



NEWS RELEASE

20 September 2010

Attached for immediate release is a substantial shareholder notification received from PIM GESTION (France) a large European private investment group.

The Board of European Gas Limited (EGL) is pleased to welcome PIM GESTION has a significant shareholder.

Managing Director, Mr Peter Cockcroft, stated that “the investment by PIM GESTION is a sign of confidence in the potential for unconventional gas in Europe and in particular in the assets held by EGL”.

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.

For further information please contact:

Corinne de Conti

Public Relations Manager:

cdeconti@europangas.fr

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

EUROPEAN GAS LIMITED
ABN 75 075 760 655

Suite 4, 4 Ventnor Avenue
West Perth WA 6005, Australia

T +61 8 9226 0320

F +61 8 9226 0309

www.europeangas.com.au

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme **European Gas Limited**ACN/ARSN **075 760 655**

1. Details of substantial holder (1)

Name **PIM GESTION FRANCE**
ACN/ARSN (if applicable)

The holder became a substantial holder on

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary Shares	12,070,000	12,070,000	5.60

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
	N/A	12,070,000

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
PIM GLOBAL OPPORTUNITIES	HSBC Custody Nominees Australia Ltd.		228,000 ord. shares
PAN HOLDING	HSBC Custody Nominees Australia Ltd.		7,465,000 ord. shares
PHILIPPE FUND INTERNATIONAL EQTY	HSBC Custody Nominees Australia Ltd		4,377,000 ord. shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
PAN HOLDING	06/09/2010	63,451 AUD		340,000
PHILIPPE FUND INTERNATIONAL EQTY	06/09/2010	55,987 AUD		300,000
PIM GLOBAL OPPORTUNITIES	06/09/2010	29,860 AUD		160,000
PAN HOLDING	06/10/2010	44,714 AUD		255,000
PAN HOLDING	06/15/2010	39,952 AUD		205,000
PHILIPPE FUND INTERNATIONAL EQTY	06/15/2010	66,262 AUD		340,000

PAN HOLDING	08/18/2010	113,264 AUD		529,451
PHILIPPE FUND INTERNATIONAL EQTY	08/18/2010	132,421 AUD		619,000
PIM GLOBAL OPPORTUNITIES	08/18/2010	14,547 AUD		68,000
PAN HOLDING	08/19/2010	49,634 AUD		220,549
PAN HOLDING	08/20/2010	44,088 AUD		200,000
PAN HOLDING	08/23/2010	33,667 AUD		140,000

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association

7. Addresses

The addresses of persons named in this form are as follows:

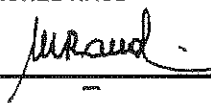
Name	Address
PIM GESTION FRANCE	14, Rue CAMBACERES 75008 PARIS, France

Signature

print name MICHEL RAUD

capacity Managing Director

sign here



date 09/14/2010

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.