

NEWS RELEASE

31 March 2011

EXTENSION OF RESTRUCTURING END DATE FOR TRANSCOR NOTES

European Gas Limited (the Company) is pleased to advise that it has executed an 'Automatic Extension of the End Date/Maturity Date' letter, for the Convertible Notes, as provided for under the Restructuring Framework Agreement announced on 7 February 2011.

This '30 day extension' moves the Maturity Date and End Date to 30 April 2011. It was provided for in the Restructuring Framework Agreement to allow for the proper consideration, negotiation and completion of a number of definitive agreements.

By way of update, the Directors advise that they are making reasonable progress with Transcor as both parties work through their obligations in good faith.

The Company announced on 28 March that it had obtained the approval of its shareholders in a General Meeting to proceed with the transactions as contemplated. The Company advises that the timeframe for the suspension is dependent upon the outcome of both the completion of the definitive agreements and on the preparation of a funding plan, both of which remain uncertain at this time.

The Company will continue to keep the market informed of material developments as they occur.

Yours sincerely,



Mark Pitts
Company Secretary

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