

Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')
Update on Wressle, North Lincolnshire

Europa Oil & Gas (Holdings) plc, the UK and Ireland focussed oil and gas exploration, development and production company, notes today's update from Egdon Resources ('Egdon') regarding the forward plan for the Wressle oil field development on PEDL 180 in the East Midlands, including preparation and submission of two new planning application to North Lincolnshire Council seeking its consent for the Wressle oil field development and to extend the current planning consent

This follows the Planning Inspector's decision to reject Egdon's appeals ('the Appeals') against the two planning refusals by North Lincolnshire County Council's Planning Committee, as announced on 5 January 2018. Europa has a 30% working interest in Wressle alongside Egdon (operator, 25%), Celtique Energie Petroleum Ltd (30%), and Union Jack Oil (15%), ('the Joint Venture partners'). Egdon's full RNS is reproduced at the end of this release.

Update on proposed sale of 10% interest in Wressle to Upland Resources (UK Onshore) Limited ('Upland')

Following the dismissal of the Appeals by the Planning Inspector, Upland has informed Europa of its intention to withdraw from the Sale and Purchase Agreement ('SPA') signed between the two parties on 24 November 2016. Under the terms of the SPA, Upland was to acquire a 10% interest in PEDLs 180 and 182 from Europa subject to, inter alia, planning permission and approval of the Wressle Field Development Plan ('FDP'). See announcement of 24 November 2016 for further details.

Upland's decision has minimal impact on Europa in the short term, as the Company had been and continues to pay its 30% share of the costs at Wressle. Europa will repay £160,000 paid by Upland as deposit. Europa's share of any future production will now be 30% compared to 20% had the SPA with Upland been completed. Based on an anticipated gross flow rate of 500bopd on production startup, Europa's net share of production will therefore be an estimated 150 bopd rather than 100bopd. In addition, the SPA was agreed in November 2016 when Brent Crude was trading between US\$45-US\$50 compared to US\$69 per barrel at the time of writing.

The Company maintains a good relationship with Upland, with whom it is a partner on PEDL299 in the East Midlands which contains the Hardstoft oil field. As a result, management would have no hesitation in cooperating with Upland in future new venture opportunities. As mentioned at the AGM in December 2017, Europa is actively engaged in the review of new venture opportunities across the E&P spectrum both within its core areas of interest and also in three new jurisdictions.

Europa's CEO, Hugh Mackay, said: “Wressle is a proven oil discovery with proven reserves, significant upside and capable of flowing at 500 bopd gross on production startup. It remains an excellent opportunity to significantly increase our net production. Along with all the partners, we therefore support Egdon’s plans to submit new applications that address the issues raised by the Inspector. We are confident these issues are not insurmountable and that Wressle will finally be brought online. Following Upland’s withdrawal from the SPA, our 30% share would see Europa’s net daily production more than double to around 250 bopd.

“Wressle is just one of many value generating opportunities within our portfolio. As well as interests in other UK onshore licences including the Holmwood prospect which lies next door to the Horse Hill discovery in the Weald Basin, we have an industry leading position offshore Ireland comprised of seven licences exposed to six different play types in three basins. Combined these licences have the potential to host gross mean un-risked prospective and indicative resources of 4.7 billion barrels oil equivalent and 1.5 tcf gas. We are focused on realising the potential across all our licences, including Wressle, and I look forward to providing updates on our progress in the year ahead.”

Egdon`s RNS published today is as follows:

Egdon Resources plc (AIM:EDR) can advise the forward plan for the Wressle oil field development following the decision made by the Planning Inspector issued on 4 January 2018, to reject the appeals by Egdon against the two planning refusals by North Lincolnshire Council’s Planning Committee.

Having taken legal and planning advice and having fully considered the specific reasons for rejection of the appeals as set out by the Inspector in his Decision Notice, the Company can advise that it will now:

- a) Prepare and submit a new planning application to North Lincolnshire Council seeking its consent for the Wressle oil field development. This application, which will be submitted prior to the expiry of the current planning consent, will address in detail all matters highlighted by the Inspector in his Decision Notice to dismiss the appeals
- b) Prepare and submit a new application to North Lincolnshire Council to extend the current planning consent (which now expires on the 28 April 2018 following our successful appeal) to ensure that North Lincolnshire Council has sufficient time for consideration of the new application and to maintain consent for the current site.

We remain fully prepared to take these new planning applications through the appeals process should they be delayed or refused.

In addition we continue to take legal advice in respect of the Decision Notice.

Mark Abbott Managing Director of Egdon Resources plc, said:

“Egdon and its joint venture partners remain fully committed to the Wressle project and the proposed new application will address the limited reasons for refusal highlighted by the Inspector. I look forward to updating the market on Wressle in due course.

Elsewhere with Egdon’s extensive portfolio, the coming period will see potentially high impact drilling activity at Springs Road, Biscathorpe, Holmwood and possibly North Kelsey, and the results of workovers at Fiskerton Airfield. We are also developing plans for the Keddington, Kirkleatham, Dukes Wood/Kirklington and Waddock Cross fields which will benefit from the improving oil price.”

The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

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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 2017 Europa produced 113 boepd. Its highly prospective exploration projects include the Wressle development in the UK and seven licences offshore Ireland with the potential to host gross mean un-risked prospective and indicative resources of 4.7 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.

