

**Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')**  
**Farm-Out of Holmwood, Weald Basin**

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 signed a Farm-Out Agreement ('FOA') in relation to its 40% interest in the PEDL143 licence in the Weald Basin with Union Jack Oil and Gas plc ('UJO'). PEDL143 contains the conventional Holmwood prospect ('Holmwood') which has estimated gross mean unrisks prospective resources of 5.6 mmbo in Portlandian and Corallian sandstones and a P90 – P10 range of resources of 1 to 11 mmbo. Planning permission is in place for a deviated exploration well to be drilled at Holmwood and drilling operations are anticipated to commence in late 2016 / H1 2017.

- Under the terms of the FOA:
  - UJO will acquire a 7.5% working interest in PEDL143 from Europa
  - UJO will pay 15%, and Europa 25% of the costs to drill an exploration well at Holmwood up to a gross well cost of £3.2 million
  - For gross well costs above the £3.2 million cap, UJO will pay 7.5% and Europa 32.5%
  - In the event of a discovery of petroleum on the licence UJO has agreed to make a deferred payment to Europa of £159,375 covering back costs plus a 25% uplift
- PEDL143 is located in an area of the Weald Basin where 14 oil and gas fields have been found, resulting in the discovery of an estimated 50 million barrels of oil of which 30 million barrels have been produced to date
  - Holmwood is 5km to the south of the Brockham oil field discovered by BP in 1987 and now operated by Angus Energy and produces oil from Portlandian sandstone reservoirs
  - Holmwood lies 12km to the west of the Horse Hill-1 well in PEDL137 where UK Oil & Gas Investments PLC ('UKOG') has reported production at a combined average stable rate of over 1,688 bopd from Upper and Lower Kimmeridge Limestone reservoirs and Upper Portland sandstone reservoir during flow tests
- Holmwood well will penetrate similar stratigraphy to Horse Hill and will target oil in Upper and Lower Kimmeridge Limestones in addition to Corallian and Portlandian sandstones – prospective resources at Holmwood do not include any estimate for Jurassic limestones found to be producing in Horse Hill
- Fulfilment of planning conditions and detailed planning and environmental permitting for the well are all underway

- Subject to approval of the farm-out from the Oil & Gas Authority, Europa will retain a 32.5% interest in and operatorship of PEDL143 alongside Egdon Resources (18.4%), Altwood Petroleum (1.6%), Warwick Energy (10%), UKOG (30%), and UJO (7.5%)

Europa CEO Hugh Mackay said, “The farm-out of an interest in Holmwood is in line with our strategy to advance our multistage portfolio of licences while at the same time managing risk. We rate Holmwood as one of the best undrilled conventional prospects in the UK: gross mean unrisks prospective resources of 5.6 mmbo; the presence of multiple payzones; and located in a prolific hydrocarbon producing region close to the Brockham oil field and Horse Hill discovery. We are keen to get the drillbit moving and are working hard to be in a position to commence drilling operations in late 2016 / H1 2017.

“Success at UK onshore prospects such as Holmwood should have a transformational impact on the revenue profile of oil and gas companies such as Europa. We expect to demonstrate this through our Wressle discovery in East Lincolnshire, which is expected to more than double our net production when it comes on stream, targeted in late 2016. Wressle, combined with tentative signs of at least a stabilisation in the price of oil, will provide Europa with a strong cash flow generative platform which we intend to put to good use to monetise our growing asset base of licences, and in the process generate value for our shareholders.”

**\*\* 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 |
| Simon Hicks     | finnCap Ltd            | + 44 (0) 20 7220 0500 |
| Frank Buhagiar  | St Brides Partners Ltd | + 44 (0) 20 7236 1177 |
| Susie Geliher   | St Brides Partners 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. In 2015 Europa produced 141 boepd. Its highly prospective exploration projects include the Wressle development (targeting production startup later in 2016 at up to 500 bopd gross) in the UK; 100% owned gas exploration prospect (107 bcf) and appraisal project (CPR 277 bcf) in onshore France, a joint venture with Vermillion Energy also in onshore France; and three

licences offshore Ireland with the potential to host gross mean un-risked Prospective Resources of approximately 3 billion barrels across the three licences.

**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.

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