

Europa Oil & Gas (Holdings) plc / Index: AIM / Epic: EOG / Sector: Oil & Gas
31 March 2020

Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')
COVID-19 Update

Europa Oil & Gas (Holdings) plc, the UK and Ireland focused oil and gas exploration, development and production company, provides a corporate update in relation to the global COVID-19 pandemic and associated market volatility and oil price weakness. Following a comprehensive review and cost reduction programme existing cash reserves are expected to be sufficient to finance current and upcoming activity, including the Wressle Field Development Project and ongoing farmout activities and reduced work programmes offshore Ireland and Morocco, without the need for additional external funding.

Wressle Field Development Project ('Wressle' or the 'Project')

On 18 March 2020, Europa issued an update on the Wressle Field Development Project in North Lincolnshire, highlighting studies carried out by the operator, Egdon Resources. These demonstrated that, with an estimated breakeven oil price of US\$17.62 per barrel, the Project is economically robust at current oil prices. Under the development plan, Wressle is expected to commence production at an initial gross rate of 500bopd, which would more than double Europa's existing UK onshore production to over 200bopd. On current plans first oil at Wressle, in which Europa holds a 30% working interest, is envisaged during H2 2020

Corporate Initiatives

In response to the current oil price environment, Europa has implemented a programme of corporate cost reductions including salary cuts, and cancellation of non-core contracts. In Ireland a review of the portfolio to avoid unnecessary licence costs may lead to further relinquishments and intangible asset write offs. In Morocco, Europa intends to delay its current work programme, which primarily comprises 3D seismic reprocessing. Should the oil price not improve by the end of 2020 further economies are planned to maintain positive operating cashflow.

Simon Oddie, Interim Chief Executive Officer and Executive Chairman of Europa, said:

“These are challenging times for the oil and gas exploration and production industry with the combination of market turbulence and depressed oil prices. We have responded by making appropriate cost savings and adjustments in the business whilst maintaining the integrity of our core strategy. Further economies will be made if conditions do not improve in the medium term.”

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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 2019 Europa produced 91 boepd. Its highly prospective exploration projects include the Wressle development in the UK (targeting production start-up in 2020 at 500 bopd gross) and five licences offshore Ireland with the potential to host gross mean un-risked prospective resources of 5.7 billion barrels oil equivalent and 1.5 trillion cubic feet ('tcf') gas. The Company's flagship project offshore Ireland is the Inishkea prospect – a near field gas exploration project with 1.5 tcf gross mean un-risked prospective gas resources.