



## SUCCESSFUL GAS FLOW TEST IN LORRAINE, FRANCE

Freyming-Merlebach, France—May 10, 2012 —European Gas Ltd (ASX:EPG), a European focused independent unconventional hydrocarbons exploration company today announced the successful completion of the gas flow test at the Folschviller-2 well in the Lorraine region in Northeast France, indicating commerciality of the Company's CBM projects in Lorraine.

The Folschviller-2 well is the first multi-lateral horizontal CBM well in Continental Europe. The gas flow testing was conducted on its upper lateral drain that has a length in coal of approximately 200 meters. Hydraulic fracturing was not used in the well.

Beicip-Franlab (BF) carried out an independent evaluation of the test results and a subsequent study of a conceptual field development scheme proposed by European Gas. The study supported the commerciality of this development project and identified uncertainties that will be addressed through the implementation of a future drilling campaign.

Frédéric Briens, CEO of European Gas, commented: "This is another significant milestone for the Company. Following the recent confirmation of our large gas resources, we now have a first operational assessment of the feasibility of producing gas at commercial rates without the use of hydraulic fracturing. This success is based on the use of horizontal drilling technology as well as the excellent work conducted by our operating team. The combination of our independently assessed gas resources and gas flow test puts our Company in a very promising position to deliver a substantial value to our shareholders. We now focus on a drilling campaign that has been significantly encouraged with the results obtained in the Folschviller-2 well."

For further information please contact:

Frédéric Briens, CEO

Telephone: + 33 (0)3 87 04 32 11

Email: [info@europeangas.fr](mailto:info@europeangas.fr)

### ABOUT EUROPEAN GAS LIMITED

European Gas Limited is a Europe focused independent unconventional hydrocarbons exploration company. EGL currently owns several significant assets in France and is pursuing other potentially large projects in Europe.

### ABOUT BEICIP-FRANLAB

BF is a leading independent international Oil and Gas Consultant providing the Industry with advanced exploration and production studies as well as state-of-the-art software programs. BF is the 100% affiliate and consulting arm of InstitutFrancais du Pétrole Energies Nouvelles (IFPEN) and has more than 40 years of operations and 500 clients in most oil and gas provinces in the world.

**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

[www.europeangas.com.au](http://www.europeangas.com.au)