

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')
US\$6 million Farm-Out of Offshore Ireland Licence to Cairn Energy

Europa Oil & Gas (Holdings) plc, UK and Ireland focussed exploration, development and production company, is pleased to announce that it has signed a Farm-Out Agreement ('FOA') with a wholly owned subsidiary of leading operator Cairn Energy PLC Group (LSE: CNE) in relation to a 70% interest in and operatorship of Licensing Option 16/19 ('LO 16/19' or the 'Licence'). Europa will retain a 30% interest in the Licence, which is located on the Western flank of the South Porcupine Basin, offshore Ireland. Click on the link to view a map <http://www.europaoil.com/OperationsIreland.aspx>

The FOA, which is subject to Irish Government approval, has been signed with Capricorn Ireland Limited ('Capricorn'), a fully owned entity of Capricorn Energy Limited which is a wholly owned subsidiary of Cairn Energy PLC.

Europa to be fully carried on US\$6million work programme

- Capricorn to fund a US\$6 million work programme, which includes the acquisition, processing, and interpretation of 3D seismic, to acquire a 70% interest in and operatorship of LO 16/19
- 3D seismic to be acquired in 2017 and processed product will be delivered in 2018
 - Future exploration will be based on the results of detailed prospect mapping work
- Europa will fund its 30% interest in LO 16/19 on completion of the fully carried work programme

Existing data indicates presence of Cretaceous submarine fans on LO 16/19

- Europa previously provided a technical update on LO 16/19 on 18 July 2016 http://www.europaoil.com/documents/160718LO16_19technicalupdate.pdf
- LO 16/19 is covered by a sparse grid of 2D seismic and whilst detailed prospect mapping is not possible, Europa's proprietary 3D in its adjacent Frontier Exploration Licence ('FEL') 2/13 is interpreted to contain Cretaceous submarine channels feeding submarine fans in LO 16/19
- The Directors believe that LO 16/19 holds Cretaceous fans similar to those developed in Europa's 100% owned FEL 3/13 where three prospects have been identified with combined gross mean un-risked prospective resources of 1.5 billion barrels of oil equivalent

- Europa will apply its considerable experience in mapping Cretaceous fans on 3D seismic in the Porcupine to the new 3D to be acquired over LO 16/19

Further farm-outs are being targeted of Europa’s leading licence position offshore Ireland

- Europa has seven offshore Ireland licences covering 5,818 sq km, six play types, three basins, and twenty prospects and leads which potentially hold gross mean unrisks resources of more than 4 billion barrels of oil equivalent and 1.5 TCF of gas (Europa estimates)
- The FOA, which is the first by any company in Atlantic Ireland since 2013, demonstrates Europa’s ability to execute its strategy to secure partners to advance its offshore Ireland licences
- Europa is focussed on delivering farmouts on its remaining six 100%-owned licences

Europa CEO Hugh Mackay said, “We are delighted to have secured a farm-in partner of the proven calibre of Cairn, and also to accelerate exploration on the Licence through the acquisition of 3D seismic this summer. We continue to talk to other potential partners for our remaining six offshore Ireland licences which provide us with exposure to all the various play types being targeted in the region: Paleocene; Cretaceous Shelf; Cretaceous Fan; Syn-rift; Pre-rift; and Triassic gas.

“Activity across the Porcupine Basin is expected to increase markedly this year and beyond: Providence Resources is expected to drill the Druid prospect in 2017; two new exploration wells may be drilled in 2018; and a natural conclusion to 3D seismic data acquired this summer and last summer could be more exploration drilling. In terms of acreage and number of licences, Europa is a leading exploration company in Atlantic Ireland with a range of prospects spanning deep water high risk frontier exploration to shallow water, lower risk infrastructure-led exploration next to the Corrib gas field. We believe Europa will benefit from any exploration success in the region either as a trail-blazer or fast-follower.”

**** 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. Its highly prospective exploration projects include the Wressle oil development 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. In 2016 Europa produced 123 boepd from its portfolio of onshore UK licenses.

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.