

Europa Oil & Gas (Holdings) plc / Index: AIM / Epic: EOG / Sector: Oil & Gas
Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')
Shareholder Letter

Europa Oil & Gas (Holdings) plc, the AIM quoted UK and Ireland-focussed oil and gas exploration and production company, is pleased to provide its investors with the following update on the new venture opportunity it is pursuing offshore Morocco and also on activity across its existing portfolio, including its leading licence position offshore Ireland.

Dear Investor,

Morocco

In Morocco we are close to being formally awarded an offshore exploration permit on the Atlantic Margin of Morocco and in the process, add a third leg to our portfolio of licences. We have completed negotiations with ONHYM (The National Office of Hydrocarbons and Mines) and have prepared the Association Contract and Petroleum Agreement. The final piece of administration that needs to be completed is the bank guarantee, which is linked to our Moroccan branch office and Moroccan bank account. We are working hard to complete this final round of documentation and once in place we will sign the agreements with ONHYM in Rabat. At this point, we will provide our investors with more information about the licence.

Europa was invited by ONHYM to join them at a panel discussion on Morocco at a recent industry conference and investors should view this as a sign of our good standing.

In addition to Morocco, we continue to actively look at additional new ventures within our established areas of interest.

Offshore Ireland

We are fully aware that the number one thought on investors' minds is "when are you going to complete these Irish farmouts". Europa is required to announce any material developments in its business to investors without delay and hence the situation remains that we are currently negotiating farm-in agreements with a major international oil and gas company in respect of LO 16/20, FEL 1/17 and FEL 3/13. We are in regular contact with the company and a final investment decision continues to be awaited from its head office. In the meantime, we continue to run data rooms and are actively marketing the opportunities to a number of other interested parties. Further public comment regarding the ongoing farm-out process will be made to the market as and when it is appropriate to do so.

In tandem with the farm-out process, we have submitted applications for three site surveys in Atlantic Ireland. The public consultation for a site survey at our flagship Inishkea gas prospect in LO 16/20 in the Slyne Basin ended on 14 June and we await further information from the Irish authorities about the next stage in the process. Not only does Inishkea have “tcf-scale” prospective resources, but the prospect lies within 10km of the Corrib gas infrastructure, in comparatively shallow water and in a country that needs more gas. Needless to say, we are keen to advance Inishkea towards drilling at the earliest opportunity. In addition to Inishkea, public consultations for our Kiely East and Edgeworth prospects in FEL 2/13 and FEL 1/17 in the South Porcupine basin will end on 8 July.

The objective of these site surveys is to make these prospects drill ready. There is every reason for us to do so, particularly as industry press noted the spud of the CNOOC operated Iolar well in FEL 3/18 on 28 May 2019 <http://bit.ly/2X4LHM9>. Public domain information about the well (<http://bit.ly/2IRBsXF>) shows:

- 100-day duration, implying TD ~ 5 September 2019
- 2,162m water depth, TD 6,174m tvdss (4,012m below mud line)
- Primary target is Middle Jurassic sandstones
- Secondary targets in Upper Jurassic and Cretaceous sandstones

As we have previously noted; if the Iolar well finds hydrocarbons and opens the Middle Jurassic hydrocarbon play then this has the potential to de-risk around 1 billion boe in Europa’s pre-rift (Middle Jurassic) prospect inventory in the South Porcupine basin. These include the Kiely East prospect (280 mmboe on block) 70km north of Iolar in FEL 2/13 and Edgeworth (225 mmboe) in FEL 1/17 some 120 km east of Iolar. Subject to regulatory approval, these prospects will be candidates for follow up drilling.

Onshore UK

In the UK, our three oil fields continue to produce at rates in line with expectations. The realised price remains in the US\$60-70/barrel range. We await the Wressle planning inquiry which starts 5 November. At a proposed initial gross rate of 500bopd, Wressle has the potential to more than double our existing production to over 200bopd and we are therefore looking forward to the commencement of the inquiry.

Elsewhere in the UK, we completed the sale of our 20% interest in the UK onshore PEDL143 exploration licence to AIM-traded UK Oil & Gas PLC (‘UKOG’) for a consideration of £300,000, satisfied through the issue of 25,951,557 shares (‘Consideration Shares’) in UKOG, and as outlined in the announcement dated 16 April 2019. The Consideration Shares issued to Europa are subject to a six-month orderly market provision.

Much work is taking place behind the scenes on both our existing portfolio of licences and also on new venture activity. We have a first-rate technical team in place, one which has played a major role in developing and pursuing new ideas and plays offshore Ireland that have contributed to renewed interest in the region from industry heavyweights. We are keen to apply this expertise elsewhere, starting with offshore Morocco. We will update the market on any material developments as soon as we are in a position to do so, in the meantime, I would like to take this opportunity to thank you for your continued support.

Best regards

Hugh Mackay

**** ENDS ****

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

Hugh Mackay	Europa	+ 44 (0) 20 7224 3770
Phil Greenhalgh	Europa	+ 44 (0) 20 7224 3770
Matt Goode	finnCap Ltd	+ 44 (0) 20 7220 0500
Simon Hicks	finnCap Ltd	+ 44 (0) 20 7220 0500
Camille Gochez	finnCap Ltd	+ 44 (0) 20 7220 0500
Frank Buhagiar	St Brides Partners Ltd	+ 44 (0) 20 7236 1177
Juliet Earl	St Brides Partners Ltd	+ 44 (0) 20 7236 1177

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 2018 Europa produced 94 boepd. Its highly prospective exploration projects include the Wressle development in the UK (targeting production start-up in 2020 at 500 bopd gross) and six licences offshore Ireland with the potential to host gross mean un-risked prospective resources of 6.4 billion barrels oil equivalent and 1.5 tcf gas across all six 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.