

Europa Oil & Gas (Holdings) plc / Index: AIM / Epic: EOG / Sector: Oil & Gas  
4 December 2017

**Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')**  
**P2034 Offshore Licence Sale**

Europa Oil & Gas (Holdings) plc, the UK and Ireland focussed exploration, development and production company, is pleased to announce the sale of its 50% interest in Promote Licence P2304 (UKCS Block 41/24) to Egdon Resources plc ('Egdon'). Europa's joint venture partner Arenite Petroleum Limited ('Arenite') has 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.

The consideration comprises the immediate reimbursement of the 2017 licence rental, OGA Levy and vendors' legal costs (c. £15,000 in total) and future staged payments that have the potential to total £1.45million gross contingent consideration on the successful completion of various potential exploration activities and/or on reaching certain production milestones, as summarised below:

- £50,000 cash payment on completion of the acquisition of a 3D survey over any part of the Licence
- £100,000 cash payment on completion of the drilling of the first well located wholly or partly within the area covered by the Licence
- £100,000 cash payment on first production, other than testing, from any well located wholly or partly within the area covered by the Licence
- £200,000 cash payment on reaching a total production of 5 billion standard cubic feet of gas ('bcf') (or oil equivalent) from any wells located wholly or partly within the area covered by the Licence
- £1,000,000 cash payment on reaching a total production of 20 bcf (or oil equivalent) from any wells located wholly or partly within the area covered by the Licence

The transfer of interests in P2304 from Europa and Arenite to Egdon is subject to OGA approval.

Europa's CEO, Hugh Mackay, said: "The sale of our interest in P2304 eliminates our exposure to ongoing costs whilst retaining our exposure to future drilling success. Furthermore, combining P2304 with Egdon's licence is anticipated to enhance the possibility of delivering farmout success to the benefit of all parties to the transaction. Today's disposal is in line with our strategy to optimise the risk / reward trade off across our onshore UK and offshore Ireland exploration portfolio. We continue to focus on securing farm outs, specifically within our

industry leading portfolio of offshore Ireland licences, and I look forward to providing further updates in due course.”

The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

**\*\* ENDS \*\***

For further information please visit [www.europaoil.com](http://www.europaoil.com) or contact:

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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 2017 Europa produced 113 boepd. Its highly prospective exploration projects include the Wressle development in the UK and seven licences offshore Ireland with the potential to host gross mean un-risked prospective and indicative resources of 4.7 billion barrels oil equivalent and 1.5 tcf gas across all seven licences.

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#### **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.