

# Europa Oil & Gas

London South East Webinar

28 February 2023



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# Corporate Overview

Europa Oil & Gas (Holdings) plc (AIM: EOG) is building a balanced portfolio of producing, appraisal and exploration assets with minimal emissions within the net zero context

## Assets throughout the cycle with significant upside and multiple catalysts

- Producing assets generating significant revenues with an associated work programme that will drive shareholder value over the next 18 months and provide EPL<sup>1</sup> shelter
  - Onshore UK: 4 oilfields currently producing c. 300 bopd (net) with significant further development upside in Wressle / Broughton
- Appraisal/development opportunity with multiple development routes
  - Offshore UK: 25% WI in Serenity field with development scenarios under review
- Gas exploration near existing infrastructure with farm out process underway
  - Offshore Ireland: 100% WI in FEL 4/19 which contains 1.5 TCF gas prospect adjacent to the producing Corrib gas field

Europa participated in the UK 33<sup>rd</sup> licensing round and is actively pursuing new opportunities to expand our portfolio and generate shareholder value

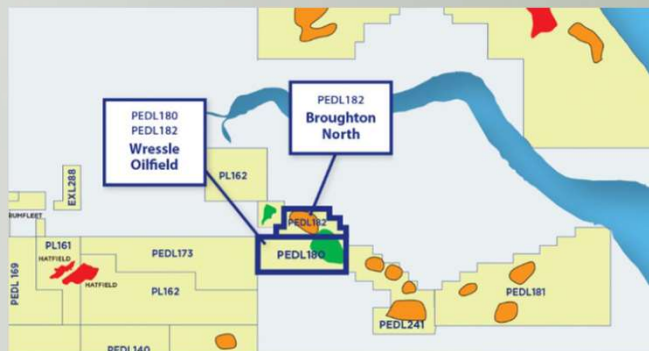
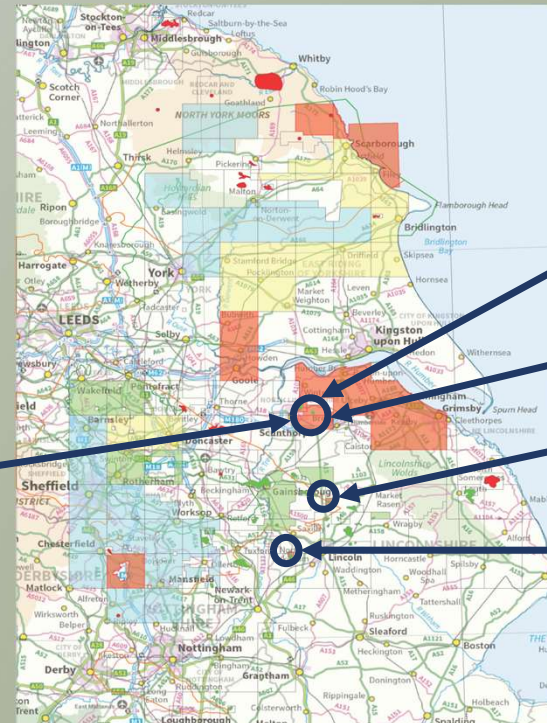
*1 – Energy Profits Levy, aka Windfall Tax*

# UK Onshore



# Wressle - Key Cash Generator

- Wressle has one of the highest production rates in the UK onshore
- Gross revenue from Wressle of \$32m since August 2021 (net c.\$10m to EOG)<sup>1</sup>
- Wressle gas solution and subsequent additional revenues: Phase 1 due to be online in February with Phase 2 expected Q2 2023
- Targeting Penistone well in late 2023, potential to materially increase production
- 2<sup>nd</sup> Penistone well and Broughton North prospect to follow in 2024

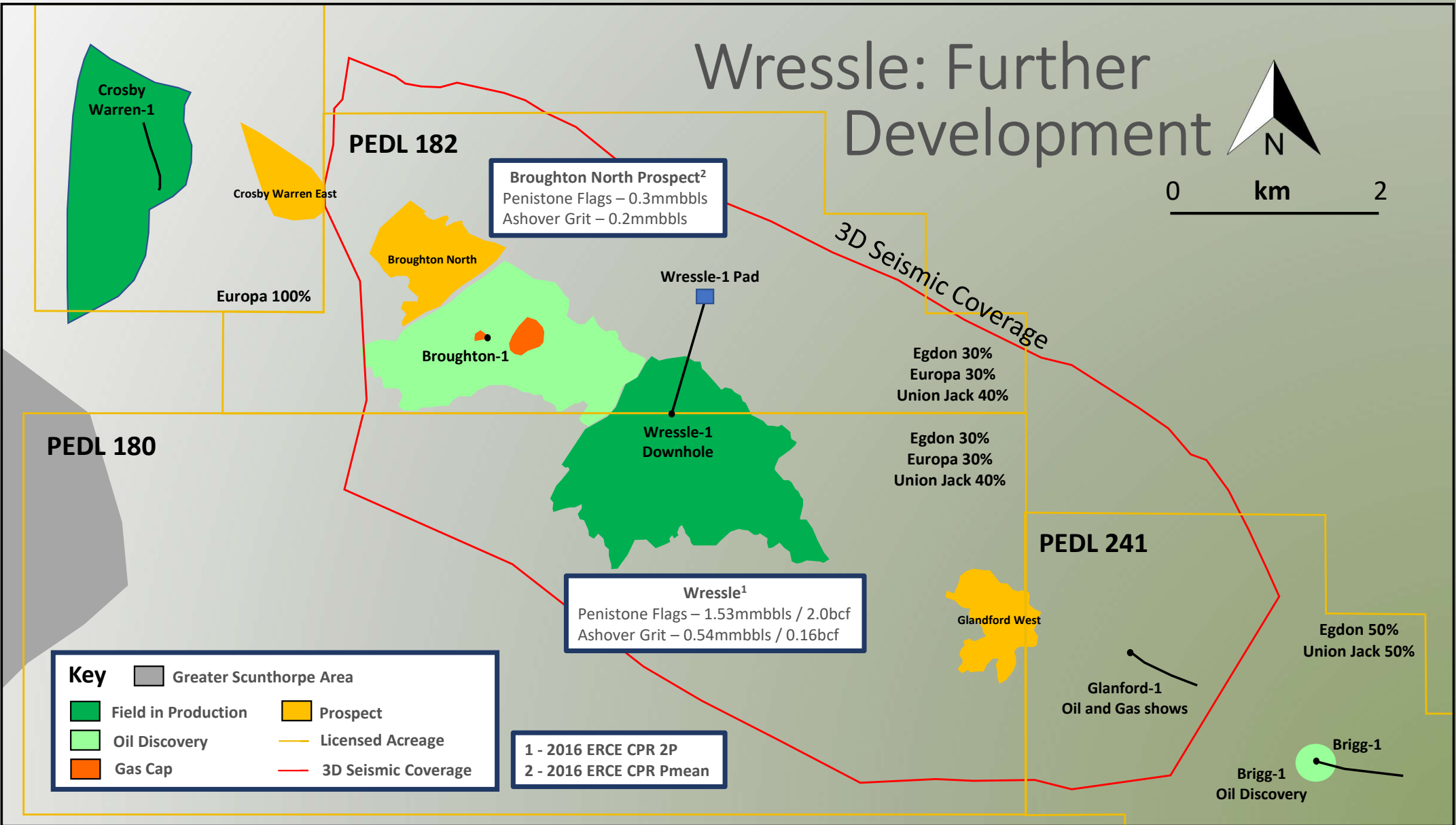


1 – Operator estimate as of 6 February 2023

# Wressle: Further Development



0 km 2



**Broughton North Prospect<sup>2</sup>**  
 Penistone Flags – 0.3mmbbls  
 Ashover Grit – 0.2mmbbls

**Wressle<sup>1</sup>**  
 Penistone Flags – 1.53mmbbls / 2.0bcf  
 Ashover Grit – 0.54mmbbls / 0.16bcf

**Key**

Greater Scunthorpe Area	Prospect
Field in Production	Licensed Acreage
Oil Discovery	3D Seismic Coverage
Gas Cap	

1 - 2016 ERCE CPR 2P  
 2 - 2016 ERCE CPR Pmean

Egdon 30%  
 Europa 30%  
 Union Jack 40%

Egdon 30%  
 Europa 30%  
 Union Jack 40%

Egdon 50%  
 Union Jack 50%

Brigg-1  
 Oil Discovery

Glanford-1  
 Oil and Gas shows

PEDL 180

PEDL 182

PEDL 241

Crosby Warren-1

Crosby Warren East

Europa 100%

Broughton North

Broughton-1

Wressle-1 Pad

Wressle-1 Downhole

Glandford West

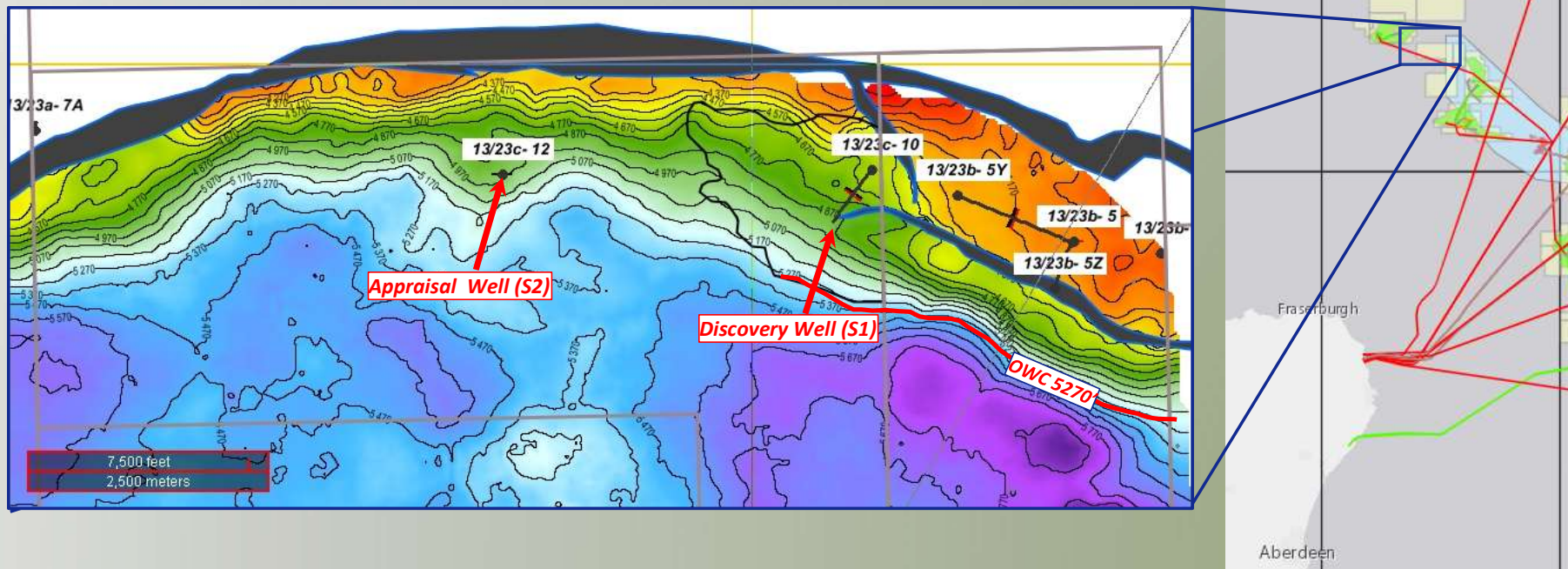
Brigg-1

# UK Offshore



# Serenity Field

- Oil discovery at well 13/23c-10 announced October 2019 by i3 Energy
- Drilled down-dip of Tain oil field (32° API oil, flow-tested 6,270 BOPD & 1.6 MMSCFD)
- S1 well encountered 31.7° oil (11ft) in Upper Captain sands (30% porosity). Matches the oil from Tain and Blake
- S2 was drilled in Oct 2022 to test the westerly extension of the Captain sand and to confirm presence of oil
- The sand in the S1 well was not present in S2 but over 100 ft of Captain sands were found which were water wet





# Serenity Development Options

- Although the S2 appraisal well encountered water-wet sands, there is a commercial project that can be developed from the discovered resources established by the S1 well
- With our partner i3 Energy, we continue to evaluate development options either involving a tie-back to existing infrastructure at the producing Blake oilfield or potentially a unitised development with Tain
- A development of Serenity and Tain is compliant with the Government’s aspirations of meeting its net zero targets, not least through use of existing infrastructure
- Europa believe that a successful unitised field development could result in initial production of c. 1,000 bopd net to the Company
- Serenity SA-02 well expenditure will offset EPL<sup>2</sup> as will any future development activities

## Development Concept

Single well tie back to Tain or field unitisation

STOIIIP (50% RF possible)

11.3 – 20.3 mmbbls<sup>1</sup>

1 – i3 Energy estimate

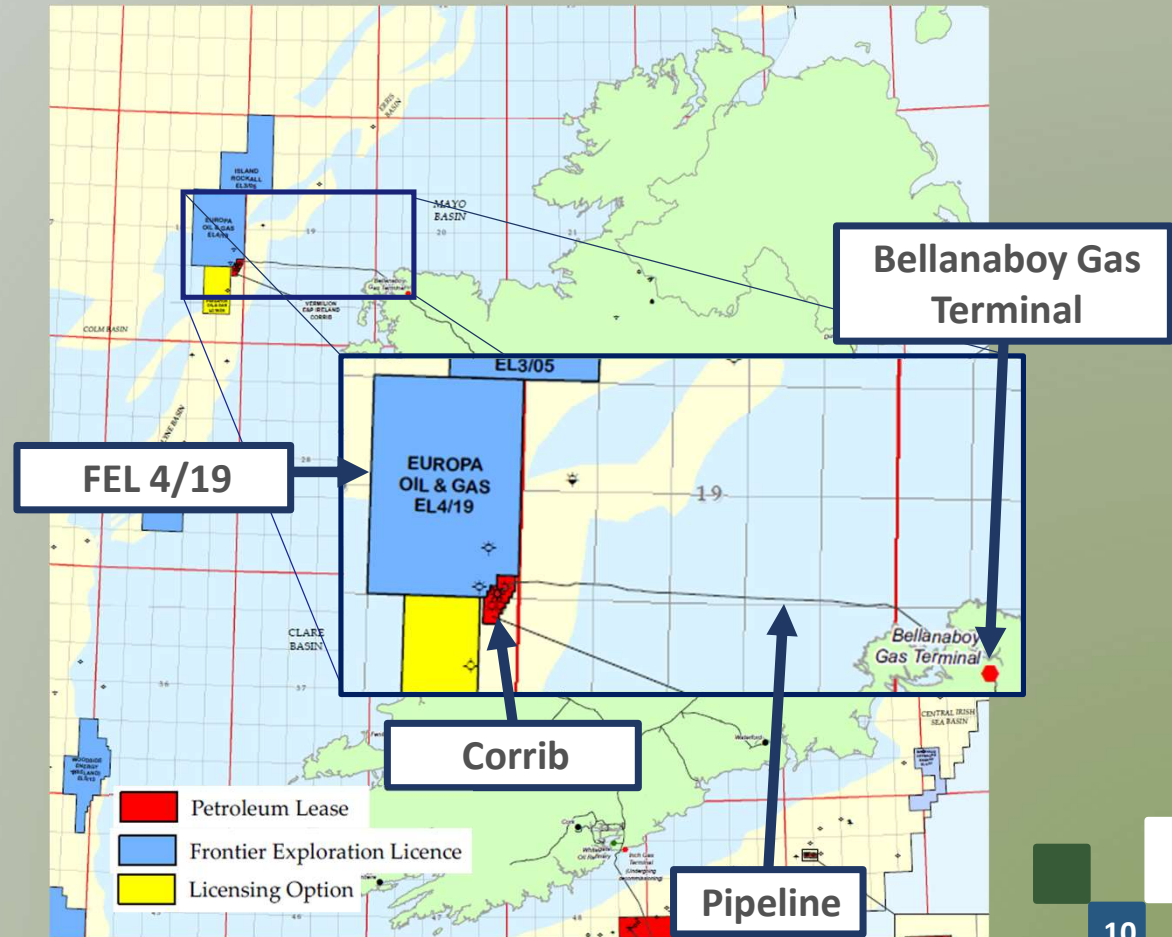
2 – Energy Profits Levy, aka Windfall Tax

# Ireland



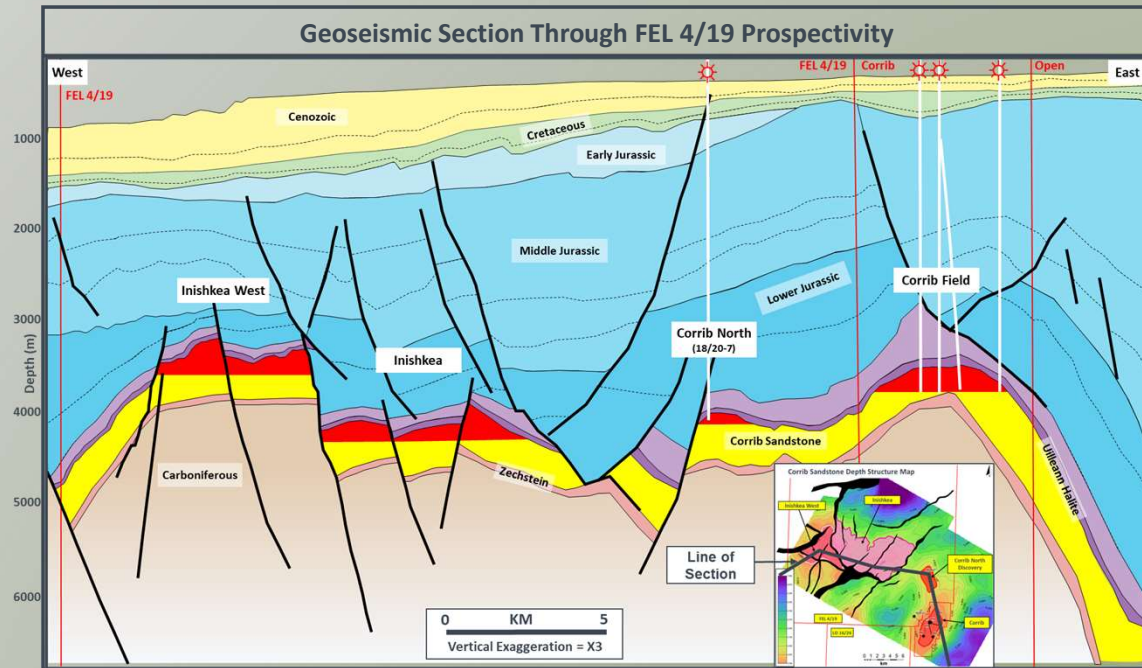
# Prospectivity & Way Forward

- FEL 4/19 (Inishkea) held 100% by Europa
- Inishkea is a drill-ready, 1.5 tcf prospect, a Corrib play analogue
- Inishkea West is a mapped 0.8 tcf prospect on the same trend
- Farm-out process commenced January 2023
- Targeting exploration well 2024
- Inishkea has the potential to supply 65% to 95% of the gas fuel needed for the planned 2GW of gas-fired power
- Strategic focus on gas through infrastructure-led exploration around Corrib (producing gas since 2015)



# Inishkea

- Inishkea (1.5 tcf Pmean) and Inishkea West (0.8 tcf Pmean) prospects within same world-class Triassic gas play as Corrib gas field
- Inishkea West mapped structurally higher immediately west of Inishkea



FEL 4/19 Prospective Volumes (BCF Resources)

Prospect	P90	P50	Pmean	P10
Inishkea (Europe)	319	1,171	1,481	3,071
Inishkea (ERCE)	158	806	1,906	4,311
Inishkea West	151	674	828	1,719

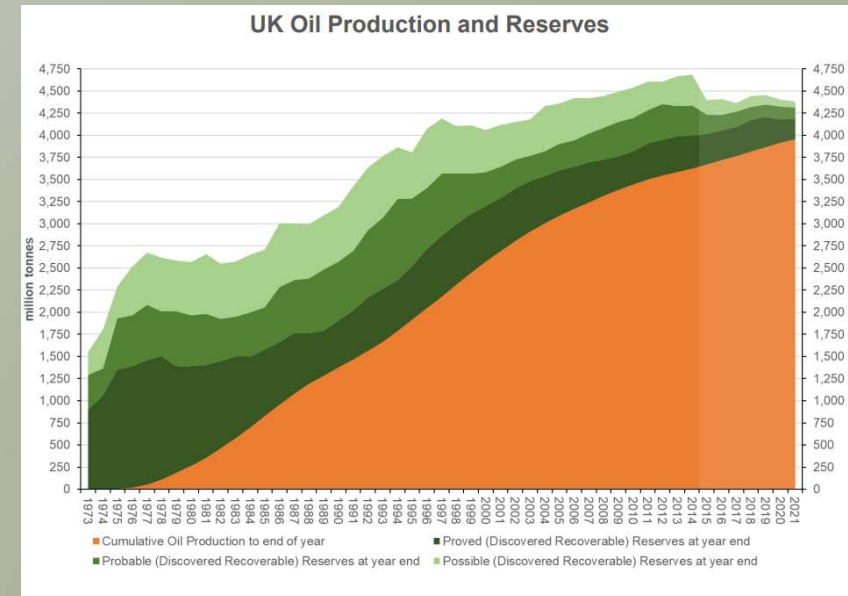
- Low risk European gas opportunity close to existing infrastructure and potential for short-cycle monetisation
- At 3kgCO<sub>2</sub>/boe, the expected carbon intensity of Inishkea gas is 11% of UK imported gas and 2% of USA LNG (145kgCO<sub>2</sub>/boe)

# New Ventures: North Sea

- 4.0 billion boe<sup>1</sup> - 2P reserves in UKCS
- 6.4 billion boe<sup>2,1</sup> - P50 contingent discovered undeveloped resources, much of which is in mature developed areas
- 4.0 billion boe<sup>1</sup> - Pmean prospective resources in mapped leads and prospects
- 11.2 billion boe<sup>1</sup> – Pmean prospective resources, unmapped estimate
- “A key part of exploration stewardship is now to progress the many attractive opportunities within the prospective resource portfolio into drill-ready prospects, and into subsequent discoveries” – NSTA, December 2021

1 - NSTA estimate published September 2022

2 - circa 70% oil and 30% gas



# Financial Highlights & 2023 Budget

- Financial Performance (to 31 July 2022)
  - Revenue more than quadrupled to £6.6m (2021: £1.4m)
  - Pre-tax profit of £1.4m (2021: pre-tax loss £0.85 million)
  - Net cash generated £2.5m (2021: used in operations £0.5m)
  - Cash balance (including restricted cash): £8.3m (2021: £0.9m)
- Robust balance sheet positions Europa well for 2023
- Wressle continues to deliver material cash flow

	FY 2022 £m	FY 2021 £m
<b>Revenue</b>	6.6	1.4
<b>Gross Profit</b>	2.2	0.1
<b>Production</b>	245 b/d	93 b/d
<b>Net Cash Generated</b>	2.5	(0.5)
<b>Cash Balance</b>	8.3	0.9

## Outlook

- 2023 (calendar year) Capex of £5.1m across assets. Comfortably covered with existing cash (estimated £4.6m at end January 2023) plus anticipated free cash flow of £4.2m

# Board

## Directors



**Simon Oddie**  
**CEO**  
Petroleum Eng, Commercial,  
Corporate, Management



**Will Holland**  
**CFO**  
Commercial, Corporate finance,  
Corporate governance



**Brian O’Cathain**  
**Non-Executive Chairman**  
Petroleum Eng, Commercial,  
Corporate governance



**Stephen Williams**  
**Senior Non-Executive Director**  
Investment banking, Corporate  
Finance, Professional investor



**William Ahlefeldt**  
**Non-Executive Director**  
Petroleum Eng, Private Investor,  
Corporate governance

# ESG Credentials

Europa is working to contribute to local energy security and the global transition to a low carbon economy while delivering value to all stakeholders.

With a goal of going beyond the necessary ESG-related requirements, the Europa Board ESG Committee initiated a project in Q3 2022 to review the Company's position, formalise its ESG strategy, and develop a plan to further build on its commitments over the coming years.

Initiatives Europa is involved with:

- Plan Towards Zero Flaring
  - Europa has used its influence as a non-operating partner to secure JV agreement to work towards zero flaring
- Community Funds
  - Europa contributes to community funds through its JV partnership with Egdon Resources, which provides funding and assistance to charities in the East Midlands

Why domestic energy?

- Inishkea gas would be 3kgCO<sub>2</sub>/boe vs LNG imported from USA at 145kgCO<sub>2</sub>/boe
- UKCS average is 25.1kgCO<sub>2</sub>/boe, with new fields typically below 10kgCO<sub>2</sub>/boe
- UK imports are significantly higher, i.e. Nigeria 82kgCO<sub>2</sub>/boe, USA 145kgCO<sub>2</sub>/boe

## Environment



**Responsible support for local energy security**

We believe in acting as responsible custodians of the physical spaces which we occupy as a company, with the utmost respect for the environment in which we operate.

## Social



**Stakeholder benefit, support and equality**

Europa commits to being fair and inclusive in all our interactions with our employees and partners, including those communities with whom we interact.

## Governance



**Ethical integrity and diligent risk management**

As an AIM-quoted entity Europa follows all required reporting and corporate governance guidelines. To go beyond the minimum requirements, our ESG Committee has oversight on the integration of our ESG strategy with our overall Company development and activities.



# Europa Oil & Gas



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