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')
Completion of 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 that its proposed sale of a 3.34% working interest in PEDLs 180 and 182 ('the Licences') in North Lincolnshire to Union Jack Oil plc ('UJO') for a cash consideration of £600,000 ('the Transaction') has been approved by the Oil and Gas Authority ('OGA'). The Licences cover the Wressle discovery ('PEDL180') and the Broughton North prospect ('PEDL182').

Following OGA approval of the Transaction, Europa retains a 30.00% interest in the Licences alongside Egdon Resources UK Limited (25.00%), Celtique Energie Petroleum Limited (33.33%) and UJO (11.67%). Based on the terms of the Transaction, Europa's 30.00% interest in the Licences has an implied mark to market valuation of £5.4 million.

The £600,000 cash consideration, which has been received by the Company, will help fund Europa's share of the costs associated with bringing the Wressle discovery into production in early 2017, expected to be at a gross rate of 500 bopd. At this level, Europa's anticipated net share of 150 bopd will more than double the Company's existing production.

A table summarising gross volumes at Wressle and Broughton North provided by ERC Equipoise Limited ('ERCE') in a Competent Persons Report, along with net volumes attributable to Europa's post Transaction interests, can be found at the end of this announcement.

Europa CEO Hugh Mackay said, "With a mark to market valuation of £5.4 million implied by this Transaction, the value of our remaining 30% interest in PEDLs 180 and 182 accounts for half our current market capitalisation.

"We also hold within our portfolio: seven exploration licences offshore Ireland, which have 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; three producing fields onshore UK, which in the last year produced 123 boepd net to Europa; and a number of exploration projects onshore UK including Holmwood in PEDL143 in the Weald Basin, which we rate as one of the best undrilled conventional prospects onshore UK. We continue to actively manage our portfolio and will not hesitate to act when opportunities to add shareholder value arise."

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		
	Oil MMstb	Gas Bscf	Oil and Gas* MMboe	Oil MMstb	Gas Bscf	Oil and Gas* MMboe
Wressle						
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
Broughton North						
Mean Unrisked Prospective 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).

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.

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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 2016 Europa produced 123 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 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.