

NEWS RELEASE

11 November 2009

“VALENCIENNOIS” PERMIT RESOURCES STATUS, GAZONOR, FRANCE

HIGHLIGHTS

- Exploration permit “Valenciennois” to extend EGL production capacity at Gazonor.
- Exploration of 2.3 Tcf of CBM resources is planned to be incorporated into the exploration program at Gazonor in 2010-11.

European Gas Limited (“European Gas” or “Company”) is pleased to announce that the recently granted Valenciennois exploration permit located in northern France has significant coal mine methane (“CMM”) production capability and coal bed methane (“CBM”) resources for future connection into the Gazonor production network.

At Valenciennois, a CMM project should be able to provide an additional volume of pipeline quality sales gas to be exported from Gazonor from voidspace pressure reduction and methane flow control through facilities

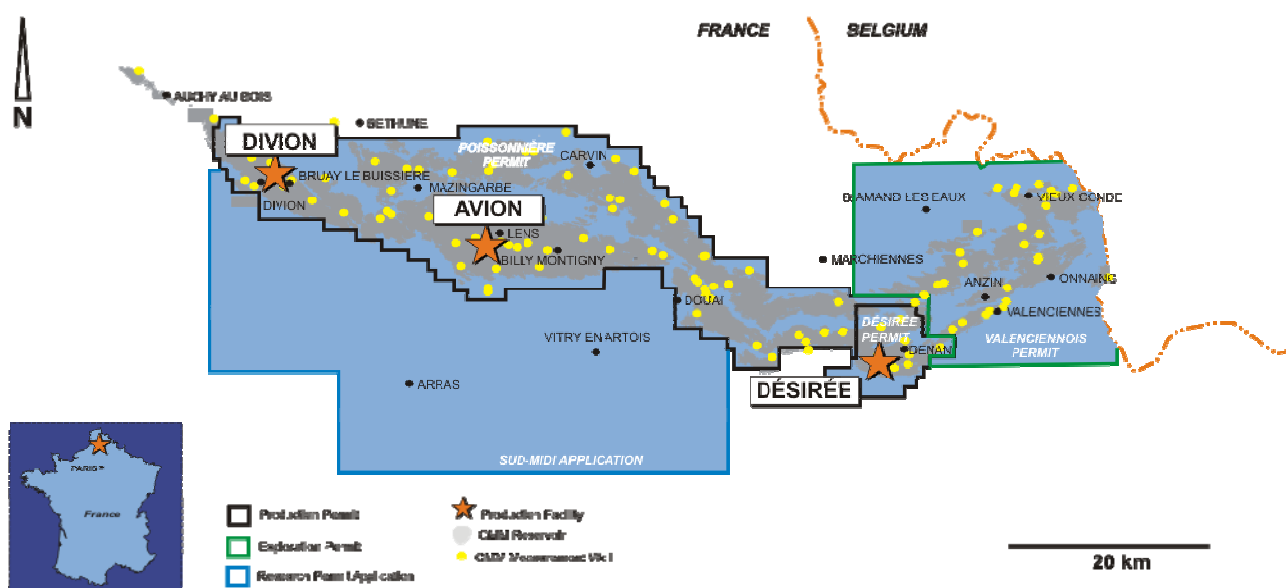
The CMM resources are located adjacent to the Company’s Poissonnière and Désirée production facilities.

An assessment of the production capabilities of the CMM resource is in progress, as part of the Company’s work program on this new exploration permit.

This project will also provide a basis for a reserve assessment of the remaining commercial quantity of CMM gas held in the mine voidspace and adjacent de-stressed coalseams.

European Gas has also identified 2.3 Tcf of CBM resources within the Valenciennois permit that are adjacent to, but not including, the CMM opportunities. The permit area under exploration is 432 km², of which approximately 200 km² covers unmined coalseams containing CBM that is contingent on flowing at commercial rates and quantities.

It is to be noted that successful exploration wells are capable of being incorporated into the present infrastructure of the Gazonor CMM production system owned by the Company.



ABOUT EUROPEAN GAS LIMITED

European Gas Limited (EGL) is a hydrocarbon explorer/developer/producer with both production and exploration projects in western Europe. The strategy of the company is to explore and develop Coal Bed Methane and Coal Mine Methane projects, particularly in France where the company has major holdings under licence and thus holds a significant competitive advantage.

EGL regards the western European natural gas market as substantial and well-priced, with an advanced infrastructure, large customer base and a free and open market.

The Company also holds hydrocarbon royalties in the Canning Basin of Western Australia.

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COMPLIANCE STATEMENT

The technical information quoted in this announcement has been compiled by Mr Rod Bresnehan and geoscientists under his supervision. Mr Bresnehan is a member of the Society of Petroleum Engineers and is Chairman of the Society of Petroleum Engineers (Australia). Mr Bresnehan has consented to the inclusion in this report of the technical matters based on the information in the form and context in which it appears.