015 Irish Atlantic Margin licensing round.”

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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.

Chairman’s Statement

Since the last Chairman’s Statement with the Annual Results in October 2014, Europa has been through a period of increased activity, including:

- the drilling of two wells which targeted up to 5 million barrels of gross prospective resources, which resulted in:
  - flow test rates of 710 barrels of oil equivalent per day (‘boepd’) from the Wressle discovery, ahead of an extended well test (‘EWT’) which should commence in Q2 2015, ahead of long term production
  - the indication of working petroleum system in the PEDL181 block evidenced by the Kiln Lane exploration well. Well operations were achieved efficiently, safely, on time and budget;
- the interpretation and evaluation of seismic surveys over our Porcupine Basin licences where we have a 15% interest, resulted in gross prospective resources estimated by the operator, Kosmos, approaching 1.5 billion barrels. Europa’s share of drilling costs being

carried up to US$200m across the two licences. The scale of the prospective resource is highly encouraging and should assist with the planning for drilling activities;

- the farm-out of one of our French licences to the leading onshore operator in the country, Vermillion, providing a carry of exploration costs up to €4.65m in exchange for an 80% interest in the licence;
- the continued evaluation and discussion of acquisition opportunities.

These activities represent the latest stage in our programme to mature and grow our portfolio of prospects and leads and most importantly prove these up via the drill bit. Detailed post-drill analysis from the Wressle and Kiln Lane wells is continuing, and should confirm additional potential in the two licences. In addition to our existing inventory, we have applied for licences in the 14th UK onshore round and are preparing our applications for the forthcoming Irish offshore licencing round. We also continue to evaluate a number of potential acquisition opportunities with a view to ensuring we have a regular stream of activity and news flow, which is capable of increasing Europa's value and share price.

All of this has been against a backdrop of a dramatic drop in oil prices which has seen the price of Brent crude drop from US$94/bbl to the current level of US$58/bbl. The oil price collapse has seen most E&P companies' share prices fall, with some AIM listed E&Ps falling over 50% during this period. Europa's share price has held relatively stable, and our standing amongst the 102 E&P companies on AIM, as determined by market capitalisation, has risen from 64th at the end of September 2014 to 53rd by the end of March 2015.

Hugh has previously indicated that we intend to complete a Competent Persons Report ('CPR') on our licence portfolio and the first part of this, covering our Irish acreage, is expected to be available by the end of May. The exploration success at Wressle and the greater clarity on the risk and value in our Irish prospects will be reflected in the CPR as we continue to mature our portfolio through detailed technical work and the drill bit.

Financials

In the first half of 2015 our production sold for an average realised price of US$78.3/bbl (H1 2014: US$108.3/bbl). Our average production of 144 boepd in the period (H1 2014: 170boepd) was impacted by the loss of approximately 8 bopd production from the WF9 well which at current prices is uneconomic to work over. As a result, our revenue was £1.3 million (H1 2014: £2.1 million). Net cash generated from operations was £0.2 million (H1 2014: £0.6 million). Our cash balance at the end of January 2015 was £3.6 million (31 January 2014: £4.8 million).

The carrying value of each of our producing assets was tested for impairment. Using a reduced forward oil price, there was a £1.1 million impairment of the West Firsby field. There was no impairment at Crosby Warren or Whisby.

Administrative expenses in the period were £612,000 (H1 2014: £371,000) the increase being due to legal costs incurred on the Tarbes farm-out and costs associated with the 14th round and other licensing applications.

Board

In February 2015, Bill Adamson stepped down as Chairman to enable him to concentrate on his work in the voluntary sector. Bill had been Chairman for just under five years, during which time he presided over a period of transition for the Company, including the appointment of Hugh Mackay as Chief Executive. The Board and I would like to thank Bill on behalf of all shareholders for his efforts during this period.

Outlook

Whilst the current oil price presents challenges for all E&P companies, I am confident that Europa has an excellent portfolio of assets and opportunities. With Wressle moving from prospect to discovery and soon onto an extended well test ahead of full production, we are poised to see an increase in production, revenue and cashflow. This should coincide with confirmation of the scale of our Irish prospects and the next steps in their progress towards maturity. With some progress in farming out our French permits and the potential for the award of licences onshore UK and offshore Ireland, I am convinced that the next months will be a very exciting time for Europa and its shareholders.

Finally, I would like to thank the management and operational teams, directors and advisers for their hard work and also our shareholders for their continued support over this six month period.

Colin Bousfield
Chairman
14 April 2015

Operational review

Europa operates exploration, production and appraisal assets across three EU countries: Ireland, France and UK.

Ireland – Porcupine Basin Frontier Exploration Licences (‘FELs’) 2/13 and 3/13 15% (Beckett, Wilde and Doyle)

The primary exploration model for these licences is 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 essentially undrilled and is considered to be analogous to the same play in the equatorial Atlantic Margin province that has delivered the Jubilee and Mahogany oil fields. The Jurassic exploration play remains of interest and we note that on the Canadian side of the North Atlantic conjugate margin Statoil has made three significant oil discoveries in the Flemish Pass basin.

Under the terms of the farm-out in April 2013, Kosmos fully funded the costs of a 3-D seismic acquisition programme over both FELs which was completed in October 2013. Final processed data was delivered in April 2014 and in early December 2014 Kosmos delivered a new prospect inventory. This showed combined gross mean un-risked prospective resources of 1.5 billion barrels of oil (resources by definition are recoverable) across both FEL 2/13 and FEL 3/13. On FEL 3/13, prospects Beckett and Wilde have gross mean prospective resources of 760 million barrels of oil ('mmbo') and 493 mmbo respectively while in FEL 2/13 the Doyle A and Doyle B prospects have gross mean prospective resources of 123 mmbo and 69 mmbo.

The new prospect inventory is based on state of the art 3-D seismic data which made full use of all the latest technical developments in acquiring, imaging and interpreting data in deep-water environments. Desktop technical work on risking and ranking the prospects is currently underway, in particular special seismic analysis is being used to identify direct hydrocarbon indicators, flat spots, conformance and AVO anomalies. This work is expected to be completed later in 2015 and will enable a drill decision to be made. Europa has commissioned a CPR on its two Irish licences and the results will be made available shortly. Kosmos has indicated that a well might be drilled in H2 2016 or 2017.

If a decision is made to drill under the terms of the farm-out, Kosmos will incur 100% of the costs of the first exploration well on each licence up to an agreed cap. 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 cap would be shared between Kosmos (85%) and Europa (15%).

The technical insights that Europa continues to gain from its work in the South Porcupine Basin provides a competitive edge that the directors will seek to exploit in securing new licences in the 2015 Atlantic Margin licensing round that closes in September 2015.

France - Béarn des Gaves 100% (Berenx)

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 500 metre 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'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.

Previous exploration on the concession had focused on the deep gas prospectivity. However, Europa's technical team has undertaken a re-evaluation and interpretation of existing seismic and well data on the permit which resulted in the definition of a shallow gas prospect, Berenx Shallow. The recent discovery of previously missing seismic data by the French authorities, together with a substantial seismic reprocessing project has delivered a re-interpretation of structure and a better understanding of proven hydrocarbon bearing reservoir distribution in the shallow Cretaceous and Late Jurassic carbonate sediments. Europa estimates Berenx Shallow has potential gross mean un-risked resources of 107 bcf of gas.

The Company's strategy for Béarn des Gaves is to first target the shallow gas play, drill a well with the aim of delivering a commercial flow rate and, on the back of commercial success, to further appraise the shallow prospectivity and undertake work to de-risk the Berenx Deep appraisal prospect. The shallow prospect can be tested with a comparatively simple exploration well with an anticipated total depth of 2,500 metres.

On 3 October 2013, the permit was successfully renewed for a period of five years from 22 March 2012 and carries an expenditure commitment of approximately €2.5 million. The farm-out process for Bearn des Gaves is on-going in parallel with planning and permitting for a Berenx shallow well to evaluate the 107 bcf gross mean un-risked contingent resources. A lease has been obtained for the drill site and drilling permit documentation is currently being exchanged with the French authorities. Scoping economics suggests a value of US$11.5 boe and NPV_{10} of US$170 million therefore the Directors believe that exploration success at Berenx Shallow would be company-making for Europa.

France - Tarbes Val d'Adour 20%

Tarbes Val d'Adour Permit ('Tarbes') onshore France is located in the Aquitaine basin onshore France close to the giant Lacq - Meillon gas fields. Tarbes contains several oil accumulations that were previously licensed by Elf but were abandoned in 1985 due to a combination of technical issues and low oil prices. Two fields, Jacque and Osmets, were drilled using vertical wells which generated modest production levels. In February 2015, Europa signed a Farm-Out Agreement ('FOA') for Tarbes with Vermilion REP SAS, a wholly owned subsidiary of Vermilion Energy Inc ('Vermilion') a Calgary, Alberta based international oil and gas producer.

Under the terms of the FOA, Vermilion is to acquire an 80% interest in, and operatorship of, Tarbes in exchange for assuming 100% of the cost of a work programme, which may include seismic acquisition or reprocessing and drilling operations up to a total of €4.65 million. Europa will hold the remaining 20% interest and once costs above €4.65 million are incurred, Europa will be responsible for its 20% share of future work programme costs.

The FOA is subject to the relevant approvals being granted by the French authorities including the transfer of equity and operatorship to Vermilion and also obtaining an extension for the permit. Both these processes are underway.

UK - NE Lincolnshire - PEDL180 33.3% (Wressle)

PEDL180 covers an area of 100km^2 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%).

The Wressle exploration discovery well in PEDL180 was spudded in August 2014 and discovered hydrocarbons in four discrete intervals:

- the Ashover Grit - 80 bopd and 47 thousand cubic feet of gas per day (‘mcfd’) free flow;
- the Wingfield Flags - 182 bopd and 456 mcfd free flow ;
- Zone 3b of the Penistone Flags - 12 bopd and 1,700 mcfd free flow;
- Zone 3a of the Penistone Flags - 77 bopd, swabbed.

A total of 710 boepd was therefore recovered during testing operations. A two month EWT will commence in May 2015 to obtain more detailed and insightful information about reservoir performance. This information will be used to design an optimum Field Development Plan (‘FDP’) and enable a fast track development. Any oil produced by the EWT will be sold. DECC approval of the FDP is also required before long term production operations can take place.

Europa believes there is further exploration and appraisal upside along the Crosby Warren (Europa producing field) to Wressle structural trend and will be working to investigate these opportunities further.

UK - NE Lincolnshire - PEDL181 50% (Kiln Lane)

Europa has a 50% interest in and is the operator of licence PEDL181 in the Humber Basin, 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 540km^2 in a working hydrocarbon system where a number of discoveries have been made along the Brigg-Broughton anticline, including Europa's existing oil production at the Crosby Warren field at the westernmost end of the anticline.

Technical evaluation identified several conventional prospects and leads in PEDL181. Four of these in the southern part of the licence were the focus of a 78 km 2-D seismic acquisition programme that was completed in April 2013. Reprocessing of 150 km^2 of existing 3-D seismic data together with processing of the new data resulted in the identification of the Kiln Lane prospect.

Drilling operations at Kiln Lane-1 commenced on 23 February 2015 and a total depth ('TD') of 2,291 metres was reached on 19 March. Sandstones in the Westphalian and Namurian intervals were penetrated in line with the pre-drill geological model and significant oil and gas shows were observed during drilling operations. Wireline logging and subsequent petrophysical analysis indicated that the sandstones encountered were water wet. The decision was therefore taken to plug and abandon the well and restore the site to agricultural use.

Kiln Lane was the first well to be drilled on this large licence where multiple leads have been identified. The presence of hydrocarbon shows is encouraging and Europa, along with its partners, will conduct a detailed post-drill technical review of all relevant well and seismic data to determine the way forward.

Whilst the results were disappointing Kiln Lane was a fast track exploration well drilled against a very tight timeframe on schedule, on budget and safely. It is a strong demonstration of our operational capability in the evolving UK regulatory environment and we hope to deploy these skills following award of any new licences in the 14th UK onshore licensing round.

UK - Dorking area - PEDL143 40% (Holmwood)

The PEDL143 licence covers an area of 92 km^2 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 conventional Jurassic sandstone reservoir 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 conventional exploration prospects in the UK.

The prospect lies south of Dorking within the Surrey Hills Area of Outstanding Natural Beauty. 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.

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, the Royal Courts of Justice gave judgment in favour of Europa and quashed the Inspector's decision. An appeal was submitted to the Court of Appeal which was subsequently dismissed by the Court on 19 June 2014. As a result, Europa's appeal against Surrey County Council's refusal to grant planning permission to drill one exploratory borehole and undertake a short-term test for conventional hydrocarbons at the Holmwood prospect has been remitted to the Planning Inspectorate for redetermination. This will involve a further planning inquiry.

The planning inquiry for the Holmwood well will be conducted in two parts with the first, for the original application site, taking place in April 2015. As a consequence of changes to the regulatory regime, an application for planning permission for the underground deviated well path is also required. In the event that planning permission for the deviated well path is refused the planning inspector will hear the evidence in the second part of the planning enquiry and make one decision for both the surface site and deviated underground well path. Following the inquiry it is expected that the planning inspector's decision should be announced in H2 2015. A successful outcome would result in drilling the Holmwood exploration well, with 2016/17 being the most realistic timing for this activity.

An exciting new play has recently been reported by UK Oil & Gas Investments PLC in the adjacent PEDL137 following analysis of the Horse Hill-1 exploration well drilled in 2014. In an RNS dated 9 April 2015 a new play identified by the Horse Hill-1 well is reported; the "Jurassic hybrid play". Given the immediate proximity of our 35 square mile PEDL143 the potential for this new play to extend into our licence will be evaluated. Our focus remains on obtaining a favourable outcome at the planning inquiry and drilling the conventional oil exploration well at Holmwood.

UK – Production (West Firsby 100%; Crosby Warren 100%; Whisby W4 well 65%)
Europa produces hydrocarbons from six wells across three fields: Crosby Warren (100% interest); Whisby (65% interest); and West Firsby (100% interest). The three UK fields produced an average of 144 boepd during the six month period under review and full year production is on course to meet expectations of 144 boepd.

Conclusion

The first half of the year saw a number of key milestones achieved, including the drilling of the Wressle well, licence applications in the 14th UK onshore licensing round and the delivery of a prospect inventory for offshore Ireland from Kosmos Energy, showing gross prospective resources of up to 1.5 billion barrels. Technical work by Europa has provided strong encouragement to participate in the 2015 Irish Atlantic Margin licensing round. The second half has carried on where the first left off: Wressle has been declared an oil and gas discovery after hydrocarbons flowed from four discreet payzones in testing operations; the Tarbes licence onshore France has been farmed out which, once the relevant approvals are in place, will allow operations to commence; and the drilling of the Kiln Lane well on the previously undrilled PEDL181 licence which, while not a discovery, encountered encouraging oil shows and we feel there is further upside in our NE Lincolnshire licences. This is an exciting period for Europa, as management focuses on monetising the underlying value of the Company's asset base and in the process generate significant value for shareholders.

Hugh Mackay
CEO
14 April 2015

Licence Interests Table

Country	Area	Licence	Field/ Prospect	Operator	Equity	Status
UK	East Midlands	DL003	West Firsby	Europa	100%	Production
		DL001	Crosby Warren	Europa	100%	Production
		PL199/215	Whisby-4	BPEL	65%	Production
		PEDL180	Wressle	Egdon	33%	Exploration
		PEDL181	Kiln Lane	Europa	50%	Exploration
		PEDL182	Broughton	Egdon	33%	Exploration
	Weald	PEDL143	Holmwood	Europa	40%	Exploration
Ireland	Porcupine	FEL 2/13	Doyle	Kosmos	15%	Exploration
		FEL 3/13	Beckett, Wilde Shaw (lead)	Kosmos	15%	Exploration
France	Aquitaine	Béarn des Gaves	Berenx Deep	Europa	100%	Exploration/Appraisal
		Béarn des Gaves	Berenx Shallow	Europa	100%	Exploration/Appraisal
		Tarbes val d'Adour		Vermilion	20%	Exploration/Appraisal

Financials

Unaudited consolidated statement of comprehensive income

	6 months to 31 January 2015	6 months to 31 January 2014 (restated)	Year to 31 July 2014 (audited)
	£000	£000	£000
Revenue	**1,285**	2,060	3,878
Other cost of sales	***(944)***	*(1,100)*	*(2,301)*
Impairment of producing fields	***(1,100)***	-	*(1,203)*
Total cost of sales	**(2,044)**	(1,100)	(3,504)
Gross (loss)/profit	**(759)**	960	374
Administrative expenses	**(612)**	(371)	(832)
Finance income	**62**	7	20
Finance expense	**(105)**	(120)	(244)
(Loss)/profit before taxation	**(1,414)**	476	(682)
Taxation credit/(charge)	**587**	(231)	314
(Loss)/profit for the period from continuing operations	**(827)**	245	(368)
Discontinued operations			
Profit for the period from discontinued operations	**-**	386	933
(Loss)/profit for the period attributed to the equity holders of the parent	**(827)**	631	565
Other comprehensive income			
Recycling of foreign currency translation of foreign operations	-	(417)	(417)
Total comprehensive (loss)/profit for the period	(827)	214	148

	Pence per share	Pence per share	Pence per share
(Loss)/Earnings per share (LPS/EPS) attributable to the equity shareholders of the parent			
Basic and diluted (LPS)/EPS from continuing operations	**(0.40)p**	0.17	(0.21)p
Basic and diluted (LPS)/EPS from discontinued operations	**-**	0.27	0.53p
Basic and diluted (LPS)/EPS from continuing and discontinued operations	**(0.40)p**	0.44	0.32p

Unaudited consolidated statement of financial position

	31 January 2015	31 January 2014 (restated)	31 July 2014 (audited)
	£000	£000	£000
Assets			
Non-current assets			
Intangible assets	**4,516**	2,594	3,553
Property, plant and equipment	**1,795**	4,134	3,046
Deferred tax asset	**475**	-	-
Total non-current assets	**6,786**	6,728	6,599
Current assets			
Inventories	**38**	43	32
Trade and other receivables	**684**	665	456
Cash and cash equivalents	**3,569**	4,816	4,501
	4,291	5,524	4,989
Other current assets			
Assets classified as held for sale	**-**	338	-
Total assets	**11,077**	12,590	11,588
Liabilities			
Current liabilities			
Trade and other payables	**(1,299)**	(1,003)	(970)
Current tax liability	**(220)**	(871)	(220)
Derivative	**(40)**	(41)	(35)
Short-term borrowings	**(23)**	(197)	(22)
Short-term provisions	**-**	(21)	(4)
Total current liabilities	**(1,582)**	(2,133)	(1,251)
Non-current liabilities			
Long-term borrowings	**(152)**	-	(164)
Deferred tax liabilities	**(2,259)**	(2,799)	(2,371)
Long-term provisions	**(2,054)**	(1,764)	(1,959)
Total non-current liabilities	**(4,465)**	(4,563)	(4,494)
Total liabilities	**(6,047)**	(6,696)	(5,745)
Net assets	**5,030**	5,894	5,843
Capital and reserves attributable to equity holders of the parent			
Share capital	**2,049**	2,049	2,049
Share premium	**14,080**	14,080	14,080
Merger reserve	**2,868**	2,868	2,868
Retained deficit	**(13,967)**	(13,103)	(13,154)
Total equity	**5,030**	5,894	5,843

Unaudited consolidated statement of changes in equity

	Share capital £000	Share premium £000	Merger reserve £000	Foreign exchange reserve £000	Retained deficit £000	Total equity £000
Unaudited - restated						
Balance at 1 August 2013	**1,379**	**13,160**	**2,868**	**417**	**(15,921)**	**1,903**
Profit for the period attributable to the equity shareholders of the parent	-	-	-	-	631	631
Other comprehensive loss for the period	-	-	-	(417)	-	(417)
Share based payments	-	-	-	-	67	67
Issue of share capital net of issue costs	670	920	-	-	2,120	3,710
Balance at 31 January 2014	**2,049**	**14,080**	**2,868**	**-**	**(13,103)**	**5,894**
Audited						
Balance at 1 August 2013	**1,379**	**13,160**	**2,868**	**417**	**(15,921)**	**1,903**
Profit for the year attributable to the equity shareholders of the parent	-	-	-	-	565	565
Other comprehensive loss for the period	-	-	-	(417)	-	(417)
Share based payments	-	-	-	-	82	82
Issue of share capital net of issue costs	670	920	-	-	2,120	3,710
Balance at 31 July 2014	**2,049**	**14,080**	**2,868**	**-**	**(13,154)**	**5,843**
Unaudited						
Balance at 1 August 2014	**2,049**	**14,080**	**2,868**	**-**	**(13,154)**	**5,843**
Total comprehensive loss for the period	-	-	-	-	(827)	(827)
Share based payments	-	-	-	-	14	14
Balance at 31 January 2015	**2,049**	**14,080**	**2,868**	**-**	**(13,967)**	**5,030**

Unaudited consolidated statement of cash flows

	6 months to 31 January 2015	6 months to 31 January 2014 (restated)	Year to 31 July 2014 (audited)
	£000	£000	£000
Cash flows from operating activities			
(Loss)/profit after taxation	**(827)**	245	(368)
Adjustments for:			
Share based payments	**14**	67	82
Depreciation	**156**	251	475
Impairment of property, plant & equipment	**1,100**	-	1,203
Finance income	**(62)**	(7)	(20)
Finance expense	**105**	120	244
Taxation (credit)/expense	**(587)**	231	(314)
(Increase)/decrease in trade and other receivables	**(46)**	(43)	184
(Increase) / decrease in inventories	**(6)**	(10)	1
Increase/(decrease) in trade and other payables	**360**	(249)	(60)
Cash generated from continuing operations	**207**	605	1,427
Profit after taxation from discontinued operations	**-**	386	933
Adjustment for:	**-**		
Profit on disposal		(411)	(1,034)
Cash used in discontinued operations	**-**	(25)	(101)
Income tax payment	**-**	-	(537)
Net cash from operating activities	**207**	580	789
Cash flows used in investing activities			
Purchase of property, plant & equipment	**(1)**	(2)	(3)
Purchase of intangibles	**(1,184)**	(170)	(514)
Receipt for licence back costs in connection with farm-in	**-**	300	300
Expenditure on well decommissioning	**-**	(344)	(363)
Interest received	**5**	-	6
Net cash used in investing activities	**(1,180)**	(216)	(574)
Cash flows from financing activities			
Proceeds from issue of share capital (net of issue costs)	**-**	3,710	3,710
Decrease in payables related to share issue costs	**-**	120	-
Repayment of borrowings	**(11)**	(11)	(22)
Finance costs	**(18)**	(8)	(25)
Net cash (used in)/ from financing activities	**(29)**	3,811	3,663
Net (decrease)/increase in cash and cash equivalents	**(1,002)**	4,175	3,878
Exchange gain/(loss) on cash and cash equivalents	**70**	(31)	(49)
Cash and cash equivalents at beginning of period	**4,501**	672	672
Cash and cash equivalents at end of period	**3,569**	4,816	4,501

Notes to the consolidated interim statement

1 Nature of operations and general information

Europa Oil & Gas (Holdings) plc ("Europa Oil & Gas") and subsidiaries' ("the Group") principal activities consist of investment in oil and gas exploration, development and production.

Europa Oil & Gas is the Group's ultimate parent Company. It is incorporated and domiciled in England and Wales. The address of Europa Oil & Gas's registered office head office is 6 Porter Street, London W1U 6DD. Europa Oil & Gas's shares are listed on the London Stock Exchange AIM market.

The Group's consolidated interim financial information is presented in Pounds Sterling (£), which is also the functional currency of the parent Company.

The consolidated interim financial information has been approved for issue by the Board of Directors on 14 April 2015.

The consolidated interim financial information for the period 1 August 2014 to 31 January 2015 is unaudited. In the opinion of the Directors the condensed interim financial information for the period presents fairly the financial position, and results from operations and cash flows for the period in conformity with the generally accepted accounting principles consistently applied. The condensed interim financial information incorporates unaudited comparative figures for the interim period 1 August 2013 to 31 January 2014 and the audited financial year to 31 July 2014.

The financial information contained in this interim report does not constitute statutory accounts as defined by section 435 of the Companies Act 2006. The report should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 July 2014.

The comparatives for the full year ended 31 July 2014 are not the Company's full statutory accounts for that year. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain a statement under section 498 (2) – (3) of the Companies Act 2006.

The information has been prepared on the going concern basis.

2 Summary of significant accounting policies

The condensed interim financial information has been prepared using policies based on International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board ("IASB") as adopted for use in the EU. The condensed interim financial information has been prepared using the accounting policies which will be applied in the Group's statutory financial information for the year ended 31 July 2015.

This results in the adoption of various standards and interpretations, none of which have had a material impact on the interim report or are expected to have a material impact on the financial statements for the full year.

3 Share capital

The table below shows all shares issued since 31 July 2013.

Date	Shares issued	Price	£000 raised net of commission and costs	Total shares in issue
10 January 2014 - Placing	47,694,665	6p	2,597	185,550,169
21 January 2014 - Open Offer	19,332,855	6p	1,113	204,883,024
31 January 2015				204,883,024

All the authorised and allotted shares are of the same class and rank pari passu.

Merger relief is available on the Placing shares under section 612(1) of the Companies Act 2006, and premium has therefore been recognised within retained deficit rather than share premium.

4 Loss / earnings per share (LPS/EPS)

Basic LPS has been calculated on the loss after taxation divided by the weighted average number of shares in issue during the period. Diluted LPS uses an average number of shares adjusted to allow for the issue of shares, on the assumed conversion of all in-the-money options.

The Company's average share price for the period was 7.35p (H1 2014: 8.51p) which was above the exercise price of 1,391,626 of the 14,016,626 outstanding share options (H1 2014: which was above the exercise price of 1,391,626 of the 13,076,626 outstanding share options).

The calculation of the basic and diluted (loss)/ earning per share is based on the following:

	6 months to 31 January 2015	6 months to 31 January 2014	Year to 31 July 2014 (audited)
	£000	£000	£000
Profits / losses			
(Loss)/profit after tax from continuing operations	**(827)**	245	(368)
Profit/(loss) for the year from discontinued operations	**-**	386	933
Profit/(loss) for the period attributable to the equity shareholders of the parent	**(827)**	631	565
Number of shares			
Weighted average number of ordinary shares for the purposes of basic EPS/LPS	**204,883,024**	144,713,895	174,551,189

Weighted average number of ordinary shares for the purposes of diluted EPS/LPS	**205,196,140**	145,296,059	174,551,189

5 Taxation

Consistent with the year-end treatment, current and deferred tax assets and liabilities have been calculated at tax rates which were expected to apply to their respective period of realisation at the period end.

6 Post reporting date

- Farm-out of Tarbes Val d'Adour permit in France to Vermilion Energy
- Oil and gas production from four intervals tested at the Wressle discovery in PEDL180, Lincolnshire
- The Kiln Lane exploration well in PEDL181, Lincolnshire was drilled and abandoned; whilst not a discovery, oil shows indicate a working petroleum system in the licence
- A new Jurassic hybrid play recently reported in PEDL137 in the Weald Basin next to Europa's 40% owned PEDL143
- Retirement of Bill Adamson from the Board and appointment of Colin Bousfield as Chairman