

NEWS RELEASE

7 October 2010

European Gas Limited (EGL) is pleased to announce that it has entered into an agreement with MHA Petroleum Consultants (MHA) of Denver, to study EGL's coalbed methane and shale gas assets in France.

The MHA study will include an independent estimate of resources and an update of the reserves status with recommendations for future exploration and testing.

MHA's engineers and geoscientists have experience with a variety of complex reservoir management problems throughout the world. Their team, which includes CBM specialists, uses a complementary set of computer related tools for reservoir description, analysis and simulation to provide integrated project evaluation through exploration, development and production.

Mr Peter Cockcroft, Managing Director of EGL said "I am really pleased to have the technical involvement of MHA in our projects, we expect to benefit greatly from MHA's worldwide experience and analytical capabilities."



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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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