Europa Oil & Gas (Holdings) plc / Index: AIM / Epic: EOG / Sector: Oil & Gas

04 April 2018

Europa Oil & Gas (Holdings) plc ("Europa" or "the Company")

Interim Results

Europa Oil & Gas (Holdings) plc, the AIM traded Ireland and UK focused oil and gas exploration, development and production company, announces its interim results for the six month period ended 31 January 2018.

Operational highlights

- Delivering on strategy to map and de-risk prospects across portfolio of offshore Ireland licences - discussions ongoing with major operators regarding farm-outs
- Six prospects with combined potential of 2.5 trillion cubic feet (tcf) of Gas Initially In Place ("GIIP") mapped on LO 16/20 in the Slyne basin, adjacent to the producing Corrib gas field
  - Prospective resources therefore expected to be significantly higher than the 1 tcf previously mapped on the licence
  - Inishkea prospects upgraded to flagship asset status with follow-up work being prioritised
- Completed reprocessing of 1,548km^2 3D seismic covering FEL 1/17 and FEL 3/13 in the South Porcupine:
  - Dramatically improved the character, continuity and position of pre-rift fault blocks on FEL 1/17
  - New insights for the Cretaceous fan prospects in FEL 3/13 including the best evidence yet of hydrocarbons including evidence of an updip pinchout, a gas/oil contact and conformance to structure
  - Interpretation work will lead to a revised prospect inventory later in 2018
- Completed 3D seismic survey over Cairn Energy operated LO 16/19 in the South Porcupine in which Europa has a 30% carried interest:
  - Fast track data delivered in January 2018 and final processed data expected to be available Q3 2018 at which point detailed prospect mapping will be conducted
- Evaluation of several new venture opportunities at various stages in the asset lifecycle to add a third area of activity alongside onshore UK and offshore Ireland

Financial performance

- Revenue £0.8 million (H1 2017: £0.8 million)
- Pre-tax loss of £0.5 million, (H1 2017: pre-tax tax loss of £0.2 million)
- Net cash from operating activities £16k (H1 2017: cash used £0.3 million)
- Cash balance at 31 January 2018: £2.3 million (31 July 2017: £3.6 million)

Post reporting period events

- Board restructuring, with the appointment of Simon Oddie, a highly experienced petroleum engineer, technical consultant, manager and investment adviser in the upstream oil and gas sector, as Non-Executive Chairman
- Also appointed Brian O'Cathain, a geologist and petroleum engineer with over 30 years' experience in senior technical and commercial roles in upstream oil and gas exploration and production companies, as a Non-Executive Director
- Environment Agency "minded to award" a bespoke environmental permit for drilling and testing the Holmwood exploration well in PEDL143 in the Weald Basin, Surrey

Europa's CEO, Hugh Mackay said, "Technical work across our offshore Ireland licences is progressing on schedule and most importantly the 3D seismic PSDM reprocessing projects are producing the uplift in data quality we were looking for. In the Slyne Basin next to the Corrib gas field we have been impressed with the results to date and are therefore fast tracking further work on our Inishkea prospects in LO 16/20 so that we are in a position to drill a well targeting "company-making" gas resources in a proven play close to existing infrastructure as early as 2019. In the South Porcupine, improved mapping on reprocessed 3D seismic will lower geological risk for several prospects that make up the 2 billion barrels of oil equivalent ("boe") of audited prospective resources and 2.2 billion boe of prospective in-house resources that have already been mapped. An updated prospect inventory for three of our South Porcupine licences will be released in 2018, which will coincide with the relaunch of the farm-out process as we look to secure partners to drill wells.

"Onshore UK, we continue to believe the case for developing the Wressle discovery in North Lincolnshire is strong and that the Holmwood prospect in the Weald Basin represents one of the best onshore UK drilling opportunities on a risk/reward basis. We will be working hard with our partners to satisfy all outstanding matters so that both projects can be advanced. Outside our existing portfolio, we are actively looking to add a third core area of interest and are evaluating several opportunities at various stages of development. With their considerable experience and extensive network of contacts within the sector, recent Board appointments Simon Oddie and Brian O'Cathain, are already making valuable contributions to this process. I am excited for Europa's future and I look forward to updating the market on our progress."

For further information please visit www.europaoil.com or contact:

Hugh Mackay / Phil Greenhalgh	Europa	+44 (0) 20 7224 3770
Matt Goode (corporate finance)	finnCap Ltd	+44 (0) 20 7220 0500
Simon Hicks (corporate finance)	finnCap Ltd	+44 (0) 20 7220 0500
Emily Morris (corporate broking)	finnCap Ltd	+44 (0) 20 7220 0500
Frank Buhagiar / Susie Geliher	St Brides Partners Ltd	+44 (0) 20 7236 1177

The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

Chairman's Statement

This is my first Chairman's Statement since joining Europa post period end. The activity undertaken and the progress made during the half year period serve to underline the reasons why I was delighted to take over the Chairmanship of the Company. In terms of the quality of its asset base, Europa punches well above its weight: offshore Ireland, the Company has an industry leading licence position in a region that in the last few years has seen the entry of blue-chip operators targeting a diverse range of plays; onshore UK, it is the third largest producer of oil with a portfolio of multi-stage licences including development, appraisal and exploration projects. Together with a first-rate management and technical team that in my view any of the majors would be proud to have, I believe the building blocks are in place for Europa to generate significant value for shareholders.

Offshore Ireland

Across our portfolio of seven offshore Ireland licences, which cover an area of 5,818km^2, we have already identified 4.7 billion boe of Gross Mean Un-risked Prospective Resources ("GMUPR") and 2.5 tcf GIIP. 2 billion boe of the oil resources have been audited by a Competent Person. Volumetrics of this quantum are enough to move the needle of major oil companies let alone a company of Europa's size, and help explain the presence of ExxonMobil, Statoil, Total, Nexen, ENI, and Woodside in the region.

Furthermore, our licences are not dependent on success at one play. Instead they are exposed to all six play types currently being targeted by the majors. These include the Cretaceous Fan play, which has proved to be so prolific offshore West Africa, the Cretaceous shelf, which has yielded impressive results offshore Senegal, and the syn-rift play, which opened up offshore Newfoundland. In addition to these, Europa holds two licences in the Slyne basin, LO 16/20 and LO 16/21 which, thanks to being located close to the Corrib gas field, are part of a proven hydrocarbon play in comparatively shallow water and are therefore lower risk and lower cost than other Atlantic Ireland basins.

During the period technical work was carried out by our team to further de-risk the existing prospect inventory and at the same time map additional targets across our licence base. We are particularly excited by the progress made at LO 16/20. Analysis of recently released well data taken from the 18/20-7 exploration well, which was drilled in 2010 by Shell 7km from the Corrib gas field onto the Corrib North structure, has revealed the well encountered a 70m gas column in the same Triassic sandstone reservoir as the Corrib field. As drilling was terminated in the reservoir, we believe the full gas column could be up to 170m while the surface area of the structure could extend to 5.75km^2. The presence of a gas reservoir substantially de-risks not just Corrib North but other prospects on the licence and, taken together, we estimate LO 16/20 may contain 2.5 tcf GIIP. Based on the ~80% recovery factor at Corrib, proximity to existing infrastructure, and the growing role of gas in Ireland's energy mix, work on LO 16/20 and the Inishkea prospects in particular is being prioritised as we look to mature the prospects to drillable status and, subject to meeting technical and commercial criteria, identify a firm drilling target for a well in 2019 or 2020.

The post-period end appointment of Brian O'Cathain as a Non-Executive Director is a major positive for our ambitions in the Greater Corrib Area. As well as providing us with the benefit of his over thirty years' experience in senior technical and commercial roles in upstream oil and gas exploration and production companies, including Shell, Enterprise Oil and Tullow Oil, as Managing Director of Enterprise Oil Ireland, Brian advanced the Corrib Gas Field to consent to plan of development. His intimate knowledge of Corrib and the Slyne basin will therefore prove invaluable as we continue to de-risk the Inishkea prospects we have identified on LO 16/20.

Our strategy for all our licences in Ireland is to build a prospect inventory based on 3D seismic, de-risk prospects to the point that they are drill-ready and secure a partner for drilling. Following last year's farm-out of a 70% interest in LO 16/19 in the South Porcupine basin to Cairn Energy, we have six licences that we will be looking to farm-out. Based on the results to date, we are confident the technical work programmes we are currently running, which are focused on delivering six potentially company-making drill ready prospects by the end of 2018, will result in additional farm-outs being secured.

Onshore UK

Our three producing fields in the East Midlands petroleum province recovered an average of 97 boepd during the period, generating sufficient revenues to cover our operating expenses, another differentiator between Europa and many of our peers. There is a readymade opportunity in our portfolio to more than double our existing production to over 200 barrels of oil per day ("bopd") this year by bringing the Wressle discovery on line. Following two unsuccessful applications for planning consent in 2017 (despite being recommended by North Lincolnshire Council's own planning officers) the operator, Egdon Resources, is currently preparing two new planning applications for submission to the Council in order to gain consent for Wressle to be developed.

Elsewhere in the UK, we have been working with the relevant authorities to discharge the planning conditions ahead of commencing drilling operations to test the 5.6 million barrel Holmwood prospect on PEDL143, which lies close to the Horse Hill discovery and Brockham field in the Weald Basin, Surrey. To date 22 of the 23 conditions have been discharged. A decision for the remaining Condition 19 (Construction Transport Management Plan) was recommended for approval by Surrey County Council planning officers but the decision has been deferred twice by the planning committee. As well as resubmitting the CTMP to Surrey County Council, we have submitted an appeal to the Planning Inspectorate. We remain hopeful that Holmwood will be drilled in 2018 and under the terms of farm-outs secured with Angus Energy and Union Jack Oil, Europa's 20% share of drilling costs at Holmwood are carried.

Outlook

For a junior oil and gas company to succeed, the quality of the assets and the management / technical teams working them are key. Europa ranks highly on both counts. Our portfolio of projects includes Holmwood, which we regard as the best undrilled conventional prospect onshore UK. Our industry-leading licence position offshore Ireland includes our flagship Inishkea prospects on LO 16/20 in the Greater Corrib Area which, subject to drilling success, have the potential to be not only a game-changer for Europa but also for Ireland's medium-term energy needs as production from the Corrib field declines.

The strength of our asset base is down to the work of our technical team which continues to make a valuable contribution not only towards de-risking our own prospect inventory but also advancing the region's status as an emerging hydrocarbon hotspot. We are keen to fully capitalise on our team's proven track record and, it is with this in mind, that we are actively evaluating new ventures. I am excited to be a part of the Europa story and I look forward to reporting on our progress going forward, as we look to build a leading oil and gas company on AIM.

Simon Oddie
Chairman
3 April 2018

Operational review

Offshore Ireland: Exploration

Europa's industry leading licence position offshore Ireland is comprised of seven licences covering 5,818 km^2, six play types, and three basins. To date over 30 prospects and leads have been mapped on 3D seismic across the portfolio which potentially hold GMUPR of 4.7 billion boe and GIIP of 2.5 tcf (Europa estimates).

Four licences are located in the South Porcupine Basin: FELs 2/13, 3/13, and 1/17 (all 100% held) and LO 16/19 (30% following the 2017 farm-out of a 70% interest in Cairn Energy). All are exposed to a variety of different play types including the Cretaceous Fan play, the Cretaceous Shelf, pre-rift and syn-rift plays. LO 16/20 and LO 16/21 are located in the Greater Corrib area of the Slyne basin close to the producing Corrib gas field. These two licences are targeting the Triassic gas play. The Company's seventh licence is located in the Padraig basin, a remnant Jurassic basin on the eastern margin of the Rockall Trough, which is exposed to the conjugate margin syn-rift and pre-rift plays analogous to the Flemish Pass play offshore Newfoundland.

During the half year period under review, work programmes have been advancing across all seven licences in line with the Company's objective to increase the number of drill-ready prospects in its portfolio to six from the current two (Wilde and Beckett in FEL 3/13) by the end of 2018.

Based on the results of technical work carried out during the period, together with its proximity to existing infrastructure at the Corrib gas field, LO 16/20 in the Slyne basin is regarded by the Company as its flagship project in Ireland. Further work on LO 16/20 is to be fast tracked with a view to delivering a new prospect inventory in early 2019 and, subject to meeting technical and commercial criteria, identifying a firm drilling target for an exploration well in 2019 or 2020.

Slyne Basin: LO 16/20 and LO 16/21

LO 16/20 and 16/21 are located in the Greater Corrib area of the Slyne basin adjacent to the producing Corrib gas field. Corrib delivers gas via pipeline to the Bellanaboy processing plant which has a gross plant capacity of approximately 350 million cubic feet of gas per day. Corrib currently provides approximately 60% of Ireland's natural gas consumption and constitutes approximately 95% of Ireland's gas production. Unlike licences in the Porcupine Basin, LO 16/20 and 16/21 are targeting a low risk infrastructure-led play in the Greater Corrib area and represent exploration in a proven basin comprised of Triassic sandstone reservoirs in tilted fault block structures with gas generated from Carboniferous source rocks.

Europa has to date identified on historic 3D and 2D seismic 2.5 tcf GIIP in six prospects and leads in the Triassic Gas hydrocarbon play on LO 16/20 (see table below):

Prospect	**GIIP bcf**
Corrib North discovery	40
Inishkea	1,098
Inishkea NW	1,094
Inishkea W	212
Corrib NW	26
Bofin lead	69
Total bcf	**2,539**

Assuming an estimated 80% recovery factor at the Corrib gas field, 2.5 tcf GIIP would translate into commercially significant prospective resources. Thanks to the nearby Corrib gas field, not only is the Triassic Gas hydrocarbon play proven to work both technically and commercially in the Slyne basin, but existing gas infrastructure potentially offers a fast track route to commercialisation. Relatively shallow water depths of (400-600m) will lead to much lower drilling costs than in other deeper water Atlantic Ireland basins. Using a prevailing rig rate of US$120,000 per day, we estimate costs for a well on the Inishkea prospect would be US$28 million. As a result of the lower risk (compared to other Atlantic Ireland basins where play risk has yet to be conclusively proven by a commercially successful exploration discovery), lower drill costs, potential access to existing production infrastructure and the increasing role of gas in Ireland’s energy mix, further work on LO 16/20 is being fast tracked.

The next steps involve reprocessing the historic 3D seismic data to Pre-Stack Depth Migration (“PSDM”) which is expected to significantly improve clarity and definition of the existing prospects and enable some of these to be upgraded to drillable status during 2019. In addition, a further legacy 3D seismic dataset over the Corrib field will become available in the public domain in May and December 2018 which we understand provides much improved definition of the Corrib field and also LO 16/20's Corrib North gas discovery. In tandem with the above work, OPC, a specialist subsurface and production engineering group, is working on porosity and permeability modelling, development scenarios and costs.

South Porcupine Basin

Europa's four licences in the South Porcupine Basin are estimated to hold 2 billion boe of audited prospective resources across five prospects and a further 2.2 billion boe of prospective in-house resources across 12 prospects and leads. Below is a table summarising the GMUPR across Europa's four licences in the South Porcupine Basin:

Licence	**mmboe**	**Source**
FEL 3/13	1,492	ERCE Competent Persons Report ("CPR")
FEL 1/17	898	ERCE CPR 553mmboe + Europa in-house 345mmboe
FEL 2/13	1,124	Europa in-house
LO 16/19	700	Europa in-house
Total	**4,214**	

The above licences are all covered by 3D seismic. A major programme of 3D seismic PSDM reprocessing is underway. To date, PSDM reprocessing over FEL 3/13 and 1/17 has been completed and the results, which have had a positive impact on prospect mapping, will be released in 2018. PSDM reprocessing over FEL 2/13 is nearing completion and an updated prospect inventory will also be released in 2018. The major improvement in prospect mapping and resulting reduction in geological risk arising from the new reprocessed data will serve as the trigger for a relaunch of the farm-out process for our South Porcupine licences in Q2 2018.

Europa also has a 30% interest in the Cairn-operated LO 16/19 on the west side of the South Porcupine. 3D seismic was acquired in mid-2017 and delivery of a final processed product is expected in Q4 2018 leading to a prospect inventory in 2019. As a result of the successful farm-out announced in April 2017, Europa is carried on this work programme.

FEL 3/13 (Wilde, Beckett & Shaw)

A CPR by ERC Equipoise confirmed GMUPR of 1,492 million boe and un-risked NPV10 of US$7 billion across three Cretaceous fan prospects on FEL 3/13: prospects Wilde (gross mean un-risked prospective resources 428 million boe), Beckett (749 million boe) and Shaw (315 million boe). Prospect Wilde is considered drill ready with a geological chance of success of 1 in 5. Drill costs are estimated to be US$37 million excluding mobilisation and demobilisation.

Further technical work is being carried out on the licence to mature existing prospects and leads, particularly in the pre-rift and syn-rift plays, to drill ready status. The work, which includes PSDM of 3D seismic data acquired in 2013. New insights for the Cretaceous fan prospects include the best evidence yet of hydrocarbons including updip pinchout, a gas/oil contact and conformance to structure

FEL 1/17 (Ervine, Edgeworth, PR3)

FEL 1/17 covers an area of 522 km^2 and adjoins the eastern boundary of FEL 3/13. Europa has identified three pre-rift prospects in the licence with combined GMUPR of 898 million boe based on its proprietary 3D seismic. The pre-rift play comprises Jurassic reservoirs in tilted fault block structures; the analogue is the North Sea Brent Province. Europa has completed a 3D PSDM reprocessing project to de-risk the pre-rift prospects in the licence. The results will be published later in 2018.

FEL 2/13 (Doyle: A west; A centre; A east; B; C, Kilroy, Keane, Kiely, Lead F) and LO 16/19 (2 leads)

Europa has identified nine prospects in the pre-rift, syn-rift Cretaceous apron and Cretaceous slope plays on FEL 2/13 with combined GMUPR of 1,124 million boe. In addition, Cretaceous submarine channels have been identified on FEL 2/13, which cross the licence from west to east. These channels feed submarine fans developed in LO 16/19. The seismic architecture of the channels in FEL 2/13 contain features consistent with sandstone deposition and Europa believes that these sandstones are also deposited in the fans identified on LO 16/19. The licence has the potential to hold several Cretaceous submarine fans with GMUPR of 700 million boe. In addition, evidence of gas escape features on seismic and sea bed pock marks over FEL 2/13 suggest the presence of an active source rock. Well 43/13-1, which was drilled by BP in 1998 approximately 20km from LO 16/19, saw oil shows and encountered source rocks. A 3D PSDM reprocessing project on FEL 2/13 commenced in October 2017 and is scheduled for completion in Q2 2018.

Padraig Basin: LO 16/22

The Padraig Basin is a remnant Jurassic basin on the eastern margin of the Rockall Trough. The most relevant analogue for the Padraig is the conjugate margin play offshore Newfoundland in the Flemish Pass basin, which was opened up by Statoil's Bay du Nord oil discovery. Most industry efforts are concentrated on exploring for this play in the South Porcupine basin, but Europa's restoration of the conjugate margin prior to Atlantic seafloor spreading suggests the possibility that the Padraig could be a better fit with the Flemish Pass basin. Recent geochemical studies on light oil recovered from seabed cores show the presence of the bisnorhopane biomarker and indicates an affinity with Late Jurassic sourced oil similar to the Dooish discovery in Rockall and West of Shetland oil fields.

Structures of significant size have been identified on 2D seismic acquired in 1998. In addition, multiple leads in both pre-rift and syn-rift hydrocarbon plays have been mapped in water depths ranging from 800 to 2,000 metres. Gross mean un-risked indicative resources are estimated to be approximately 500 million boe. Work is underway to mature the leads to drillable prospect status using historic 2D seismic and high quality technical work previously conducted by major oil companies.

UK - Onshore Production

East Midlands: West Firsby; Crosby Warren; Whisby-4

Europa produces from three oilfields in the East Midlands: West Firsby (100% working interest); Crosby Warren (100% working interest); and the Whisby-4 well (65% non-operated interest). During the six months to 31 January 2018, 97 boepd were recovered (H1 2017: 115 boepd). All the oil is transported by road to the Immingham refinery.

UK - Development

East Midlands: PEDL180 (Wressle); PEDL182 (Broughton North)

PEDL180 holds the Wressle oil discovery which lies 5km southeast of, and along the same structural trend as, Europa's producing Crosby Warren field. Wressle was discovered by the Wressle-1 conventional exploration well in August 2014. Production testing in 2015 delivered a combined flowrate of over 700 boepd from three reservoir intervals: Ashover Grit; Wingfield Flags; and Penistone Flags. Reservoir engineering analyses indicate an initial production flow rate of 500 bopd gross from the Ashover Grit interval at Wressle.

A CPR issued on 26 September 2016 identified gross 2P reserves on the structure of 0.65 million boe in the Ashover and Wingfield Flags and gross 2C contingent resources of 1.86 million boe in the Penistone Flags. The CPR was undertaken by ERCE Equipoise, which at the same time assigned gross mean un-risked prospective resources of 0.6 million boe and a geological chance of success of 50% to the Broughton North exploration prospect on PEDL182 which lies adjacent and north of PEDL180. In 1984, a well drilled by BP discovered oil at Broughton.

Europa holds a 30% working interest in PEDLs 180 & 182. On 24 November 2016, Europa agreed the sale of a 10% interest in the two licences to Upland Resources. Completion of the sale was subject to planning and Field Development Plan ("FDP") approvals. Following the decision by the Planning Inspector in January 2018 to reject the appeals by the operator Egdon against the two planning refusals by North Lincolnshire County Council's Planning Committee, Upland elected to withdraw from the sale agreement and Europa has repaid the £160,000 deposit to Upland in the period.

The partners continue to believe Wressle represents an excellent development opportunity. Two new planning applications are currently being prepared ahead of submission to North Lincolnshire Council.

UK – Exploration

Weald Basin: PEDL143 (Holmwood)

PEDL143 is located in the Weald Basin, Surrey and contains the Holmwood conventional oil prospect. In a CPR dated June 2012, ERCE Equipoise assigned Holmwood gross mean prospective resources of 5.6 million boe with a range of 1 to 11 million boe. At 5.6 million boe, Holmwood would become the fifth largest onshore oil field in the UK. Following the exploration success at Horse Hill 8km to the East, Europa rates the geological chance of success at Holmwood as 1 in 2.

Planning permission has been granted to drill a temporary exploratory borehole to a depth of 1,400 metres. 22 of the 23 planning conditions have been discharged. A decision for the one remaining condition, a Construction Transport Management Plan ("CTMP") was recommended for approval by Surrey County Council planning officers, but a final decision has been deferred by the planning committee on two occasions. In addition to resubmitting the CTMP to Surrey County Council, Europa has submitted an appeal to the Planning Inspectorate. Subject to the CTMP condition being discharged we will look to drill Holmwood in late 2018.

In March 2017 we announced the farmout of a 12.5% interest in PEDL143 to Angus leaving Europa with a 20% interest. Together with a 2016 farmout to Union Jack, Europa has a carry on well costs up to a cap of £3.2 million. In addition to targeting the established Portland sandstone reservoirs, which produced at a rate of 323 bopd over an 8.5 hour period at Horse Hill, the Holmwood well will also test the Kimmeridge Limestone, an emerging play in the Weald Basin. Horse Hill produced a combined 1,365 bopd from two limestones in the Kimmeridge Clay Formation over a period of up to 7.5 hours.

East Midlands: PEDL299 (Hardstoft)

The Hardstoft oil field was discovered in 1919 by the UK's first ever exploration well and produced 26,000 barrels of oil from Carboniferous limestone reservoirs. A CPR issued by joint venture partner Upland, identified gross 2C contingent resources of 3.1 million boe and gross 3C contingent resources of 18.5 million boe at Hardstoft. Production testing methodologies for carbonate reservoirs have evolved since 1919, which it is hoped will lead to commercial oil flowrates being achieved. Europa's interest in PEDL299, which is restricted to the conventional prospectivity, is 25%, alongside Upland 25% and INEOS, the operator, 50%.

Cleveland Basin: PEDL343 (Cloughton)

PEDL343 is operated by Third Energy and contains the Cloughton gas discovery made by Bow Valley. An exploration well was drilled in 1986 and flowed a small amount of gas to surface on production test from Carboniferous sandstone reservoirs. Europa regards Cloughton as a gas appraisal opportunity with the critical challenge being to obtain commercial flowrates from future production testing operations. Europa holds a 35% interest in PEDL343 alongside Arenite 15%, Third Energy 20%, Egdon Resources 17.5% and Petrichor Energy 12.5%.

Southern North Sea: Block 41/24

During the period, Europa announced the sale of its 50% interest in Promote Licence P2304 (UKCS Block 41/24) to Egdon along with joint venture partner Arenite Petroleum Limited ("Arenite") which also sold its 50% interest to Egdon as part of the same transaction. P2304 is located to the immediate south of Egdon's 100% owned licence P1929 (UKCS Blocks 41/18 and 41/19) offshore North Yorkshire. £46,000 spent on the licence was written off in the period.

East Midlands: PEDL181

The licence provides exposure to the hydrocarbon potential of the Humber basin. It has technical synergy with the adjacent PEDL334 which was awarded to an Egdon Resources led group in the 14th Round for the purpose of conventional and unconventional exploration.

New Ventures

We are actively evaluating high impact new venture opportunities outside of our core areas in Ireland and the UK. This has included North Africa, Western Europe, Central Europe and east Atlantic seaboard. Methodologies applied include both pro-active country selection and opportunity screening and selection as well as reacting to opportunities as they are presented. Opportunities evaluated include greenfield exploration through to brownfield re-development. Key criteria include technical and commercial merits of the opportunity, cost strategic fit and political, security and regulatory risk. We are seeking opportunities that will lead to operational activity and that will create value for Europa shareholders rather than seeking to simply bank and hold licences.

Financials

An improving oil price offset the decline in production and unfavourable exchange rates during the period. The average oil price achieved was US$59.2 bbl (H1 2017: US$48.2/bbl) and the average Sterling exchange rate was US$1.35 (H1 2017: US$1.26). An average of 97 boepd (H1 2017: 115) was recovered from our three UK onshore fields, down as a result of natural decline and the need for a workover of the West Firsby 6 well. Revenue was £0.8 million (H1 2017: £0.8 million). Work aimed at restoring production from West Firsby 6 is ongoing.

Increased activity on new ventures led to administrative expenses in the period being up at £429,000 (H1 2017: £218,000). Despite this, strict cash management and a focus on maximising efficiencies caused cash from operating activities to be a positive £16,000 during the first half (H1 2017: a draw on cash resources of £337,000). As at 31 January 2018, our cash balance stood at £2.3 million (31 July 2017: £3.6 million) following the purchase of intangible fixed assets of £1.1 million (H1 2017: £0.8 million).

Conclusion and Outlook

Technical work has been focused on further de-risking the multiple prospects and company-making volumetrics that have to date been identified across our offshore Ireland licences. The results have been highly encouraging and have led to the post period end upgrading of LO 16/20 to flagship status. Thanks to having substantial structures with potentially over 2.5 tcf GIIP; its proximity to the producing Corrib gas field, which de-risks the Triassic play being targeted; the accelerated route to commercialisation potentially offered by the presence of existing infrastructure; relatively low drilling costs due to shallower water depths; and gas' growing importance to Ireland's energy supplies, the decision to fast track further work on LO 16/20 with a view to targeting a well as early as 2019 was an easy one.

Elsewhere, initial results from the 3D seismic reprocessing programme covering our South Porcupine licences have led to a major improvement in prospect mapping and a reduction in geological risk. We will shortly be issuing an updated prospect inventory for our 100% owned FELs 2/13, 3/13, and 1/17, which are currently estimated to hold in excess of 2 billion boe of audited prospective resources across five prospects. This will serve as the trigger for a relaunch of the farm-out process for our South Porcupine licences in Q2 2018. Together with ongoing efforts onshore UK to commence production at the Wressle discovery and drill an exploration well at Holmwood in the Weald Basin, we have multiple opportunities across our asset base to generate significant value and I look forward to providing further updates on our progress.

Hugh Mackay
CEO
3 April 2018

Qualified Person Review

This release has been reviewed by Hugh Mackay, Chief Executive of Europa, who is a petroleum geologist with over 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.

Licence Interests Table

Country	Area	Licence	Field/ Prospect	Operator	Equity	Status
UK	East Midlands	DL003	West Firsby	Europa	100%	Production
		DL001	Crosby Warren	Europa	100%	Production
		PL199/215	Whisby-4	BPEL	65%	Production
		PEDL180	Wressle	Egdon	30%	Development
		PEDL181		Europa	50%	Exploration
		PEDL182	North Broughton	Egdon	30%	Exploration
		PEDL299	Hardstoft	INEOS	25%	Exploration
		PEDL343	Cloughton	Third Energy	35%	Exploration
	Weald	PEDL143	Holmwood	Europa	20%	Exploration
Ireland	South Porcupine	FEL 2/13	Doyle: Aw/Ac/Ae/B/C, Kilroy, Keane, Kealey, Lead F	Europa	100%	Exploration
		FEL 3/13	Beckett, Wilde Shaw	Europa	100%	Exploration
		FEL 1/17	Ervine, Edgeworth, PR3	Europa	100%	Exploration
		LO 16/19	2 leads	Cairn	30%	Exploration
	Slyne	LO 16/20	Corrib North discovery, Inishkea, Inishkea NW, Inishkea W, Corrib NW, Bofin (lead)	Europa	100%	Exploration
		LO 16/21	4 leads	Europa	100%	Exploration
	Padraig	LO 16/22	6 leads	Europa	100%	Exploration

Financials

Unaudited consolidated statement of comprehensive income

	6 months to 31 January 2018 £000	6 months to 31 January 2017 £000	Year to 31 July 2017 (audited) £000
Revenue	**778**	811	1,569
Cost of sales	**(670)**	(721)	(1,459)
Exploration write-off	**(46)**	-	-
Gross profit	**62**	90	110
Administrative expenses	**(429)**	(218)	(553)
Finance income	**6**	30	2
Finance expense	**(136)**	(109)	(234)
Loss before taxation	**(497)**	(207)	(675)
Taxation credit	**168**	68	184
Total comprehensive loss for the period attributed to the equity shareholders of the parent	**(329)**	(139)	(491)
	Pence per share	Pence per share	Pence per share
Earnings per share (EPS) attributable to the equity shareholders of the parent			
Basic and diluted EPS (note 4)	(0.11)p	(0.06)p	(0.19)p

Unaudited consolidated statement of financial position

	31 January 2018	31 January 2017	31 July 2017 (audited)
	£000	£000	£000
Assets			
Non-current assets			
Intangible assets	**6,534**	4,543	5,276
Property, plant and equipment	**813**	970	882
Deferred tax asset	**508**	225	341
Total non-current assets	**7,855**	5,738	6,499
Current assets			
Inventories	**19**	17	14
Trade and other receivables	**512**	308	886
Cash and cash equivalents	**2,306**	1,391	3,591
	2,837	1,716	4,491
Total assets	**10,692**	7,454	10,990
Liabilities			
Current liabilities			
Trade and other payables	**(883)**	(421)	(945)
Total current liabilities	**(883)**	(421)	(945)
Non-current liabilities			
Long-term provisions	**(2,652)**	(2,458)	(2,570)
Total non-current liabilities	**(2,652)**	(2,458)	(2,570)
Total liabilities	**(3,535)**	(2,879)	(3,515)
Net assets	**7,157**	4,575	7,475
Capital and reserves attributable to equity holders of the parent			
Share capital	**3,014**	2,449	3,014
Share premium	**18,481**	15,901	18,481
Merger reserve	**2,868**	2,868	2,868
Retained deficit	**(17,206)**	(16,643)	(16,888)
Total equity	**7,157**	4,575	7,475

Unaudited consolidated statement of changes in equity

	Share capital £000	Share premium £000	Merger reserve £000	Retained deficit £000	Total equity £000
Unaudited					
Balance at 1 August 2016	**2,449**	**15,901**	**2,868**	**(16,536)**	**4,682**
Total comprehensive loss for the period	-	-	-	(139)	(139)
Share based payments	-	-	-	32	32
Balance at 31 January 2017	**2,449**	**15,901**	**2,868**	**(16,643)**	**4,575**
Audited					
Balance at 1 August 2016	**2,449**	**15,901**	**2,868**	**(16,536)**	**4,682**
Loss for the year attributable to the equity shareholders of the parent	-	-	-	(491)	(491)
Issue of share capital	565	2,603	-	-	3,168
Issue of share options	-	(23)	-	23	-
Share based payments	-	-	-	116	116
Balance at 31 July 2017	**3,014**	**18,481**	**2,868**	**(16,888)**	**7,475**
Unaudited					
Balance at 1 August 2017	**3,014**	**18,481**	**2,868**	**(16,888)**	**7,475**
Total comprehensive loss for the period	-	-	-	(329)	(329)
Share based payments	-	-	-	11	11
Balance at 31 January 2018	**3,014**	**18,481**	**2,868**	**(17,206)**	**7,157**

Unaudited consolidated statement of cash flows

	6 months to 31 January 2018	6 months to 31 January 2017	Year to 31 July 2017 (audited)
	£000	£000	£000
Cash flows from operating activities			
Loss after taxation	**(329)**	(139)	(491)
Adjustments for:			
Share based payments	**11**	32	116
Depreciation	**69**	90	184
Exploration write-off	**46**	-	-
Finance income	**(6)**	(30)	(2)
Finance expense	**136**	109	234
Taxation credit	**(168)**	(68)	(184)
Decrease/(increase) in trade and other receivables	**101**	(100)	(108)
(Increase)/decrease in inventories	**(5)**	6	9
Increase/(decrease) in trade and other payables	**161**	(93)	(13)
Cash from/(used in) operating activities	**16**	(193)	(255)
Income taxes paid	**-**	(144)	(144)
Net cash from/(used in) operating activities	**16**	(337)	(399)
Cash flows used in investing activities			
Purchase of property, plant & equipment	**-**	-	(6)
Purchase of intangibles	**(1,081)**	(780)	(1,491)
(Buy back)/sale of part interest in licence	**(160)**	760	600
Interest received	**6**	-	2
Net cash used in investing activities	**(1,235)**	(20)	(895)
Cash flows from financing activities			
Proceeds from issue to share capital issue costs	**-**	-	3,145
(Decrease)/increase in payables relating to share capital issue costs	**(16)**		16
Option based equity movement on share issue	**-**	-	23
Finance costs	**(2)**	(1)	(3)
Net cash (used in)/from financing activities	**(18)**	(1)	3,181
Net (decrease)/increase in cash and cash equivalents	**(1,237)**	(358)	1,887
Exchange (loss)/gain on cash and cash equivalents	**(48)**	31	(14)
Cash and cash equivalents at beginning of period	**3,591**	1,718	1,718
Cash and cash equivalents at end of period	**2,306**	1,391	3,591

Notes to the consolidated interim statement

1 Nature of operations and general information

Europa Oil & Gas (Holdings) plc ("Europa Oil & Gas") and subsidiaries' ("the Group") principal activities consist of investment in oil and gas exploration, development and production.

Europa Oil & Gas is the Group's ultimate parent Company. It is incorporated and domiciled in England and Wales. The address of Europa Oil & Gas's registered office head office is 6 Porter Street, London W1U 6DD. Europa Oil & Gas's shares are listed on the London Stock Exchange AIM market.

The Group's consolidated interim financial information is presented in Pounds Sterling (£), which is also the functional currency of the parent Company.

The consolidated interim financial information has been approved for issue by the Board of Directors on 3 April 2018.

The consolidated interim financial information for the period 1 August 2017 to 31 January 2018 is unaudited. In the opinion of the Directors the condensed interim financial information for the period presents fairly the financial position, and results from operations and cash flows for the period in conformity with the generally accepted accounting principles consistently applied. The condensed interim financial information incorporates unaudited comparative figures for the interim period 1 August 2016 to 31 January 2017 and the audited financial year to 31 July 2017.

The financial information contained in this interim report does not constitute statutory accounts as defined by section 435 of the Companies Act 2006. The report should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 July 2017.

The comparatives for the full year ended 31 July 2017 are not the Company's full statutory accounts for that year. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain a statement under section 498 (2) – (3) of the Companies Act 2006.

Given the current cash balance and cash inflow from the Group's producing assets, the Directors have concluded, at the time of approving the consolidated interim financial information, that there is a reasonable expectation, based on the Group's cash flow forecasts, that the Group can continue in operational existence for the foreseeable future, which is deemed to be at least 12 months from the date of signing the consolidated financial information. Accordingly they continue to adopt the going concern basis in preparing the consolidated interim financial information.

2 Summary of significant accounting policies

The condensed interim financial information has been prepared using policies based on International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board ("IASB") as adopted for use in the EU. The condensed interim financial information has been prepared using the accounting policies which will be applied in the Group's statutory financial information for the year ended 31 July 2018.

This results in the adoption of various standards and interpretations, none of which have had a material impact on the interim report or are expected to have a material impact on the financial statements for the full year.

3 Share capital

	6 months to 31 January 2018	6 months to 31 January 2017	Year to 31 July 2017 (audited)
Allotted, called up and fully paid ordinary shares of 1p	**Shares**	Shares	Shares
Start of period	**301,388,379**	244,888,011	244,888,011
Issued in the period	**-**	-	56,500,368
End of period	**301,388,379**	244,888,011	301,388,379

	£000	£000	£000
Start of period	**3,014**	2,449	2,449
Issued in the period	**-**	-	565
End of period	**3,014**	**2,449**	**3,014**

4 Earnings per share (EPS)

Basic EPS has been calculated on the loss after taxation divided by the weighted average number of shares in issue during the period. Diluted EPS uses an average number of shares adjusted to allow for the issue of shares, on the assumed conversion of all in-the-money options.

The Company's average share price for the period was 5.74p which was below the exercise price of all 25,164,440 outstanding share options (H1 2017: 4.86p which was below the exercise price of all 15,365,000 outstanding share options).

The calculation of the basic and diluted earnings per share is based on the following:

	6 months to 31 January 2018	6 months to 31 January 2017	Year to 31 July 2017 (audited)
	£000	**£000**	£000
Losses			
Loss for the period attributable to the equity shareholders of the parent	**(329)**	**(139)**	(491)
Number of shares			
Weighted average number of ordinary shares for the purposes of basic and diluted EPS	**301,388,379**	244,888,011	252,472,992

5 Taxation

Consistent with the year-end treatment, current and deferred tax assets and liabilities have been calculated at tax rates which were expected to apply to their respective period of realisation at the period end.

6 Post reporting date

- Appointed Simon Oddie, a highly experienced petroleum engineer, technical consultant, manager and investment adviser in the upstream oil and gas sector, as Non-Executive Chairman
- Appointed Brian O'Cathain, a geologist and petroleum engineer with over 30 years' experience in senior technical and commercial roles in upstream oil and gas exploration and production companies, as a Non-Executive Director
- Environment Agency "minded to award" a bespoke environmental permit for drilling and testing the Holmwood exploration well in PEDL143 in the Weald Basin, Surrey