

**Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')  
Sale of Interest in Wressle Discovery**

Europa Oil & Gas (Holdings) plc, the AIM traded oil and gas exploration, development and production company focused on Europe, is pleased to announce it has signed a Sale and Purchase Agreement ('SPA') in relation to its 33.34% interest in PEDL180 and PEDL182 ('the Licences') in North Lincolnshire with Union Jack Oil plc ('UJO'). The Licences cover the Wressle discovery (PEDL180) and the Broughton North prospect (PEDL182).

- Under the terms of the SPA, UJO will acquire a 3.34% working interest in the Licences from Europa for a cash consideration of £600,000
- The transaction implies a £5.4 million mark to market for Europa's remaining 30% interest in the Licences
- Wressle is anticipated to commence production at a gross rate of 500 bopd in early 2017
- Europa's anticipated net share of 150 bopd from Wressle is expected to more than double existing production from the West Firsby and Crosby Warren fields and Whisby-4 well
- Summary details of a Competent Persons Report compiled by ERC Equipoise Limited ('ERCE') were published by Europa and its partners in respect of Wressle and the Broughton North Prospect on 26 September 2016
- Subject to approval of the assignment of interest from the Oil & Gas Authority, Europa will retain a 30.00% interest in the Licences alongside Egdon Resources UK Limited (25.00%), Celtique Energie Petroleum Limited (33.33%) and Union Jack Oil plc (11.67%)

Europa CEO Hugh Mackay said, "We consider this transaction to represent a sensible monetisation of part of the asset now it has been largely de-risked, whilst still retaining sizeable exposure to production and upside on the other reservoirs. Importantly, this transaction provides investors with a point of reference for the value of our remaining 30% interest in the Licences. At £5.4 million our 30% interest in these two licences accounts for almost half our current market capitalisation.

"PEDL180 and 182 are just two of a portfolio of licences we hold. These include three UK onshore fields which in H1 produced 124 boepd net to Europa; PEDL143 containing the Holmwood prospect in the Weald Basin, which we rate as the best undrilled conventional prospect onshore UK; and seven licences offshore Ireland which we estimate to have gross mean un-risked prospective and indicative resources of more than 4 billion barrels of oil equivalent and 1.5 tcf of gas. The funds released will be used to fund our share of drilling

the Holmwood exploration well in PEDL143, which we anticipate drilling in 2017 subject to obtaining the relevant permits and permissions. In the meantime, we continue with our strategy to advance and monetise our multistage portfolio of licences, and in the process generate value for our shareholders.”

Europa’s net interests following this transaction are tabulated below:

**Table summarising gross volumes at Wressle and Broughton North along with net volumes attributed to Europa’s interests before and after transaction**

|                                     | Gross Volumes |          |                    | Net Volumes attributable to Europa before transaction |          |                    |
|-------------------------------------|---------------|----------|--------------------|---|----------|--------------------|
|                                     | Oil MMstb     | Gas Bscf | Oil and Gas* MMboe | Oil MMstb   | Gas Bscf | Oil and Gas* MMboe |
|                                     |               |          |                    |   |          |                    |
| <b>Wressle</b>                      |               |          |                    |   |          |                    |
| 2P Ashover Grit and Wingfield Flags | 0.62          | 0.20     | 0.65               | 0.21  | 0.07     | 0.22               |
| 2C Penistone Flags                  | 1.53          | 2.00     | 1.86               | 0.51  | 0.67     | 0.62               |
| <b>Broughton North</b>              |               |          |                    |   |          |                    |
| Mean Unrisked Prospective Resources | 0.51          | 0.51     | 0.60               | 0.17  | 0.17     | 0.20               |

|  | Gross Volumes |          |                    | Net Volumes attributable to Europa after transaction |          |                    |
|--|---------------|----------|--------------------|--|----------|--------------------|
|  | Oil MMstb     | Gas Bscf | Oil and Gas* MMboe | Oil MMstb  | Gas Bscf | Oil and Gas* MMboe |
|  |               |          |                    |  |          |                    |
|  |               |          |                    |  |          |                    |

|                                     |      |      |      |      |      |      |
|-------------------------------------|------|------|------|------|------|------|
| <b>Wressle</b>                      |      |      |      |      |      |      |
| 2P Ashover Grit and Wingfield Flags | 0.62 | 0.20 | 0.65 | 0.19 | 0.06 | 0.20 |
| 2C Penistone Flags                  | 1.53 | 2.00 | 1.86 | 0.46 | 0.60 | 0.56 |
| <b>Broughton North</b>              |      |      |      |      |      |      |
| Mean Unrisked Resources             | 0.51 | 0.51 | 0.60 | 0.15 | 0.15 | 0.18 |

\*Gas converted to oil equivalent using 6 Bscf/MMboe conversion and added to oil volume

## Glossary:

Some of the terms used in this announcement are defined below. A more exhaustive glossary is contained in ERCE's letter to Europa's Board of Directors summarising the findings of their CPR has been published on the Company's website ([www.europaoil.com](http://www.europaoil.com)).

### Proved Reserves

Proved Reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations.

If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. The area of the reservoir considered as Proved includes:

- the area delineated by drilling and defined by fluid contacts, if any, and
- adjacent undrilled portions of the reservoir that can reasonably be judged as continuous with it and commercially productive on the basis of available geoscience and engineering data

In the absence of data on fluid contacts, Proved quantities in a reservoir are limited by the lowest known hydrocarbon (LKH) as seen in a well penetration unless otherwise indicated by definitive geoscience, engineering, or performance data. Such definitive information may include pressure gradient analysis and seismic indicators. Seismic data alone may not be sufficient to define fluid contacts for Proved Reserves (see "2001 Supplemental Guidelines," Chapter 8). Reserves in undeveloped locations may be classified as Proved provided that the locations are in undrilled areas of the reservoir that can

be judged with reasonable certainty to be commercially productive and interpretations of available geoscience and engineering data indicate with reasonable certainty that the objective formation is laterally continuous with drilled Proved locations. For Proved Reserves, the recovery efficiency applied to these reservoirs should be defined based on a range of possibilities supported by analogues and sound engineering judgment considering the characteristics of the Proved area and the applied development programme.

## **2P**

Proved + Probable, a best estimate category of Reserves.

### **Contingent Resources**

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies.

Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

## **2C**

A best estimate category of Contingent Resources.

### **Prospective Resources**

Prospective Resources are those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations. Potential accumulations are evaluated according to their chance of discovery and, assuming a discovery, the estimated quantities that would be recoverable under defined development projects. It is recognized that the development programs will be of significantly less detail and depend more heavily on analog developments in the earlier phases of exploration.

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

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

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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 H1 2016 Europa produced 124 boepd. Its highly prospective exploration projects include the Wressle development (targeting production start-up in early 2017 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.