

**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 its portfolio of multistage licences offshore Ireland and onshore UK.

Dear Investor,

Happy New Year. This is a quick update following on from the Annual General Meeting on 4 December 2018 and the General Meeting on 7 December 2018, which saw the approval by shareholders of our successful £4.3 million fundraising. To view the presentation which we provided at the AGM, please click here: <https://bit.ly/2Fo4a14>.

Following this injection of capital, we are pleased to welcome some new institutional investors to our register including BGF Investment Management Limited, a wholly owned subsidiary of the Business Growth Fund ('BGF') whose shareholding is now close to 15%. This fundraise has had a positive impact on the development and diversification of our shareholder register, with approximately 34% of the shares in the Company now being owned by institutions, while a further 9.5% are held by the Board. Previously around 10% of shares were held by institutions and we regard this significant increase in institutional representation as testament to the quality of our asset base offshore Ireland and onshore UK, our strategy to monetise our licences, and the team we have in place to deliver.

The funds raised will enable Europa to deliver an exciting work programme during 2019/20 which we believe will be translated into enhanced shareholder value.

*Offshore Ireland*

In Ireland, we opened the virtual data room ('VDR') for our Inishkea gas prospect on schedule on 20 December. Interested parties are already active in the VDR and dates have been fixed for the physical data room. We continue to regard Inishkea as our flagship project and all the early promise has been confirmed by the new 3D PSDM seismic data. We are confident that we have "tcf-scale" prospective resources, within 10km of the Corrib gas infrastructure, in comparatively shallow water and in a country that needs more gas. More information about Inishkea can be found on our website at <https://bit.ly/2F10jm9> and updates will be provided in due course.

As investors are aware, the Company is 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 have

agreed terms with their NW Europe division and continue to await a final investment decision from their head office.

We have begun preparations for and are engaging with the relevant authorities for up to three site surveys in Atlantic Ireland in summer 2019: Inishkea in LO 16/20, Kiely East in FEL 2/13 and Edgeworth in FEL 1/17. Successful conclusion to this work means that all of these prospects can be drilled from 2020 onwards, subject to funding.

Nexen-CNOOC, together with its partner ExxonMobil, will be drilling the Iolar prospect in FEL 3/18 in the Porcupine basin in summer 2019. Exploration success at Iolar potentially de-risks 1 billion boe in five prospects in Europa's Porcupine portfolio and we regard Kiely East (280 mmboe) and Edgeworth (225 mmboe) as candidates for immediate follow up drilling. Meanwhile we are working hard to secure a farm-in partner to drill the Inishkea gas prospect in the Slyne Basin in 2020. For more information, please click here: <https://bit.ly/2ygIYFY>.

### *Onshore UK*

In onshore UK, we conducted workover operations at our West Firsby oil field on the WF-6 well. Europa is pioneering the use of the drain hole jetting technique in onshore UK. From a purely technical perspective the operation has been successful having placed 16 100m length drain holes exactly where we wanted them and having set a new record as the most deviated well bore that the contractor has ever operated in. The well is still cleaning up, but the interval is already producing some oil, having previously produced zero oil. We will update investors once the clean-up operations are completed. We have acquired comparatively unique technological insight into using radial jetting to enhance flow of hydrocarbons. We are excited by the possibility of using this technology in other wells and flowing oil at higher rates than would otherwise have been possible.

Still in onshore UK, the key task is to get planning permission for Wressle and to get this important conventional oil discovery through the appeals process and into production at an initial gross rate of 500bopd. At this rate, Europa's existing production would be immediately scaled up to over 200bopd and would generate significant cash flows for the Company.

### *New Ventures*

As previously reported, we are close to finalising a petroleum agreement in Morocco. Europa is in the final phase of discussions with ONHYM (The National Office of Hydrocarbons and Mines), and we will shortly be meeting with them in Rabat. We look forward to updating investors later in Q1 2019 following licence award, as we look to add a third leg to our portfolio of licences. In addition to Morocco, we continue to be active in new ventures within our established areas of interest.

I look forward to providing you with further updates throughout the year as we deliver on our work programmes. In the meantime, I would like to take this opportunity to thank all our shareholders for their continued support.

Best regards

Hugh Mackay

**\*\* 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. In 2018 Europa produced 94 boepd. Its highly prospective exploration projects include the Wressle development in the UK (targeting production start-up in 2019 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 2.5 tcf undiscovered GIIP 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.