

Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')
Technical Update on Licensing Option 16/22, Offshore Ireland

Europa Oil & Gas (Holdings) plc, the AIM listed oil and gas exploration, development and production company focused on Europe, is pleased to provide detailed technical information on the recently awarded Licensing Option ('LO') 16/22. Europa has a 100% interest in, and is operator of, seven licences in the Atlantic basins offshore Ireland including LO 16/22, which covers 992km² in the Padraig Basin.

Highlights

- Gross mean un-risked indicative resources in the range of 300-600 million barrels of oil equivalent
- Padraig Basin is a remnant Jurassic basin on the eastern margin of the Rockall Trough
- Most relevant analogue is the conjugate margin play offshore Newfoundland in the Flemish Pass Basin
- Good quality 1998 2-D seismic suggests structures of significant size
- Multiple leads mapped in water depths ranging from 800-2,000m in both Pre-rift and Syn-rift hydrocarbon plays
- Strategy to expedite exploration by securing a farm-in partner with which to reprocess historic 2-D seismic over LO 16/22 and to mature leads to drillable prospect status

Europa CEO Hugh Mackay said, "Following Statoil's exploration success at the play-opening Bay du Nord oil discovery in the Flemish Pass basin offshore Newfoundland there is considerable industry interest in Flemish Pass analogues being found offshore west Ireland. Whilst most of the industry is currently focused on exploring for this play in the South Porcupine basin our restoration of the conjugate margin prior to Atlantic seafloor spreading suggests the possibility that the Padraig basin may be a better fit with the Flemish Pass basin.

"The potential of the Flemish Pass play in Ireland is currently being pioneered in the South Porcupine basin by the oil majors. If they achieve exploration success we expect there will be clear technical read across to, and potentially de-risking of, our Padraig licence and in due course this might encourage a second phase of drilling in the perched basins on the Rockall margin. Whilst the Padraig Basin play is currently at an early exploration stage and at the higher risk end of the exploration spectrum, we have a work programme to de-risk this evolving play. In particular we are hopeful that successful reprocessing of historic 2-D seismic might allow us to mature existing leads to drillable prospect status at comparatively low cost and without the necessity to acquire new seismic data."

A map can be found on Europa's website detailing the location of all seven of Europa's offshore Ireland licences. Please click on the link below or copy and paste this into your browser: http://www.europaoil.com/documents/160607EuropaIrishLicences_002.pdf.

An updated concession map can be found on the Department of Communications, Climate Action and Environment (DCCAE) website at: http://www.dccae.gov.ie/natural-resources/SiteCollectionDocuments/Oil-and-Gas-Exploration-and-Production/A0_Concession_Map_Jul2016.pdf.

Further Information

LO 16/22 was awarded to Europa as part of Phase 2 of the 2015 Atlantic Margin Licensing Round (see announcements of 3 June and 8 June 2016).

The duration of LO 16/22 is three years, effective from 1 June 2016. Following the completion of a work programme, Europa has the option to apply to the Irish authorities for their consent to convert the LO into a full Frontier Exploration Licence ('FEL').

During the period of the Licensing Option Europa will further mature the prospect inventory and will seek a farm-in partner with which to convert to an FEL, reprocess a 2-D seismic survey and in due course drill an exploration well (subject to a positive technical and commercial outcome from the 2-D seismic reprocessing, prospect mapping and prospect inventory).

The licence lies on the eastern margin of the Rockall basin. It contains a number of exploration leads in water depths of 800-2,000m. The licence is some 300km west of the Irish coast and some 150km to the west of the Spanish Point and Burren discoveries. Whilst the location offers some logistical challenges these are considered no more difficult than the western flank of the South Porcupine basin where substantial exploration activity is already taking place.

The Pre-rift oil play comprises Lower and Middle Jurassic sandstone reservoirs in large tilted fault block structures with Jurassic source rocks. It is also possible that the Triassic gas play could be developed, however, oil would be the preferred hydrocarbon type in this location.

The Syn-rift play comprises Upper Jurassic source rocks that provide the pre-eminent source rock around the North Atlantic hydrocarbon province commonly charging both Pre-rift reservoirs and Upper Jurassic shallow marine, fan, and slope apron sandstone reservoirs. Traps are tilted fault blocks.

There are a number of relevant historic 2-D seismic surveys available over the licence. The most important data set was shot for Phillips Petroleum in 1998. These data are of good

intrinsic quality and would, the Company believes, respond well to modern reprocessing. It is hoped that a successful outcome to seismic reprocessing of the 2-D data could mature leads to drillable prospect status without the necessity for acquisition of new seismic data.

In due course Europa will seek a farm-in partner with which to reprocess seismic, mature leads to drillable prospect status and, if justified, drill a Padraig basin exploration well. The immediate priority is to farm-out Europa's South Porcupine licences FELs 2/13 and 3/13 and LOs 16/2 and 16/19.

Flemish Pass Basin

The Flemish Pass basin is located in the Atlantic Ocean some 400km east of St John's in Newfoundland, Canada. It is adjacent to the Jeanne d'Arc basin which hosts oil production from the Hibernia, White Rose and Hebron fields in shallow water depths. Water depths in the Flemish Pass basin range from 500-1,500m and environmental conditions are considered harsh. The Flemish Pass play comprises Syn-rift Jurassic sandstone reservoirs in structural traps with closely associated contemporaneous source rocks.

Whilst exploration drilling has been conducted in the basin since the 1980s it was not until Statoil's Bay du Nord oil discovery in 2013 that exploration activity substantially increased. In 2013 Bay du Nord was reported as potentially holding resources of 300-600 million barrels of oil equivalent and was considered to be the largest exploration discovery in the world that year.

This exploration success stimulated further exploration activity. Statoil undertook a nine well drilling campaign including exploration and appraisal drilling. Two new discoveries were made at Bay du Verde and Baccalieu and it was reported that the volumes at Bay du Nord were within the original volume estimate of 300-600 million boe but potentially toward the lower end of the range. During 2015 new exploration licences were awarded to mostly major and super-majors including Statoil, Exxon, Chevron, BP, BG and Nexen. Work programmes to the value of C\$1.9 billion were committed to and including cash payments of C\$450 million. Some of these companies have also recently been awarded licences in the South Porcupine Basin in Ireland and it seems reasonable to assume that their technical insights from Flemish Pass may have influenced their applications in Ireland.

Prior to seafloor spreading and the creation of the North Atlantic, Ireland and Canada were joined together and formed part of the same conjugate margin. As the North Atlantic began to spread open, various sedimentary basins were created and into which were deposited sandstones reservoirs and mudstone source rocks. In some of the basins such as Flemish Pass the combination of reservoir, source and trap has been found by exploration drilling in the right circumstances to deliver potentially commercial hydrocarbon discoveries. In other basins such as the South Porcupine whilst the "ingredients" of reservoir, trap and source are

known to exist individually the lack of exploration drilling means that they have not yet been found combined in a potentially commercial discovery, were these to exist.

Atlantic basin portfolio

Europa has seven licences in three basins in the Atlantic basins offshore Ireland. The combined gross mean un-risked prospective and indicative resources of more than 4 billion boe and 1.5 TCF gas.

					gross mean un-risked prospective and indicative resources	
Licence	Europa equity	area km²	Basin	Term	Oil million boe	Gas TCF
FEL 2/13	100% operator	768	South Porcupine	Phase 1 of 15 yr	595	
FEL 3/13	100% operator	782	South Porcupine	Phase 1 of 15 yr	1,500	
LO 16/2	100% operator	523	South Porcupine	2 yr	895	
LO 16/19	100% operator	976	South Porcupine	2 yr	700	
LO 16/20	100% operator	945	Slyne Basin	3 yr		1
LO 16/21	100% operator	832	Slyne Basin	3 yr		0.5
LO 16/22	100% operator	992	Padraig	3 yr	500	
	total	5,818			4,190	1.5

**** ENDS ****

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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. In 2015 Europa produced 141 boepd. Its highly prospective exploration projects include the Wressle development (targeting production start-up in H2 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 Vermilion Energy also in onshore France; and seven licences offshore Ireland with the potential to host gross mean un-risked prospective and indicative resources of more than 4 billion barrels oil equivalent and 1.5 tcf gas across all seven 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.