

**Europa Oil & Gas (Holdings) plc ('Europa' or 'the Company')**  
**Operations Update**

The Directors of Europa Oil & Gas (Holdings) plc are pleased to provide an Operational Update outlining activity planned for the remainder of 2011 and into 2012.

**Production**

Since the operational and weather related issues reported in early March, group production has increased some 100% to a current average of 260bopd. Gross revenues are currently running at \$750,000 per month.

West Firsby-9 is currently on jet pump production from Zone 1 and is producing an estimated 50 bopd. Previously, Zone 2 produced at an estimated average of 50bopd. West Firsby-7 Zone 1 has been producing approximately 90bopd for the last 2 weeks with an estimated water cut of 75%, a strong improvement on previous performance before re-perforation.

There is significant potential for additional production from Crosby Warren by repeating the highly successful 1987 stimulation of Crosby Warren-1. This is planned for August and is anticipated to provide incremental production of between 50 and 150bopd.

**Appraisal**

The Romanian appraisal well Voitinel-2, anticipated to be spudded in September, is to be a relatively conservative appraisal stepout to prove up to 35bcf of gas-in-place which would allow for the initiation of a pilot production project for the northern part of Voitinel.

A second appraisal-exploration well, likely to be on the Solca Prospect, situated between the Voitinel and Paltinu gas discoveries and designed to test the upside in the Voitinel trend play, is expected to be drilled in early 2012.

On Europa's flagship appraisal project, Berenx, work has been underway for several weeks on the engineering design for a Berenx-3 appraisal well in late 2012/early 2013. In the meantime, the highly encouraging results from the recent CGGV processing of the Lacq Ouest 3D volume has given sufficient encouragement to acquire additional 3D data over the western part of the Berenx structure. It is anticipated this survey will

be acquired in Q4 2011 with a view to maturing contingent resource numbers and choosing a firm well location by Q2 2012.

## **Exploration**

With regard to UK exploration, Europa, Egdon Resources and Celtique Energie have agreed, subject to DECC approval, to equalise working interests across contiguous licences PEDL180 and PEDL182, situated to the south and east of Crosby Warren. This will increase Europa's overall exposure to the play, including the Broughton oil discovery and a joint 3D seismic survey planned for later in 2011 will firm up drilling plans for the licences.

Following the decision by the Surrey Planning Committee to overturn the County Planning Officer's recommendation to allow exploration drilling at Holmwood, the Company has consulted counsel and in the light of their comments and partners' support to appeal the decision, the intention is to move forward with this process. Further updates will be provided in due course.

In Romania, the Company has lodged the required documentation with the government agency to appraise the Barchiz-1 oil discovery well by deepening it to up to 2,500m in order to penetrate the anticipated repeat section of the Oligocene Sandstone reservoir encountered in nearby wells. The Barchiz Prospect therefore remains only partially tested due to the premature cessation of drilling operations at 1,450m following technical problems. It is hoped that approval will be given shortly and that the well can be deepened in October.

A programme of 2D seismic acquisition is planned for the coming months in the Brodina and Cuejdiu licences in the East Carpathian oil play. It is hoped that these additional surveys, totalling approximately 200km, will provide a well location for 2012.

Paul Barrett, Managing Director of Europa, said 'This update demonstrates our strong conveyor belt of appraisal and exploration projects for the remainder of 2011 and beyond. The plan for the next 18 months is shaping up to see the Company firstly drill up to 3 exploration wells with net resource potential of up to 48mmbo, secondly to appraise up to 80bcf net contingent resource and thirdly to be in a position to drill a well on a 1.7TCF potential net resource onshore France.'

Further information:

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This announcement has been reviewed and approved by Paul Barrett, MSc., FGS, a geologist with decades of experience in the upstream oil and gas industry.