

Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')
Director's Loan

Europa Oil & Gas (Holdings) plc, the UK, Ireland and Morocco focused oil and gas exploration, development and production company, announces that it has entered into a £225,000 unsecured loan facility with William Ahlefeldt, Non-Executive Director of the Company ('Loan Facility').

Background to the Loan Facility

In November 2020, the Company announced that the partners in the Wressle development had elected to defer the workover operations and final commissioning of the oil field until January 2021 in order to eliminate any possible operating and supply chain issues associated with the December festive period shutdown. Following this, the Company undertook an evaluation of the effect of the new schedule on its cashflow. The Board concluded that it would be prudent to increase the Company's headroom to fund any cost overruns or funding shortfalls that may arise. With the above in mind, the Board has elected to enter into the Loan Facility.

Wressle set to transform Europa's production and financial profile

Operations to recomplete and reperfurate the existing Wressle-1 well are underway and are expected to be completed to enable the Ashover Grit reservoir to be flowed prior to the end of January 2021 in line with the revised schedule (see announcement of 11 January 2021 for further details).

Wressle is expected to commence production from the Ashover Grit reservoir at a constrained gross rate of 500 barrels of oil per day ('bopd'). At this rate, Europa's existing UK onshore production would more than double to over 200bopd. With an estimated breakeven oil price of US\$17.6 per barrel, production at Wressle is expected to be very profitable at current oil prices of over US\$50 per barrel.

Terms of the Loan Facility

The Loan Facility is an unsecured loan for a total of £225,000. The Loan Facility has a four-month term with the principal sum payable at the end of the term or in part (subject to a £25,000 minimum part amount) or in full at any earlier time without penalty at the Company's discretion. Interest accrues on a daily basis at an interest rate of 12.5% per annum and is capitalised (i.e. added to the principal) monthly commencing one month after drawdown.

Related Party Transaction

William Ahlefeldt is a director of the Company and is therefore considered to be a "related party" as defined in the AIM Rules and accordingly entering into the Loan constitutes a related party transaction for the purposes of Rule 13 of the AIM Rules.

The independent Directors, having consulted with the Company's nominated adviser, finnCap Ltd, consider that the terms of the Loan are fair and reasonable insofar as the Company's shareholders are concerned.

Simon Oddie, CEO of Europa, said: "This Loan Facility is one of the financing options that we have been exploring to increase the Company's headroom to fund any cost overruns that may arise following the decision of the partners to defer the workover operations and final commissioning of the Wressle field to January 2021. Once Wressle starts to produce, which is expected by the end of this month, our production and financial profile will be transformed. This in turn will provide us with a much stronger funding platform with which to pursue the multiple growth opportunities across our portfolio."

Further information on Wressle

During testing at Wressle, a total of 710 barrels of oil equivalent per day were recovered from three separate reservoirs: the Ashover Grit; the Wingfield Flags; and the Penistone Flags. In September 2016, a Competent Person's Report ('CPR') provided independent estimates of reserves and contingent and prospective oil and gas resources for the Wressle discovery of 2.15 million stock tank barrels classified as discovered (2P+2C). Further development of the Wressle field, including producing additional reserves existing in the Penistone Flags formation, is expected in the future.

Qualified Person Review

This release has been reviewed by Rowland Thomas, geophysical advisor to Europa, who is a geophysicist with over 39 years' experience in petroleum exploration and a member of the Society of Exploration Geophysicists, European Association of Geoscientists and Engineers and the Petroleum Exploration Society of Great Britain, and has consented to the inclusion of the technical information in this release in the form and context in which it appears.

**** ENDS ****

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

Simon Oddie Europa
Murray Johnson Europa

mail@europaoil.com

Christopher Raggett	finnCap Ltd	+ 44 (0) 20 7220 0500
Simon Hicks	finnCap Ltd	+ 44 (0) 20 7220 0500
Frank Buhagiar	St Brides Partners Ltd	+ 44 (0) 20 7236 1177
Megan Dennison	St Brides Partners Ltd	+ 44 (0) 20 7236 1177

Notes

Europa Oil & Gas (Holdings) plc has a diversified portfolio of multi-stage hydrocarbon assets which includes production, development and exploration interests, in countries that are politically stable, have transparent licensing processes, and offer attractive terms. In terms of production, in 2020 Europa produced 89 boepd. Production is currently expected to increase to over 200 boepd in January 2021 once the Wressle field in the UK, which is currently under development, comes on stream at a gross rate of 500 bopd.

The Company holds four exploration licences offshore Ireland which have the potential to host gross mean un-risked prospective resources of 3.9 billion barrels oil equivalent and 2.7* trillion cubic feet ('tcf') gas. The Company's flagship projects offshore Ireland are Inishkea and Edge*, two near field gas prospects in the Slyne Basin which the Company classifies as lower risk infrastructure-led exploration due to their close proximity to the producing Corrib gas field and associated gas processing infrastructure (*subject to regulatory approval for the transfer of FEL 3/19). In September 2019, Europa was awarded a 75% interest in the Inezgane permit offshore Morocco. Initial results of technical work have identified 30 prospects and leads that have the potential to hold close to 10 billion barrels of unrisked oil resources.

This announcement contains inside information.