Europa Oil & Gas (Holdings) plc / Index: AIM / Epic: EOG / Sector: Oil & Gas
13 April 2022

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

Interim Results

Europa Oil & Gas (Holdings) plc, the AIM traded UK, Morocco and Ireland focused oil and gas exploration, development, and production company, announces its interim results for the six-month period ending 31 January 2022.

Financial performance

- Strongest interim financial performance since H1 2014 with significant revenue and profit as a result of asset performance and a strengthening oil price
- Revenue £2.2 million (H1 2021: £0.5 million)
- Pre-tax profit of £0.7 million (H1 2021: pre-tax loss £0.7 million)
- Net cash from operating activities £0.9 million (H1 2021: net cash used in operating activities £0.2 million)
- Unrestricted cash balance at 31 January 2022: £0.6 million (31 July 2021: £0.6 million)

Operational Highlights

Onshore UK - Wressle oilfield moving from strength to strength and new possibilities for West Firsby

Wressle Oil Field

- Wressle exceeded initial gross projections of 500 barrels of oil per day ("bopd") in August, which increased to instantaneous flow rates in excess of 884 bopd and 480,000 cubic feet ("Mcf") of gas by September following successful proppant squeeze and coiled tubing operations. This more than doubled Europa's total net oil production to 208 bopd during H1 and provided a major boost to revenues against a backdrop of rising oil prices.
- ERCE Equipoise Ltd ("ERCE"), an independent energy consulting group, concluded from analysis of downhole pressure data that higher rates of up to 1,543 bopd can be realised if the facilities constraints on gas production can be alleviated.
- Further resources in the Wingfield Flags and Penistone Flags reservoirs are being reviewed for development and have the potential to increase net reserves.

West Firsby Oil Field

- CausewayGT and geothermal project partner Baker Hughes identified Europa's West Firsby oil field in the Midlands as a suitable candidate for developing a closed-loop geothermal system.
- Future potential for West Firsby to continue delivering revenue and for additional well stock to be repurposed to generate emission-free geothermal energy is in line with the Company's ESG strategy.

Offshore Morocco – high-impact exploration opportunity

- The farm out initiative of the Inzegane Offshore permit located in the Agadir Basin was formally launched in August. Europa has a 75% interest in Inzegane and operatorship of the License covering an area of 11,228 sq. km
  - Inzegane represents a high-impact exploration opportunity in a highly underexplored area of the world – complementing Europa's strategy of building a balanced portfolio of assets.
  - Recent evaluation identified a significant volume of unrisked recoverable resources, in excess of 1 billion barrels (oil equivalent), in the top five ranked prospects alone.
  - Morocco offers a highly attractive investment opportunity with excellent fiscal terms. Several major and mid-cap companies already hold acreage there, including ENI, Hunt, Genel and ConocoPhillips.

Offshore Ireland - Low risk / high reward infrastructure-led exploration in the proven Slyne Basin gas play

  - Farmout initiative is continuing on Licence FEL 4/19 which holds the flagship 1.5 tcf Inishkea prospect adjacent to existing infrastructure at the producing Corrib gas field.

Post period

- Exercise of rights by DNO North Sea (UK) Limited to terminate the Sale and Purchase Agreement for acquisition by Europa of Irish exploration licence FEL 3/19.
- Successfully raised gross proceeds of £7.02m, approved by shareholders at the General Meeting on 25 March.
- Proposed acquisition of a 25% interest in the Serenity discovery in the North Sea as part of the Company's strategy to build a balanced portfolio of assets.

Simon Oddie, CEO said:

"We are delighted to bring you our outstanding financial results for the first half, which saw revenue quadruple to £2.2 million and a swing back to profitability from recent years.

Europa's positive H1 performance was driven by excellent production result at our Wressle oil field in North Lincolnshire, which saw our average daily production more than double compared to H1 2021 and coupled with elevated oil prices, which are now exceeding US$100 a barrel.

With the raising of £7.02 million and the proposed acquisition of a 25% interest in the Serenity discovery in the UK North Sea post reporting period, we have now also put in place the third leg of the business, the acquisition of a near-term appraisal and development opportunity. The year is shaping up to be transformational for both our diversified energy portfolio and our financial position."

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

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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

"It has been a very eventful and truly game changing time for Europa. Our standout performer in the UK portfolio – Wressle – delivered and exceeded all expectations and the period also saw our ESG strategy gain momentum with the West Frisby oil field identified as a possible site for a closed loop geothermal project. The most material and transformational event came post period end with the raising of £7.02 million to fund the farm-in for 25% of North Sea block 13/23c which includes the Serenity oil discovery. This has the combined benefits of balancing our portfolio and offering the potential for significant short term value upside to Europa. We are now delivering on our stated strategy of developing a balanced portfolio of multi-stage hydrocarbon assets encompassing production, development, and exploration.

Wressle's outstanding production performance during H1 saw average daily output more than double to over 200 bopd (net) – quadrupling revenues to £2.2 million, compared to H1 2021, amid a surging oil price environment. The average realised oil price increased by 75%, -compared to H1 2021, to US$77.84 per barrel during the first half. Our net cash figure was also positive versus a year ago. Also, there is further upside potential available for our standout asset as flagged by a report conducted by ERCE Equipoise Ltd ("ERCE"), an independent energy consulting group, which highlighted significant upside potential in production to 1,543bopd – provided certain conditions are met. The operator is currently working on satisfying these conditions to enable further increased production.

The farm out initiative of our Inezgane Offshore permit in offshore Morocco launched during the period also paves the way for additional growth vis a vis a high-impact exploration opportunity in a highly underexplored area. This is a high potential exploration licence where we have already mapped unrisked prospective oil resources in excess of 1 billion barrels.

Finally, on behalf of the Board I would like to thank the management, employees and consultants for their hard work over the course of the reporting period and beyond. I also want to thank our shareholders for their continued support during the period and look forward to updating the market on further developments during this exciting period for the Company."

Mr Brian O'Cathain (non-executive Chairman)
13 April 2022

Operational review

Financials
Average daily H1 2022 production was 208 boepd compared to 86 boepd in H1 2021. There was a 75% increase in average realised oil price to US$77.84 per barrel (H1 2021: US$44.45). Foreign exchange movements had a negligible impact on revenues as US Dollar sales converted to Sterling at US$1.35 (H1 2020: US$1.34).

- Revenue was £2.2 million (H1 2021: £0.5 million)
- Net cash received from operating activities was £0.9 million (H1 2021: cash spent £0.2 million)
- The Group's unrestricted cash balance as at 31 January 2022 was £0.6 million

Based upon the Group cashflow forecasts, the Directors have concluded that there is a reasonable expectation that the Group will be able to 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. Further comments on going concern are included in note 1.

Conclusion and Outlook

Our first half financial performance was solid owing to outstanding operations in the period. A quadrupling of revenue compared to H1 2021, a dramatic turnaround in our profitability from a loss of £0.7m to a profit of £0.7m, our net cash position closing higher compared to that as at January 2021– thanks, in the main, to our 30% interest in Wressle oil field in North Lincolnshire. The asset has delivered beyond our expectations with still further upside potential ahead.

Elsewhere, we have advanced our ESG strategy with the West Firsby legacy oilfield in the West Midlands, which is being assessed as a suitable site for closed loop geothermal energy by Baker Hughes and CausewayGT. If successful, this could have positive implications for our other ageing oil wells and the renewable energy sector more broadly. We expect further momentum as studies progress in H2.

In offshore Ireland, we are continuing our technical studies and farmout initiative on our flagship Irish project - FEL 4/19, which holds the 1.5 tcf Inishkea prospect located in the Corrib Basin. We remain enthusiastic for this asset given Ireland's heavy dependence on the Corrib gas field for its gas supply and rising concerns around energy security. This, coupled with increasing gas prices, means the market fundamentals are becoming even more favourable.

We continue to advance our activity in offshore Morocco and look forward to reporting on progress ahead. With oil prices currently over US$100 a barrel, as a result of the recent geopolitical situation and the banning of Russian oil and gas by several countries – the focus for UK and European governments is now on sourcing alternative sources of fossil fuels, including a strong preference to increase domestic supply across EU and the UK.

The post period acquisition of a 25% interest in Serenity is in line with Europa's previously stated intention to acquire an appraisal asset, adding to its existing producing and high impact exploration assets and thus creating a more balanced asset portfolio for investors. Serenity is expected to be drilled during 2022 at a gross cost of £14 million. Europa will pay 46.25% of the appraisal well cost, equating to a 1.85 to 1 carry. The carry is capped at a gross well cost of £15 million, of which the Company's interest will be £6.94 million. Thereafter, each party will fund its interests proportionally. It is strategically located near existing infrastructure in the North Sea, however the appraisal well could provide sufficient recoverable volumes for a standalone development.

Europa is now well positioned to capitalise on its diversified and high potential energy portfolio which is an effective balance of exploration, appraisal and production with substantial additional development potential.

Simon Oddie
CEO
13 April 2022

Qualified Person Review

This release has been reviewed by Alastair Stuart, engineering advisor to Europa, who is a petroleum engineer with over 35 years' experience and a member of the Society of Petroleum Engineers and 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
Ireland	Slyne Basin	FEL 4/19	Inishkea, Corrib North	Europa	100%	Exploration
	South Porcupine	FEL 1/17	Ervine, Edgeworth, Egerton	Europa	100%	Exploration
UK	East Midlands	DL 003	West Firsby	Europa	100%	Production
		DL 001	Crosby Warren	Europa	100%	Production
		PL199/215	Whisby-4	BPEL	65%	Production
		PEDL180	Wressle	Egdon	30%	Development
		PEDL181		Europa	50%	Exploration
		PEDL182	Broughton North	Egdon	30%	Exploration
		PEDL299	Hardstoft	Ineos	25%	Appraisal
		PEDL343	Cloughton	Third	35%	Appraisal
Morocco	Agadir Basin	Inezgane	Falcon & Turtle	Europa	75%	Exploration

Financials
Unaudited condensed consolidated statement of comprehensive income

	6 months to 31 January 2022 £000	6 months to 31 January 2021 £000	Year to 31 July 2021 (audited) £000
Continuing operations			
Revenue	**2,191**	516	1,372
Cost of sales	**(1,246)**	(607)	(1,249)
Impairment of producing fields	**-**	(51)	-
Total cost of sales	**(1,246)**	(658)	(1,249)
Gross profit/(loss)	**945**	(142)	123
Exploration write back/(write off) (note 3)	**360**	-	(12)
Administrative expenses	**(463)**	(417)	(717)
Finance income	**20**	3	3
Finance expense	**(119)**	(131)	(242)
Profit/(loss) before taxation	**743**	(687)	(845)
Taxation (note 5)	**-**	127	127
Profit/(loss) for the period	**743**	(560)	(718)
Other comprehensive income			
Items that will not be reclassified to profit/(loss), net of tax			
Loss on investment revaluation	**(17)**	(10)	(2)
Total comprehensive income/(loss) for the period attributed to the equity shareholders of the parent	**726**	(570)	(720)

	Pence per share	Pence per share	Pence per share
Earnings per share (EPS) attributable to the equity shareholders of the parent			
Basic EPS (note 4)	0.13p	(0.13)p	(0.15)p
Diluted EPS (note 4)	0.13p	-	-

Unaudited condensed consolidated statement of financial position

	31 January 2022	31 January 2021	31 July 2021 (audited)
	£000	£000	£000
Assets			
Non-current assets			
Intangible assets (note 6)	**2,960**	5,391	6,438
Property, plant and equipment (note 7)	**4,006**	358	369
Restricted cash	**-**	233	-
Total non-current assets	**6,966**	5,982	6,807
Current assets			
Investments	**25**	35	42
Inventories	**50**	29	23
Trade and other receivables	**822**	480	522
Restricted cash	**238**	-	230
Cash and cash equivalents	**624**	269	641
	1,759	813	1,458
Total assets	**8,725**	6,795	8,265
Liabilities			
Current liabilities			
Borrowing (note 8)	**(10)**	(231)	(10)
Trade and other payables	**(1,177)**	(1,218)	(1,556)
Total current liabilities	**(1,187)**	(1,449)	(1,566)
Non-current liabilities			
Borrowings (note 8)	**(35)**	(44)	(40)
Trade and other payables	**(11)**	(23)	(17)
Long-term provisions (note 9)	**(3,510)**	(3,278)	(3,393)
Total non-current liabilities	**(3,556)**	(3,345)	(3,450)
Total liabilities	**(4,743)**	(4,794)	(5,016)
Net assets	**3,982**	2,001	3,249
Capital and reserves attributable to equity holders of the parent			
Share capital	**5,665**	4,447	5,665
Share premium	**21,157**	21,010	21,157
Merger reserve	**2,868**	2,868	2,868
Retained deficit	**(25,708)**	(26,324)	(26,441)
Total equity	**3,982**	2,001	3,249

Unaudited condensed 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 2021	**5,665**	**21,157**	**2,868**	**(26,441)**	**3,249**
Comprehensive income for the period					
Profit for the period attributable to the equity shareholders of the parent	-	-	-	743	743
Other comprehensive loss attributable to the equity shareholders of the parent	-	-	-	(17)	(17)
Total comprehensive income for the period	-	-	-	726	726
Contributions by and distributions to owners					
Share-based payments	-	-	-	7	7
Total transactions with owners	-	-	-	7	7
Balance at 31 January 2022	**5,665**	**21,157**	**2,868**	**(25,708)**	**3,982**
Unaudited					
Balance at 1 August 2020	**4,447**	**21,010**	**2,868**	**(25,838)**	**2,487**
Loss for the period attributable to the equity shareholders of the parent	-	-	-	(560)	(560)
Other comprehensive loss attributable to the equity shareholders of the parent	-	-	-	(10)	(10)
Total comprehensive loss for the period	-	-	-	(570)	(570)
Contributions by and distributions to owners					
Share-based payments	-	-	-	84	84
Total transactions with owners	-	-	-	84	84
Balance at 31 January 2021	**4,447**	**21,010**	**2,868**	**(26,324)**	**2,001**
Audited					
Balance at 1 August 2020	**4,447**	**21,010**	**2,868**	**(25,838)**	**2,487**
Loss for the year attributable to the equity shareholders of the parent	-	-	-	(718)	(718)
Other comprehensive loss attributable to the equity shareholders of the parent	-	-	-	(2)	(2)
Total comprehensive loss	**-**	**-**	**-**	**(720)**	**(720)**

for the year					
Contributions by and distributions to owners					
Issue of share capital	1,218	225	-	-	1,443
Issue of share warrants	-	(78)	-	78	-
Share-based payments	-	-	-	39	39
Total transactions with owners	1,218	147	-	117	1,482
Balance at 31 July 2021	**5,665**	**21,157**	**2,868**	**(26,441)**	**3,249**

Unaudited condensed consolidated statement of cash flows

	6 months to 31 January 2022	6 months to 31 January 2021	Year to 31 July 2021 (audited)
	£000	£000	£000
Cash flows generated/(used in) operating activities			
Profit/(loss) after taxation	**743**	(560)	(718)
Adjustments for:			
Share-based payments	**7**	84	39
Depreciation	**627**	67	107
Taxation credit recognised in profit and loss	**-**	(127)	(127)
Impairment of producing fields	**-**	51	-
Exploration write off	**-**	-	12
Reversal of cost accrual on relinquishment of licences	**(360)**	-	-
Finance income	**(20)**	(3)	(3)
Finance expense	**119**	131	242
(Increase)/decrease in trade and other receivables	**(300)**	24	(288)
Increase in inventories	**(27)**	(17)	(11)
Decrease/(increase) in trade and other payables	**90**	(5)	85
Net cash generated from/(used in) operations	**879**	(355)	(662)
Income taxes repayment received	**-**	127	127
Net cash generated from/(used in) operating activities	**879**	(228)	**(535)**
Cash flows used in investing activities			
Purchase of property, plant & equipment	**(406)**	-	-
Purchase of intangibles	**(487)**	(470)	(985)
Cash guarantee re Morocco	**-**	(3)	(4)
Interest received	**-**	3	3
Net cash used in investing activities	**(893)**	(470)	(986)
Cash flows (used in)/from financing activities			
Gross proceeds from issue of share capital	**-**	-	1,583
Costs incurred on issue of share capital	**-**	-	(140)
Proceeds from borrowings	**-**	225	225
Repayment of borrowings	**(5)**	-	(225)
Lease liability payments	**(7)**	(25)	(35)
Lease liability interest payments	**(1)**	(2)	(2)
Finance costs	**(2)**	(3)	(7)
Net cash (used in)/from financing activities	**(15)**	195	1,399
Net decrease in cash and cash equivalents	**(29)**	(503)	(122)
Exchange gain/(loss) on cash and cash equivalents	**12**	4	(5)
Cash and cash equivalents at beginning of period	**641**	768	768
Cash and cash equivalents at end of period	**624**	269	641

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 55 Baker Street, London W1U 7EU. Europa Oil & Gas's shares are listed on the London Stock Exchange AIM market.

Basis of preparation

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

The condensed consolidated interim financial information has been approved for issue by the Board of Directors on 13April 2022.

The condensed consolidated interim financial statements have been prepared in accordance with the requirements of the AIM Rules for Companies. As permitted, the Group has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing this interim financial information.

The condensed consolidated interim financial information for the period 1 August 2021 to 31 January 2022 is unaudited. In the opinion of the Directors the condensed consolidated 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 consolidated interim financial information incorporates unaudited comparative figures for the interim period 1 August 2020 to 31 January 2021 and the audited financial year to 31 July 2021.

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 2021.

The comparatives for the full year ended 31 July 2021 are not the Group'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.

Going concern

The Directors have prepared a cash flow forecast for the period ending 31 December 2022, which considers the continuing and forecast cash inflow from the Group's producing assets, the cash held by the Group at the half year end, less administrative expenses and planned capital expenditure. The Directors have concluded, at the time of approving the financial statements, that there is a reasonable expectation, based on the Group's cash flow forecasts, that the forecasts are achievable and accordingly the Group will be able to continue as a going concern and meet its obligations as and when they fall due. Accordingly, they continue to adopt the going concern basis in preparing the condensed consolidated interim financial information.

Critical accounting estimates

The preparation of condensed consolidated interim financial information requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in Note 1 of the Group's 2021 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period.

2 Summary of significant accounting policies

The condensed consolidated financial information has been prepared using policies based on UK adopted international accounting standards. Except as described below, the condensed consolidated financial information has been prepared using the accounting policies which were applied in the Group's statutory financial information for the year ended 31 July 2021.

(a) Accounting developments during 2021

The International Accounting Standards Board (IASB) issued various amendments and revisions to International Financial Reporting Standards and IFRIC interpretations. The amendments and revisions were applicable for the period ended 31 January 2022 but did not result in any material changes to the financial statements of the Group.

(b) New standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted

Standard	Description	Effective date
IFRS 3	Reference to Conceptual Framework	1 January 2022
IAS 37	Onerous contracts	1 January 2022
IAS 16	Proceeds before intended use	1 January 2022
Annual improvements 2018-2020	Annual improvements 2018-2020 Cycle	1 January 2022
IAS 8	Accounting estimates	1 January 2023
IAS 1	Classification of Liabilities as Current or Non-Current	1 January 2023

The Group is evaluating the impact of the new and amended standards above which are not expected to have a material impact on the Group's results or shareholders' funds.

3 Exploration write back/(write off)

	31 Jan 2022	31 Jan 2021	31 July 2021
	£000	£000	£000
Release of cost accrual on relinquishment of licences	**360**	-	-
Exploration write-off – PEDL 299 Hardstoft	**-**	-	(12)
	360	-	(12)

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 1.43p which resulted in dilution of 3,286,966 shares. The weighted number of shares for the diluted earnings per share is 569,753,951. There are a further 5,180,000 options that were non-dilutive.(H1 2020: 2.30p which was below the exercise price of all 23,453,458 outstanding share options).

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

	6 months to 31 January 2022 £000	6 months to 31 January 2021 £000	Year to 31 July 2021 (audited) £000
Profit/(loss)			
Profit/(loss) for the period attributable to the equity shareholders of the parent	**743**	(560)	(718)
Number of shares			
Weighted average number of ordinary shares for the purposes of basic EPS	**566,466,985**	444,691,599	494,420,476
Number of shares			
Weighted average number of ordinary shares for the purposes of diluted EPS	**569,753,951**	444,691,599	494,420,476

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 Intangible assets

	31 Jan 2022 £000	31 Jan 2021 £000	31 July 2021 £000
At 1 August	**6,438**	4,965	4,965
Additions	**416**	426	1,485
Transfer to property, plant & equipment	**(3,894)**		
Exploration write-off	**-**	-	(12)
At period end	**2,960**	5,391	6,438

Intangible assets comprise the Group's pre-production expenditure on licence interests as follows:

	31 Jan 2022 £000	31 Jan 2021 £000	31 July 2021 £000
Ireland FEL 4/19 (Inishkea)	**1,698**	1,606	1,662
Morocco Inezgane	**1,037**	314	657
UK PEDL180 (Wressle)	**-**	3,234	3,893
UK PEDL181	**105**	118	113
UK PEDL182 (Broughton North)	**34**	29	34
UK PEDL299 (Hardstoft)	**-**	12	-
UK PEDL343 (Cloughton)	**86**	78	79
Total	**2,960**	5,391	6,438

	31 Jan 2022 £000	31 Jan 2021 £000	31 July 2021 £000
Transfer to Property, plant & equipment			
UK PEDL180 (Wressle)	**3,894**	-	-
Total	**3,894**	-	-

7 Tangible assets

Property, plant & equipment

	Furniture & computers £000	Producing fields £000	Right of use assets £000	Total £000
Cost				
At 1 August 2020	6	10,887	147	11,040
Disposals	(1)	-	(80)	(81)
At 31 July 2021	5	10,887	67	10,959
Transfer from intangible assets	-	3,894	-	3,894
Additions	-	370	-	370
At 31 January 2022	**5**	**15,151**	**67**	**15,223**
Depreciation, depletion and impairment				
At 1 August 2020	3	10,488	73	10,564
Charge for year	1	64	42	107
Disposal	(1)	-	(80)	(81)
At 31 July 2021	3	10,552	35	10,590
Charge for period	1	617	9	627
At 31 January 2022	**4**	**11,169**	**44**	**11,217**
Net Book Value				
At 31 January 2022	**1**	**3,982**	**23**	**4,006**
At 31 July 2021	2	335	32	369

	Furniture & computers £000	Producing fields £000	Right of use assets £000	Total £000
Cost				
At 1 August 2020	6	10,887	147	11,040
Disposal	-	-	(80)	(80)
At 31 January 2021	6	10,887	67	10,960
Depreciation, depletion and impairment				
At 1 August 2020	3	10,488	73	10,564
Charge for period	1	34	32	67
Impairment	-	51	-	51
Disposal	-	-	(80)	(80)
At 31 January 2021	4	10,573	25	10,602
Net Book Value				
At 31 January 2021	**2**	**314**	**42**	**358**

8 Borrowings

	31 Jan 2022 £000	31 Jan 2021 £000	31 July 2021 £000
Loans repayable in less than 1 year			
Director's loan	**-**	225	-
Bounce back loan	**10**	6	10
Total short term borrowings	**10**	231	10
Loans repayable in 1 to 2 years			
Bounce back loan	**10**	10	10
Loans repayable in 2 to 5 years			
Bounce back loan	**25**	30	30
Loans repayable in over 5 years			
Bounce back loan	**-**	4	-
Total long term borrowings	**35**	44	40

In June 2020 the Group received a Bounce Back loan for £50,000 under the Government's Covid 19 policies. The loan is to be repaid within 6 years of drawdown but with a 12 month holiday so repayments started July 2021 and the loan will be repaid over the following 5 years. The annual rate of interest is 2.5%.

On 19th January 2021 Europa entered into a related party loan agreement with CW Ahlefeldt-Laurvig (a Group Non-Executive director and shareholder). Under this agreement, Europa Oil & Gas drew funds of £225,000 on 20th January 2021 for a term of 4 months (with the option of early repayment). The loan was unsecured and interest accrued on a daily basis at an effective interest rate of 12.57% per annum. The loan and accrued interest was fully repaid in March 2021.

9 Long term provisions

	31 Jan 2022 £000	31 Jan 2021 £000	31 July 2021 £000
At 1 August	**3,393**	3,163	3,163
Charged to the statement of comprehensive income	**117**	115	230
At period end	**3,510**	3,278	3,393

10 Post reporting date

- Termination of License Sale and Purchase Agreement with DNO North Sea the Frontier Exploration Licence ("FEL") located in offshore Ireland.
- Successfully raised gross proceeds of £7.02m, approved by shareholders at the General Meeting on 25 March.
- Proposed acquisition of a 25% interest in the Serenity discovery in the North Sea as part of Company strategy to build a more balanced portfolio.