

NEWS RELEASE

10 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.**

PROGRAMME AND REPORT

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

Having secured a workover rig, test operations will investigate the reservoir properties of the Marie-Maurice-Noirel and the Alpha-Alpha'-Beta-Gamma seams.

The test programme is to:

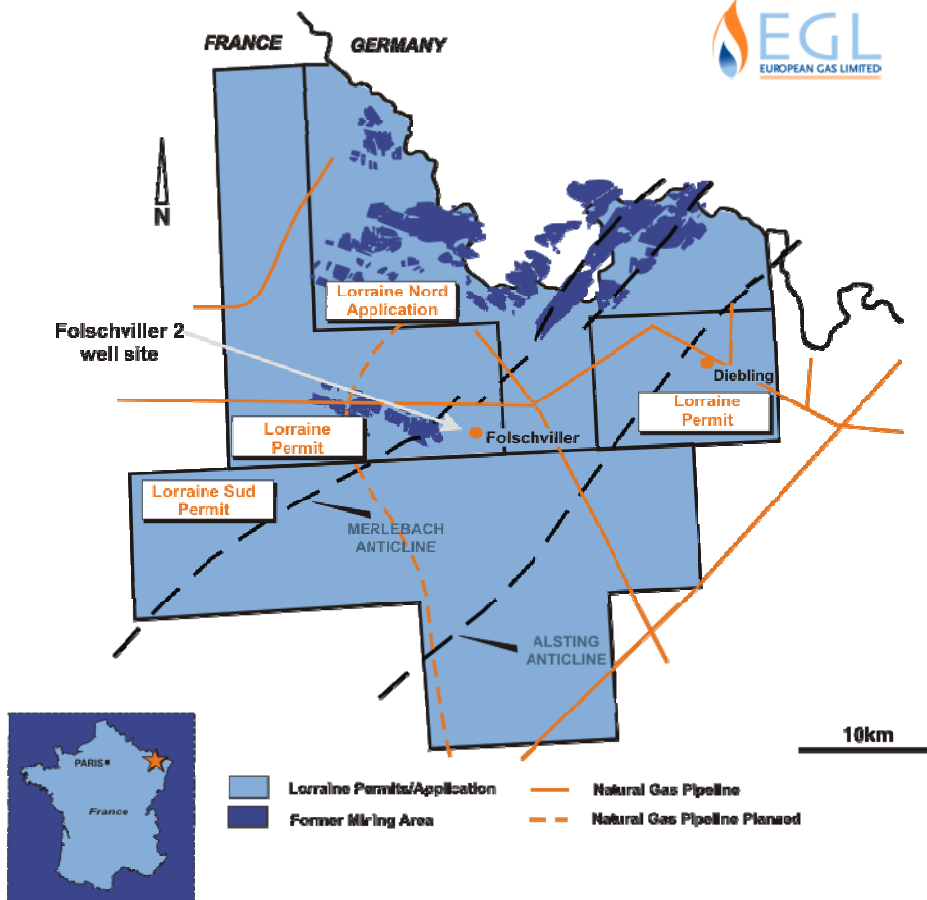
- conduct a multi-rate single phase flow test on the upper seam;
- workover the well to remove the packer separating the upper lateral from the lower lateral;
- reset the downhole pump below both seams; and
- conduct a second multi-rate single phase test on both seams.

These single phase tests will be carried out during the dewatering period to fully evaluate the coal seam reservoir properties of permeability and flow performance.

This is done prior to attempting any gas flow operation from the seams to ensure a clear interpretation.

A separate programme will be conducted after the testing to analyse pressure drawdown below the gas desorption pressure and evaluate gas production capability.

The downhole pump has been re-started and is presently producing water at varying rates during the cleanup of the first lateral borehole. The cleanup flow from the upper seam showed some coal fines at start-up, a reduction in fines as dewatering continued and an apparent increase in fluid inflow. Once the cleanup is completed, the multi-rate test will begin.



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 matters based on the information in the form and context in which it appears.