

NEWS RELEASE

2 May 2011

EXTENSION OF RESTRUCTURING END DATE FOR TRANSCOR NOTES

European Gas Limited (the Company) is pleased to advise that it has executed a letter agreement providing for a further extension of the End Date/Maturity Date, for the Convertible Notes, as provided for under the Restructuring Framework Agreement dated 4 February 2011.

The purpose of this extension is to allow additional time to the Company and Transcor to ensure the proper completion of the definitive agreements. Under the letter agreement, the parties agreed to extend the Maturity Date and End Date to 14 May 2011.

The Company and Transcor intend to complete the definitive agreements no later than 6 May 2011, subject to the satisfaction of all conditions including government approvals and closing deliveries.

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

Yours sincerely,



Mark Pitts
Company Secretary

EUROPEAN GAS LIMITED
ABN 75 075 760 655

Suite 8, 7 The Esplanade
Mt Pleasant WA 6153, Australia

T +61 8 9316 9100
F +61 8 9315 5475