



NEWS RELEASE

17 August 2009

\$10.0 MILLION FINANCE FACILITY SECURED

European Gas Limited ("European Gas" or "Company") is pleased to announce that it has secured an A\$10,000,000 finance facility by entering into an Equity Line of Credit Agreement ("Agreement") with US-Based Investment Manager Yorkville Advisors, LLC ("Yorkville").

Under the terms of the Agreement, European Gas may, at its discretion, issue shares in tranches to Yorkville at any time over the next 60 months, up to a total value of A\$10,000,000. Subject to certain pricing parameters, which include the ability for European Gas to set a minimum acceptable price, shares issued to Yorkville are priced on terms relative to the prevailing market price at the time of each drawdown. A commission of 4% is payable by the Company on each advance at the time the advance is made.

Yorkville, is the investment manager to a family of funds with approximately US\$900 million in assets under management. To date, the group has made available in excess of A\$300 million for over 20 Australian Securities Exchange listed companies.

ABOUT EUROPEAN GAS LIMITED

European Gas Limited is a hydrocarbon producer/developer/explorer with projects in western Europe. The strategy of the Company is to develop Coal Bed Methane and Coal Mine Methane projects, in particular, in France where the Company, having 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 high demand market.

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

For further information please contact:

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or refer to the European Gas Limited web-site: www.europeangas.fr