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

04 April 2017

Europa Oil & Gas (Holdings) plc ("Europa" or "the Company")

Interim Results

Europa Oil & Gas (Holdings) plc, the AIM traded Ireland and UK focused oil and gas exploration, development and production company, announces its interim results for the six month period ended 31 January 2017.

Operational highlights

- Extension of phase 1 of Irish South Porcupine Basin licences FEL 2/13 and FEL 3/13 to 4 July 2017 to enable existing prospects to be matured and detailed mapping performed of all potential prospective levels
- Constructive discussions with a number of large oil companies in respect of farm-out of Europa's Irish acreage – discussions are ongoing with a number of parties and the Company has concluded one farm-out to Cairn Energy plc, as detailed below
- Sale of 3.34% interest in PEDL180 & 182 (Wressle) to Union Jack Oil plc ("Union Jack") for £0.6 million in cash
- Agreed sale (conditional on planning approval) of 10% interest in PEDL180 & 182 (Wressle) to Upland Resources (UK Onshore) Limited ("Upland") for up to £1.85 million - £1.3 million in cash, £0.3 million in Upland shares and a contingent consideration of £0.25 million in Upland shares
- Acquisition of Shale Petroleum (UK) Limited ("Shale Petroleum"), increasing Europa's interest in PEDL299 (Hardstoft) and PEDL343 (Cloughton)
- Wressle planning decision has delayed the start of production pending appeal

Post reporting period events

- Farm-out of 70% interest in LO 16/19 in the South Porcupine Basin offshore Ireland to Cairn Energy plc which will fully fund a US$6 million work programme in summer 2017 including 3D seismic acquisition
- Farm-out of 12.5% interest in PEDL143 (Holmwood) to Angus Energy – Europa retains 20% interest and is carried on well costs up to a cap of £3.2 million

Financial performance

- Revenue £0.8 million (H1 2016: £0.6 million)
- Pre-tax loss of £0.2 million, (H1 2016: pre-tax tax loss of £0.6 million)
- Net cash used in operating activities £0.3 million (H1 2016: cash used £0.5 million)
- Reduction in administrative expenses to £218,000 (H1 2016: £355,000)
- Cash balance at 31 January 2017 £1.4 million (31 July 2016: £1.7 million)

Europa's CEO, Hugh Mackay said, "Since the beginning of the financial year, a number of farm-outs and sales have been signed across our licence base raising non-dilutive capital for Europa. The remainder of 2017 will see Europa participate in high impact development and exploration projects for which our share of the costs is now funded.

"Offshore Ireland, following our farm-out, 3D seismic will be acquired and funded by Cairn on LO 16/19 in the Irish Atlantic Margin. With drilling set to commence in the region this summer, we are well placed to benefit from any positive results due to a potential de-risking of 4 billon boe of prospective resources in Europa's licences in the Porcupine. We have landed one farm-out in Ireland and I am confident we will close out more in our other six licences offshore Ireland, as we look to maintain the momentum behind our strategy to monetise our asset base, manage risk and generate value for our shareholders.

"In the UK, we are carried on a potentially transformational well targeting the conventional Holmwood prospect, which neighbours the Horse Hill discovery and Brockham oil field in the Weald Basin. With a 20% interest, we are materially exposed to considerable upside without having to put any of the Company's capital at risk drilling the well. Still in the UK and, subject to planning consent being granted, we expect our existing production to almost double to around 220 bopd if the Wressle discovery is brought online following our planning appeal."

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The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

Chairman's Statement

Europa has been very active in the six months under review, managing its portfolio, use of capital and exposure to risk and has completed:

- transactions in the UK with Shale Petroleum, Upland and Union Jack
- farm-outs in the UK with Union Jack and post period end, Angus Energy
- a farm-out in Ireland to Cairn (post period end)

We note that after a four year farm-out hiatus for all companies in Atlantic Ireland three farm-outs were announced during March 2017 by Europa, Providence and Faroe and we are confident that more Irish farm-outs are in the pipeline. We have demonstrated an ability and willingness to execute deals and we will not hesitate to act where we can see value for Europa shareholders.

The oil price and exchange rates are working in our favour. Our existing oil production of 110 bopd would cover cash required for operating activities at an oil price of $55. Once Wressle comes on line, our production is expected to almost double to 210 bopd and will cover cash required for operating activities at $35 oil. In the UK we have potential to add further oil production from the greater Wressle area, from success at the Holmwood exploration well in PEDL143 and from rejuvenation of the Hardstoft oil field in PEDL299.

At the reporting date we have £1.4 million cash, we are carried for our 20% interest in the Holmwood exploration well in 2017, we are carried on our 30% interest in 3D seismic acquisition in summer 2017 in LO 16/19 in Ireland. Once Wressle planning permission is granted we will secure £1.1 million cash and £0.3 million paper with completion of the Upland transaction. We are managing the cost, geological and commercial risk in our business prudently.

Most importantly, in Ireland the team are working hard to land further farm-outs in the Porcupine basin, Padraig basin and greater Corrib area. An important well is being drilled in the Porcupine basin by Providence Resources during summer 2017.A successful outcome from this well would de-risk 4 billion barrels in Europa's four Porcupine licences. We believe that Atlantic Ireland is about to enter a phase of exploration drilling led by the majors. Europa has a very strong portfolio with exposure to all the hydrocarbon plays and we are ideally positioned to benefit from exploration success anywhere in Atlantic Ireland. Over the next two years we will be maturing more drillable prospects, our target is six, each one will be a potential company maker.

These are very exciting times for Europa.

Colin Bousfield
Chairman
3 April 2017

Operational review

Europa operates exploration, production and appraisal assets across three EU countries: Ireland, the UK and France.

Ireland

Europa is a leading operator in Irish exploration. After the Company was awarded more licences in the 2015 Atlantic Margin Licensing Round than any other operator (five), Europa is currently ranked top for number of operated licences and second top for net operated area under licence (5,818km^2).

Four of the licences are in the South Porcupine basin, targeting prospectivity on multiple levels including the Cretaceous Fan; Cretaceous Shelf; Pre-rift and Syn-rift plays. A further two are located in the Greater Corrib area of the Slyne basin in the vicinity of the producing Corrib gas field and targeting the Triassic gas play. Europa's seventh licence lies in the Padraig basin, a remnant Jurassic basin on the eastern margin of the Rockall Trough, which provides the Company with exposure to the conjugate margin Syn-rift and Pre-rift plays and analogous to the Flemish Pass play offshore Newfoundland.

The Cretaceous Fan play comprises Early Cretaceous turbidite sandstone reservoirs; charged by mature Late Jurassic and Early Cretaceous source rocks; and contained in stratigraphic traps with elements of structural closure. The Cretaceous play in Ireland is considered to be analogous to the equatorial Atlantic Margin province that has delivered the Jubilee and Mahogany oil fields.

Recent discoveries in other Atlantic basins have opened up the potential for additional plays to be targeted in the Irish Atlantic Margin. In the Flemish Pass basin offshore Newfoundland, Statoil has pioneered the Syn-rift play with its Bay du Nord discovery. Offshore Senegal, Cairn's SNE discovery has opened up the potential for a Cretaceous Shelf play in the Porcupine. In addition a Brent province style Pre-rift play is also present in the basin.

All of these plays are capable of containing very large volumes of hydrocarbons. This is why major oil companies such as ExxonMobil, Statoil, ENI, BP, Nexen and Woodside are active in the basin. Exploration activity is increasing, more 3D is being acquired and we believe this will lead to up to a dozen wells being drilled over the next five or six years. In particular Providence's Drombeg well that will be drilled in summer could de-risk 4 billion barrels of oil in Europa's Porcupine licences.

Farm-out activity has suddenly increased; after a four year hiatus in Atlantic Ireland three farm-outs were completed during March 2017 by Europa, Providence and Faroe. Europa has more farm-outs in the pipeline and we are working hard to deliver them.

South Porcupine Basin: FEL 3/13 (Wilde, Beckett & Shaw)

The Cretaceous Fan play is developed in FEL 3/13 which is located on the east flank of the Porcupine basin. A Competent Persons Report ("CPR") by ERC Equipoise confirmed gross mean unrisked prospective resources of 1,492 million boe and unrisked NPV10 of US$7 billion across three Cretaceous fan prospects on the licence: prospects Wilde (gross mean unrisked prospective resources 428 million boe), Beckett (749 million boe) and Shaw (315 million boe). Prospect Wilde is considered drill ready with a geological chance of success of 1 in 5. Drill costs are estimated to be US$37 million excluding mobilisation and demobilisation.

There is clear technical and commercial synergy between FEL 3/13 and LO 16/2 and the one year extension to the first phase of FEL 3/13 to 4 July 2017 will enable completion of technical work and integration with LO 16/2. In addition to this Europa will continue to mature existing prospects and perform detailed mapping of all potential prospective levels on the licence, including the Pre-rift, Syn-rift and Cretaceous plays, whilst continuing to seek a farm-out partner for drilling.

South Porcupine Basin: LO 16/2

LO 16/2 covers approximately 522km^2 of ground and adjoins the eastern boundary of FEL 3/13. Europa has identified three new Pre-rift prospects in the licence on its proprietary 3D seismic which was acquired in 2013 and covers both LO 16/2 and FEL 3/13. These prospects have combined gross mean unrisked prospective resources of 1,010 million boe. The Pre-rift play has proved very successful in the Flemish Pass basin offshore Newfoundland and it is believed that this play may also be developed in the South Porcupine basin in addition to the Cretaceous fan play. A CPR is in draft for two of three prospects in LO 16/2.

South Porcupine Basin: FEL 2/13 (Doyle A,B,C & Heaney)

Europa has identified a number of Cretaceous submarine channels on FEL 2/13, which cross the licence from west to east on its proprietary 948km^2 3D seismic survey. Four prospects with gross mean unrisked prospective resources of 595 million boe were mapped on 3D seismic. A one year extension of phase 1 was obtained to enable completion of technical work. A new prospect inventory is in preparation.

Licence	**Gross mean unrisked prospective resources million boe**	**Source**
FEL 3/13	1,492	ERCE CPR
LO 16/2	1,010	Europa in-house
FEL 2/13	595	Europa in-house
LO 16/19	700	Europa in-house
Total	**3,797**	

South Porcupine Basin: LO 16/19

The channels identified in FEL 2/13 feed submarine fans developed in LO 16/19. The seismic architecture of the channels in FEL 2/13 contain features consistent with sandstone deposition and Europa believes that these sandstones are also deposited in the fans identified on LO 16/19. There is potential for several Cretaceous submarine fans with gross mean unrisked prospective resources of 700 million boe. In addition, evidence of gas escape features on seismic and sea bed pock marks suggest the presence of an active source rock. Well 43/13-1, which was drilled by BP in 1998 approximately 20km from LO 16/19, saw oil shows and encountered source rocks.

On 8 March 2017, Europa announced the farm-out of a 70% interest in LO 16/19 to leading independent Cairn Energy plc. Under the terms of the farm-out Cairn will fully fund a US$6 million work programme including a 3D seismic survey over LO 16/19 to further mature the prospect inventory towards drillable status.

Slyne Basin: LO 16/20 and LO 16/21

LO 16/20 and 16/21 are located in the Greater Corrib area of the Slyne basin in the vicinity of the producing Corrib gas field where substantial gas infrastructure is already in place. As a result, unlike licences in the Porcupine, LO 16/20 and 16/21 represent exploration in a proven basin. The Greater Corrib play comprises Triassic sandstone reservoirs in tilted fault block structures with hydrocarbons generated from Carboniferous source rocks. The licences are partially covered by 3D and extensive 2D historic seismic. Water depths range from 300 to 2,000 metres.

Europa has identified a number of prospects and leads on both licences with estimated gross mean unrisked prospective and indicative resources of 1.0 tcf gas on LO 16/20 and 0.5 tcf gas on LO 16/21. We are focused on maturing the leads to drillable prospect status by reprocessing the historic 3D seismic over the licences and securing a farm-in partner with which to drill a low-cost, low-risk exploration well. Nexen recently farmed into Faroe's adjacent LO 16/23, demonstrating the interest in the Triassic gas play amongst major oil companies, and this bodes well for Europa's farm-out activity.

Were these leads and prospects to be matured to drillable status, it is expected that the geological chance of success would be high, drill costs low (reflecting the comparatively shallow water depth) while the proximity to gas infrastructure is potentially another highly favourable factor. For example, prospect TR1 in LO 16/20 lies 16km to the northwest of Corrib in water depth of 500 metres.

Padraig Basin: LO 16/22

The Padraig is a remnant Jurassic basin on the eastern margin of the Rockall Trough. The most relevant analogue for the Padraig is the conjugate margin play offshore Newfoundland in the Flemish Pass basin which was opened up by Statoil's Bay du Nord oil discovery. Most industry efforts are concentrated on exploring for this play in the South Porcupine basin, but Europa's restoration of the conjugate margin prior to Atlantic seafloor spreading suggests the possibility that the Padraig could be a better fit with the Flemish Pass basin.

Good quality 2D seismic acquired in 1998 suggests the presence of structures of significant size. In addition, multiple leads in both Pre-rift and Syn-rift hydrocarbon plays have been mapped in water depths ranging from 800 to 2,000 metres. Gross mean unrisked indicative resources are estimated to be in the range of 300 to 600 million boe.

Europa is currently focused on maturing the leads to drillable prospect status by utilising the historic 2D seismic and wealth of high quality technical work previously carried out by major oil companies. A farm-in partner will be sought with whom to drill an exploration well.

UK Onshore Production

East Midlands: West Firsby; Crosby Warren; Whisby-4

The Company produces from three oilfields in the East Midlands: a 100% working interest in both the West Firsby and Crosby Warren fields and a 65% non-operated interest in the Whisby-4 well. Production from the three fields declined in line with expectations. During the six month period to 31 January 2017, 115 boepd were recovered (H1 2016: 124 boepd). All of the oil is transported by road to the Immingham refinery.

UK - Development

East Midlands: PEDL180 (Wressle); PEDL182 (Broughton North)

PEDL180 holds the Wressle oil discovery which lies 5km southeast of, and along the same structural trend as, Europa's producing Crosby Warren field. Wressle was discovered by the Wressle-1 conventional exploration well which was drilled to a total depth of 2,240m (1,814m TVDSS) on 23 August 2014. Petro-physical evaluation of MWD (measurement whilst drilling) log data indicated over 30m measured thickness of potential hydrocarbon pay in three main intervals: Ashover Grit; Wingfield Flags; and Penistone Flags. A CPR issued on 26 September 2016 identified gross 2P reserves on the structure of 0.65 million boe in the Ashover and Wingfield Flags and gross 2C contingent resources of 1.86 million boe in the Penistone Flags.

The CPR also assigned gross mean unrisked prospective resources of 0.6 million boe at the Broughton North exploration prospect on PEDL182 which lies adjacent and north of PEDL180. A well at Broughton was drilled by BP in 1984 and discovered oil. ERCE Equipoise in its capacity as a Competent Person has assigned a geological chance of success of 50% to the prospect.

Reservoir engineering analyses indicate an initial production flow rate of 500 bopd gross from the Ashover Grit interval at Wressle. On 27 September 2016 Europa announced the sale of 3.34% interest in PEDL180 & 182 to Union Jack Oil for a cash consideration of £600,000. On 24 November 2016, Europa agreed the sale of a 10% interest in PEDL180 & 182 to Upland for a total consideration of up to £1.85 million. The transaction implies a value of up to £3.7 million for Europa's remaining 20% interest in the licences.

Completion of the sale to Upland is subject to planning, EA and Field Development Plan ("FDP") approvals. The FDP was submitted to the OGA on 8 September 2016. Following Lincolnshire County Council's refusal to grant planning consent for the Wressle development in January 2017, the partners have announced their intention to appeal and at the same time file a new application which will include more detailed information to address the specific concerns outlined by the Council. The partners remain confident that planning consent will be granted and that Wressle will be brought into production later in 2017. The other partners in PEDL180 & 182 are Egdon Resources (operator) 25%, Celtique Energie 33.3% and Union Jack 11.7%.

UK – Exploration

Weald Basin: PEDL143 (Holmwood)

In Surrey, south of Dorking, PEDL143 contains the Holmwood conventional oil prospect. Holmwood is predicted to have the same conventional Jurassic sandstone and limestone reservoirs which are proven to be productive at the nearby Brockham oil field and at the Horse Hill oil discovery. Holmwood has been assigned gross mean prospective resources of 5.6 million boe with a range of 1 to 11 million boe. Were it to come in at 5.6 million boe, Holmwood would become the fifth largest onshore oil field in the UK.

Planning permission has been granted to drill a temporary exploratory borehole to a depth of 1,400m. The well is being planned for drilling in 2017 and has been assigned a geological chance of success by Europa of 1 in 3. Following the post period end farm-out of a 12.5% interest in PEDL143 to Angus Energy, Europa will be fully carried on its remaining 20% share of the exploration well costs up to a cap of £3.2 million.

The Horse Hill discovery in PEDL137 lies 8km to the east of and along-strike in a very similar geological structure to the Holmwood prospect. Correlation of seismic data indicates that the Holmwood well will penetrate a similar stratigraphic section to Horse Hill which in addition to producing 323 bopd from Portland sandstone reservoirs, also produced oil from micritic limestone formations in the Kimmeridge section. It is encouraging that Horse Hill yielded 1,365 bopd aggregate flowrate from two limestone intervals, suggesting it is possible that the micritic limestone may be a “missed pay” in the Weald basin.

Europa has a 20% working interest in the licence along with UK Oil & Gas Investments plc 30%, Egdon Resources 18.4%, Angus Energy 12.5%, Warwick Energy 10%, Union Jack Oil 7.5% and Altwood Petroleum 1.6%.

East Midlands: PEDL299 (Hardstoft)

PEDL299 contains the Hardstoft oil field. This was discovered in 1919 by the UK’s first ever exploration well and produced 26,000 barrels of oil from Carboniferous limestone reservoirs. A CPR on Hardstoft, issued by joint venture partner Upland, identified gross 2C contingent resources of 3.1 million boe and gross 3C contingent resources of 18.5 million boe in PEDL299. Production testing methodologies for carbonate reservoirs have evolved since 1919 which it is hoped will lead to commercial oil flowrates being achieved.

During the period, Europa acquired Shale Petroleum which resulted in the Company’s interest in the licence increasing from 16.66% to 33.33%. This has subsequently been reduced following the reassignment of an 8.33% interest in the licence to existing partner Upland. As a result, Europa’s interest in PEDL299, which is restricted to the conventional prospectivity, now stands at 25%, alongside Upland 25% and INEOS, the operator, 50%.

Cleveland Basin: PEDL343 (Cloughton)

PEDL343 is operated by Third Energy and contains the Cloughton gas discovery made by Bow Valley. An exploration well was drilled in 1986 and flowed a small amount of gas to surface on production test from Carboniferous sandstone reservoirs. Europa regards Cloughton as a gas appraisal opportunity with the critical challenge being to obtain commercial flowrates from future production testing operations.

The acquisition of Shale Petroleum increased our equity in the licence to 45% from 22.5%. This has subsequently been reduced to 35% following a post period end assignment of 10% to existing partner Arenite Petroleum Limited (“Arenite”). Licence interests are: Europa 35%; Arenite 15%, Third Energy 20%, Egdon Resources 17.5% and Petrichor Energy 12.5%.

East Midlands: PEDL181

The licence provides exposure to the hydrocarbon potential of the Humber basin. It has technical synergy with the adjacent PEDL334 which was awarded to an Egdon Resources led group in the 14th Round for the purpose of conventional and unconventional exploration.

Southern North Sea: Block 41/24

This is a promote licence awarded in July 2015 over Block 41/24 in the Southern North Sea to a joint venture comprising Europa and Arenite. The licence was awarded as part of the 28th Seaward Licensing Round. Block 41/24 adjoins the Yorkshire coast and contains the Maxwell gasfield which was discovered in Permian Zechstein carbonates by Total with the drilling of offshore well 41/24a-1 in 1969. Two follow-up appraisal wells: 41/24a-2 drilled by Total (1981) and 41/24-3 by Conoco (1992) targeted this fractured Zechstein carbonate reservoir and flowed gas and condensate. The exploration emphasis of the licence is to address the Carboniferous prospectivity in the Namurian and Dinantian sequences. The adjoining onshore extension of the Cleveland basin contains a number of gas fields and discoveries including Kirby Misperton, Ebberstone Moor and Cloughton.

The promote licence is for two years’ duration and requires financial, technical and environmental capacity to be in place and a firm drilling (or agreed equivalent substantive activities) commitment to have been made by the end of the second year.

France

Tarbes Val d’Adour

On 16 February 2015, Europa announced a farmout of an 80% interest in the licence to Vermilion Energy. The farmout agreement is subject to the relevant approvals from the French authorities for the transfer of equity and operatorship to Vermilion and the granting of an extension to the permit. The approvals processes started in 2014. The Company continues to try to progress the necessary approvals, but believes that it is prudent at this stage to assume that the relevant approvals will not be forthcoming.

Béarn des Gaves

The permit expired in March 2017. The carrying value of the permit was written off by the Company in the previous financial year.

Financials

An improving oil price, together with favourable exchange rates, offset the natural decline in our production in the period. The average oil price achieved was US$48.2/bbl (H1 2016: US$41.7/bbl and the average Sterling exchange rate was $1.26 (H1 2016: $1.51). An average of 115 boepd were recovered from our three UK onshore fields in the period which generated £0.8 million in revenue (H1 2016: 124 boepd and £0.6 million).

Stringent cost controls continue to be implemented. Cost of sales were reduced to £721,000 (H1 2016: £765,000) despite spending £45,000 on renewal of EA permits for the operated production sites.

Administrative expenses of £218,000 were significantly reduced (H1 2016: £355,000) as a result of the continuing temporary salary reduction agreed with head office staff and non-recurrence of expenditure on Irish licence applications.

Net cash spent on operating activities was £0.3 million (H1 2016: cash spent £0.5 million).

Purchase of intangible fixed assets of £0.8 million (H1 2016: £0.9 million) was largely offset by receipts following the sale of interest in PEDL180/182 to Union Jack Oil and Upland Resources. As a result of the delay in receipt of planning consent for the Wressle development, only £160,000 of the £1.3 million cash expected from Upland was received in the period.

Our cash balance at 31 January 2017 was £1.4 million (31 July 2016: £1.7 million).

Conclusion and Outlook

In the last financial year we significantly expanded our licence base with the award of five licensing options in the Irish Atlantic Margin and two licences onshore UK. The six months under review saw a series of corporate actions in line with our ongoing strategy to actively manage our portfolio and maximise value.

Offshore Ireland, Europa has unrivalled exposure to all the various play types being targeted. With activity in the region set to step up with the drilling of the first of an expected series of new wells this summer, we are in a strong position to benefit from any exploration success. In the meantime, we remain focused on advancing all our offshore Ireland licences by carrying out further in-house technical work on existing seismic data as well as securing farm-out partners. We are confident that the post period end farm-out of LO 16/19 to Cairn will be followed by similar agreements elsewhere in our Irish portfolio. In exchange for funding a US$6 million work programme including the acquisition of 3D seismic in summer 2017, Cairn will earn a 70% interest in LO 16/19 and as a result, we look forward to the commencement of operations on the licence in the next few months.

Onshore UK, we acquired Shale Petroleum, sold two separate interests in the Wressle discovery; and post period end we farmed-out a 12.5% interest in Holmwood. As a result, we are fully funded to pay for our share of the costs required to bring the Wressle discovery into production (subject to planning consent being granted), while we also have a carry on an exciting exploration well targeting the Holmwood prospect in the Weald Basin. I expect aggregate production from the West Firsby, Crosby Warren fields and the Whisby-4 well of around 110 boepd in H2.

Excellent progress is being made across our licences and I look forward to providing further updates in due course.

Hugh Mackay
CEO
3 April 2017

Qualified Person Review

This release has been reviewed by Hugh Mackay, Chief Executive of Europa, who is a petroleum geologist with over 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.

Licence Interests Table

Country	Area	Licence	Field/ Prospect	Operator	Equity	Status
UK	East Midlands	DL003	West Firsby	Europa	100%	Production
		DL001	Crosby Warren	Europa	100%	Production
		PL199/215	Whisby-4	BPEL	65%	Production
		PEDL180	Wressle	Egdon	30%[1]	Development
		PEDL181		Europa	50%	Exploration
		PEDL182	Broughton	Egdon	30%[2]	Exploration
		PEDL299	Hardstoft	INEOS	25%	Exploration
		PEDL343	Cloughton	Third Energy	35%[3]	Exploration
	Weald	PEDL143	Holmwood	Europa	20%[4]	Exploration
	SNS	Block 41/24	Maxwell	Arenite	50%	Exploration
Ireland	South Porcupine	FEL 2/13	Doyle A/B/C, Heaney	Europa	100%	Exploration
		FEL 3/13	Beckett, Wilde Shaw (lead)	Europa	100%	Exploration
		LO 16/2	PR1, PR2. PR3	Europa	100%	Exploration
		LO 16/19	2 leads	Cairn[5]	30%	Exploration
	Slyne basin	LO 16/20	2 leads	Europa	100%	Exploration
		LO 16/21	4 leads	Europa	100%	Exploration
	Padraig basin	LO 16/22	6 leads	Europa	100%	Exploration
France	Aquitaine	Tarbes val d'Adour		Vermilion	20%	Exploration/Appraisal

[1] Reducing to 20% following the farm-out to Upland
[2] Reducing to 20% following the farm-out to Upland
[3] Following assignment to Arenite
[4] Following the farm-out to Angus Energy
[5] Following the farm-out to Cairn

Financials

Unaudited consolidated statement of comprehensive income

	6 months to 31 January 2017	6 months to 31 January 2016	Year to 31 July 2016 (audited)
	£000	£000	£000
Revenue	**811**	624	1,269
Other cost of sales	***(721)***	*(765)*	*(1,282)*
Exploration write-off	**-**	-	*(1,162)*
Total cost of sales	**(721)**	(765)	(2,444)
Gross profit/(loss)	**90**	(141)	(1,175)
Administrative expenses	**(218)**	(355)	(593)
Profit on fixed asset disposal	**-**	-	28
Finance income	**30**	34	64
Finance expense	**(109)**	(115)	(228)
Loss before taxation	**(207)**	(577)	(1,904)
Taxation credit	**68**	209	266
Total comprehensive loss for the period attributed to the equity shareholders of the parent	**(139)**	(368)	(1,638)
	Pence per share	Pence per share	Pence per share
Earnings per share (EPS) attributable to the equity shareholders of the parent			
Basic and diluted EPS (note 4)	**(0.06)p**	(0.15)p	(0.67)p

Unaudited consolidated statement of financial position

	31 January 2017	31 January 2016	31 July 2016 (audited)
	£000	£000	£000
Assets			
Non-current assets			
Intangible assets	**4,543**	5,125	4,453
Property, plant and equipment	**970**	1,463	1,060
Deferred tax asset	**225**	101	157
Total non-current assets	**5,738**	6,689	5,670
Current assets			
Inventories	**17**	15	23
Trade and other receivables	**308**	254	210
Cash and cash equivalents	**1,391**	1,758	1,718
	1,716	2,027	1,951
Total assets	**7,454**	8,716	7,621
Liabilities			
Current liabilities			
Trade and other payables	**(421)**	(200)	(444)
Current tax liability	**-**	(144)	(148)
Derivative	**-**	(29)	-
Short-term borrowings	**-**	(23)	-
Total current liabilities	**(421)**	(396)	(592)
Non-current liabilities			
Long-term borrowings	**-**	(129)	-
Long-term provisions	**(2,458)**	(2,245)	(2,347)
Total non-current liabilities	**(2,458)**	(2,374)	(2,347)
Total liabilities	**(2,879)**	(2,770)	(2,939)
Net assets	**4,575**	5,946	4,682
Capital and reserves attributable to equity holders of the parent			
Share capital	**2,449**	2,449	2,449
Share premium	**15,901**	15,901	15,901
Merger reserve	**2,868**	2,868	2,868
Retained deficit	**(16,643)**	(15,272)	(16,536)
Total equity	**4,575**	5,946	4,682

Unaudited consolidated statement of changes in equity

	Share capital £000	Share premium £000	Merger reserve £000	Retained deficit £000	Total equity £000
Unaudited					
Balance at 1 August 2015	**2,449**	**15,901**	**2,868**	**(14,911)**	**6,307**
Total comprehensive loss for the period	-	-	-	(368)	(368)
Share based payments	-	-	-	7	7
Balance at 31 January 2016	**2,449**	**15,901**	**2,868**	**(15,272)**	**5,946**
Audited					
Balance at 1 August 2015	**2,449**	**15,901**	**2,868**	**(14,911)**	**6,307**
Loss for the year attributable to the equity shareholders of the parent	-	-	-	(1,638)	(1,638)
Share based payments	-	-	-	13	13
Balance at 31 July 2016	**2,449**	**15,901**	**2,868**	**(16,536)**	**4,682**
Unaudited					
Balance at 1 August 2016	**2,449**	**15,901**	**2,868**	**(16,536)**	**4,682**
Total comprehensive loss for the period	-	-	-	(139)	(139)
Share based payments	-	-	-	32	32
Balance at 31 January 2017	**2,449**	**15,901**	**2,868**	**(16,643)**	**4,575**

Unaudited consolidated statement of cash flows

	6 months to 31 January 2017	6 months to 31 January 2016	Year to 31 July 2016 (audited)
	£000	£000	£000
Cash flows from operating activities			
Loss after taxation	**(139)**	(368)	(1,638)
Adjustments for:			
Share based payments	**32**	7	13
Depreciation	**90**	99	195
Exploration write-off	**-**	-	1,162
Disposal of fixed asset	**-**	-	(28)
Finance income	**(30)**	(34)	(64)
Finance expense	**109**	115	228
Taxation credit	**(68)**	(209)	(266)
(Increase) /decrease in trade and other receivables	**(100)**	120	170
Decrease / (increase) in inventories	**6**	(2)	(10)
Decrease in trade and other payables	**(93)**	(209)	(84)
Cash used in operating activities	**(193)**	(481)	(322)
Income taxes paid	**(144)**	**-**	**-**
Net cash used in operating activities	**(337)**	(481)	(322)
Cash flows used in investing activities			
Purchase of property, plant & equipment	**-**	-	(1)
Sale of property	**-**	-	338
Purchase of intangibles	**(780)**	(915)	(1,224)
Receipt of back costs from licence farm-ins	**760**	-	-
Repayment of derivative	**-**	-	(30)
Interest received	**-**	3	4
Net cash used in investing activities	**(20)**	(912)	(913)
Cash flows from financing activities			
Decrease in payables related to share capital issue costs	**-**	-	(71)
Repayment of borrowings	**-**	(12)	(164)
Finance costs	**(1)**	(10)	(17)
Net cash used in financing activities	**(1)**	(22)	(252)
Net decrease in cash and cash equivalents	**(358)**	(1,415)	(1,487)
Exchange gain on cash and cash equivalents	**31**	22	54
Cash and cash equivalents at beginning of period	**1,718**	3,151	3,151
Cash and cash equivalents at end of period	**1,391**	1,758	1,718

Notes to the consolidated interim statement

1 Nature of operations and general information

Europa Oil & Gas (Holdings) plc ("Europa Oil & Gas") and subsidiaries' ("the Group") principal activities consist of investment in oil and gas exploration, development and production.

Europa Oil & Gas is the Group's ultimate parent Company. It is incorporated and domiciled in England and Wales. The address of Europa Oil & Gas's registered office head office is 6 Porter Street, London W1U 6DD. Europa Oil & Gas's shares are listed on the London Stock Exchange AIM market.

The Group's consolidated interim financial information is presented in Pounds Sterling (£), which is also the functional currency of the parent Company.

The consolidated interim financial information has been approved for issue by the Board of Directors on 3 April 2017

The consolidated interim financial information for the period 1 August 2016 to 31 January 2017 is unaudited. In the opinion of the Directors the condensed interim financial information for the period presents fairly the financial position, and results from operations and cash flows for the period in conformity with the generally accepted accounting principles consistently applied. The condensed interim financial information incorporates unaudited comparative figures for the interim period 1 August 2015 to 31 January 2016 and the audited financial year to 31 July 2016.

The financial information contained in this interim report does not constitute statutory accounts as defined by section 435 of the Companies Act 2006. The report should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 July 2016.

The comparatives for the full year ended 31 July 2016 are not the Company's full statutory accounts for that year. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain a statement under section 498 (2) – (3) of the Companies Act 2006.

Given the cash inflow from the Group's producing assets, and the expectation of cash-flow from development assets including the expected receipt of £1.1 million cash from Upland in connection with the sale of interest in PEDL180 and 182, the Directors have concluded, at the time of approving the consolidated interim financial information, that there is a reasonable expectation, based on the Group's cash flow forecasts, that the Group can continue in operational existence for the foreseeable future, which is deemed to be at least 12 months from the date of signing the consolidated financial information. Accordingly they continue to adopt the going concern basis in preparing the consolidated interim financial information.

2 Summary of significant accounting policies

The condensed interim financial information has been prepared using policies based on International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board ("IASB") as adopted for use in the EU. The condensed interim financial information has been prepared using the accounting policies which will be applied in the Group's statutory financial information for the year ended 31 July 2017.

This results in the adoption of various standards and interpretations, none of which have had a material impact on the interim report or are expected to have a material impact on the financial statements for the full year.

3 Share capital

	6 months to 31 January 2017	6 months to 31 January 2016	Year to 31 July 2016 (audited)
Allotted, called up and fully paid ordinary shares of 1p	**Shares**	Shares	Shares
Start and end of period	**244,888,011**	244,888,011	244,888,011
	£000	£000	£000
Start and end of period	**2,449**	2,449	2,449

4 Earnings per share (EPS)

Basic EPS has been calculated on the loss after taxation divided by the weighted average number of shares in issue during the period. Diluted EPS uses an average number of shares adjusted to allow for the issue of shares, on the assumed conversion of all in-the-money options.

The Company's average share price for the period was 4.86p which was below the exercise price of all 15,365,000 outstanding share options (H1 2016: 3.69p which was below the exercise price of all 11,965,000 outstanding share options).

The calculation of the basic and diluted earnings per share is based on the following:

	6 months to 31 January 2017	6 months to 31 January 2016	Year to 31 July 2016 (audited)
	£000	£000	£000
Losses			
Loss for the period attributable to the equity shareholders of the parent	**(139)**	(368)	(1,638)

Number of shares

Weighted average number of ordinary shares for the purposes of basic and diluted EPS	**244,888,011**	244,888,011	244,888,011

5 Taxation

Consistent with the year-end treatment, current and deferred tax assets and liabilities have been calculated at tax rates which were expected to apply to their respective period of realisation at the period end.

6 Post reporting date

Farm-out of 12.5% interest in PEDL143 (Holmwood) to Angus Energy - Europa retains 20% interest and is carried on well costs up to a cap of £3.2 million.

Farm-out of 70% interest in LO 16/19 in the South Porcupine Basin offshore Ireland to Cairn Energy plc who will fully fund a US$6 million work programme in summer 2017 including 3D seismic acquisition.