

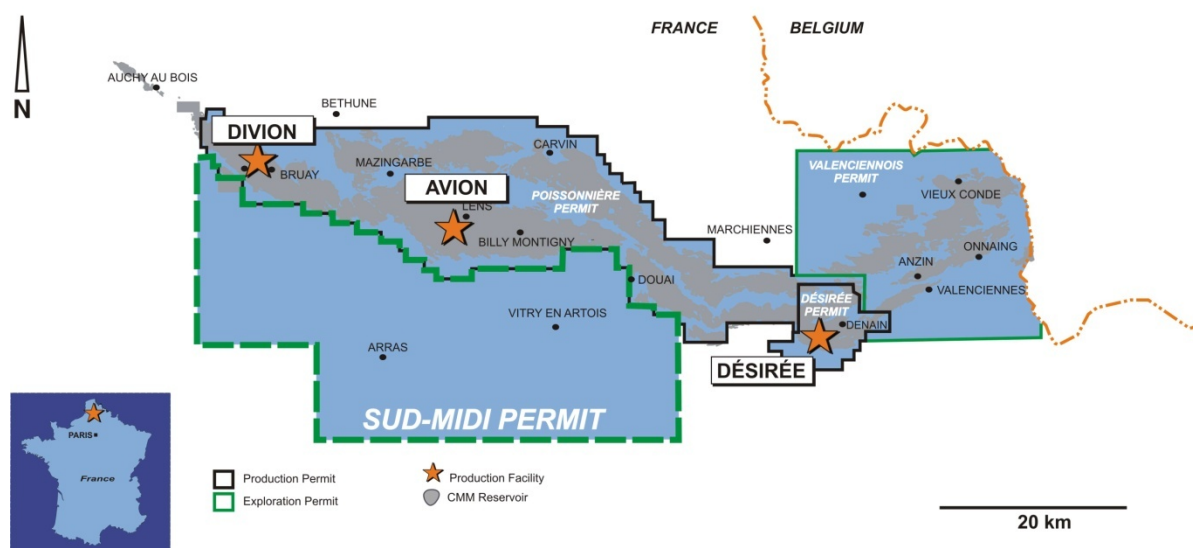
NEWS RELEASE

26 July 2010

European Gas Limited (EGL) is pleased to announce that the French Government has formally granted its wholly-owned subsidiary Gazonor S.A. (Gazonor) a new exploration permit "Sud Midi" (located in the Nord Pas de Calais region).

The "Sud Midi" permit increases EGL's portfolio and confirms its position among the largest CBM and unconventional gas permit holders in Western Europe. EGL has a 100% working interest.

Nord Pas de Calais



This exploration permit is adjacent to EGL's Gazonor Production Concession, and, together with the Valenciennois Exploration Permit, forms a contiguous permit area of 1,352 km². The permit area covers 929 km² and is located in the Nord Pas de Calais region (North of France). The permit is granted for a five year term until July 23rd 2015 with a total expenditure commitment of €1.9 million.

EGL's CEO, Peter Cockcroft, said, "This is an exciting addition to our current exploration and production asset portfolio located in the largest coal basin in France. The Sud Midi permit is ideally located relative to EGL's existing production facilities, thus any exploration success in the Sud Midi permit will be relatively easy to commercialise and bring on stream, selling into well established markets."

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ABOUT EUROPEAN GAS LIMITED

European Gas Limited (ABN 75 075 760 655) is a hydrocarbon explorer/developer with projects in western Europe. The strategy of the Company is to explore and develop unconventional oil and gas with a primary focus on Coal Bed Methane and Coal Mine Methane projects, in particular, in France where the Company, with major holdings under licence, holds a significant competitive advantage. The western European natural gas market is substantial with advanced infrastructure, including extensive pipeline networks and a free and open market. The Company also holds hydrocarbon royalties in the Canning Basin of Western Australia.

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