



NEWS RELEASE

23 November 2009

TESTING OPERATIONS AT FOLSCHVILLER 2 APPRAISAL WELL LORRAINE, FRANCE

HIGHLIGHTS

- **Well testing of the major coal seams laterally intersected in the Folschviller 2 well.**
- **Clean-up of the first lateral was completed on schedule and the pressure build-up phase begun.**

STATUS REPORT

European Gas Limited ("European Gas") is pleased to announce the status of the resumption of testing of the Folschviller 2 appraisal well at the company's 100% owned Lorraine Project in eastern France.

The clean-up and multi-rate single phase flow test on the upper seam was completed on schedule.

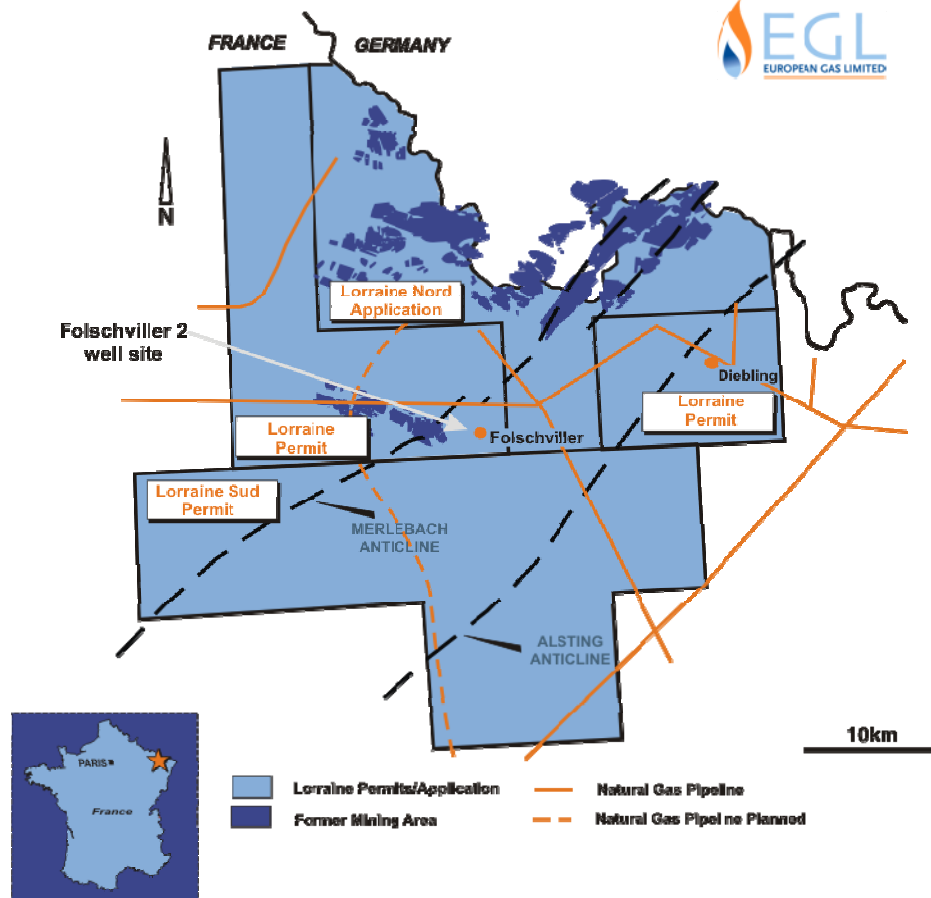
The well was pumped to produce water at varying rates while keeping the bottom hole pressure above the desorption pressure. Average water production rate during the test was approximately 12m³/d, with varying amounts of dissolved gas and coal fines.

At the conclusion of the test flow, as the bottom hole pressure was reduced below 30 bar, gas pressure was observed in the well casing showing that the desorption pressure had been reached. Samples of the gas have been recovered for testing and the well pressure allowed to increase above the desorption pressure.

The well has now been shut in to record the pressure build up. This phase for testing of the upper seam is continuing on schedule.

This test is to determine the reservoir properties of the accessed coalseams, the dewatering phase for gas rates will begin following the completion of the present testing programme.

The workover operation to remove the packer and reset the pump for testing the lower seam is dependent on the release of the rig from another operator in France, and is presently scheduled for the first week in December.



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.