

European Gas Limited

ACN 075 760 655

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date of Meeting: **26 November 2012**
Time of Meeting: **3.00pm EST (Queensland)**
Place of Meeting: **Stamford Plaza Hotel,
Cnr Edward and Margaret Streets
BRISBANE, QUEENSLAND**

European Gas Limited

ACN 075 760 655

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of European Gas Limited ACN 075 760 655 (**Company**) will be held at the Stamford Plaza Hotel, Cnr Edward & Margaret Streets, Brisbane, Queensland, on 26 November 2012 at 3.00pm EST.

The Explanatory Memorandum which accompanies and forms part of this Notice of Meeting (**Notice**):

- provides additional information concerning matters to be considered at the annual general meeting; and
- contains a glossary of defined terms used in this Notice and in the Explanatory Memorandum.

AGENDA

ANNUAL REPORT

To receive and consider the Financial Report together with the Directors' Report (including the Remuneration Report) and Auditor's Report for the financial year ended 30 June 2012.

RESOLUTIONS

1. Adoption of Remuneration Report for the year ended 30 June 2012

To consider, and if thought fit, to pass, the following as an **ordinary resolution**:

"That for the purpose of section 250R(2) of the Corporations Act, the Remuneration Report for the financial year ended 30 June 2012 be adopted."

2. Re-election of Mr Julien Moulin as a Director of the Company

To consider, and if thought fit, to pass, the following as an **ordinary resolution**:

"That Mr Julien Moulin, retiring in accordance with Rule 7.3(a) of the Constitution, be re-elected as a Director of the Company."

3. Change of Company Name

To consider, and if thought fit, to pass, the following as a **special resolution**:

"That the name of the Company be changed to Fitzroy River Corporation Ltd."

BY ORDER OF THE BOARD

Mark Pitts
Company Secretary
19 October 2012

European Gas Limited

PROXY INSTRUCTIONS

General

A proxy form is attached to this Notice. Shareholders are advised that:

- each shareholder has a right to appoint a proxy to attend and vote for them;
- the proxy need not be a shareholder of the Company; and
- a shareholder who is entitled to cast two or more votes may appoint either one or two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the appointment is for two proxies and does not specify the proportion or number of votes each proxy may exercise, then, in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

The shareholder may specify the manner in which the proxy is to vote on each resolution or may allow the proxy to vote at his or her discretion.

In accordance with section 250BA of the Corporations Act, the Company specifies that the proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be:

- posted or delivered to the Company's Share Registry:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne,
Victoria 3001 Australia.
- sent by facsimile to:
Computershare Investor Services Pty Limited
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

Those documents must be received by the Company at least 48 hours before the time for holding the annual general meeting, or adjourned meeting as the case may be, at which the person named in the proxy appointment form proposes to vote.

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a body corporate, in a manner permitted by the Corporations Act. In the case of Shares jointly held by two or more persons, at least one joint holder must sign the proxy form.

Voting Prohibition Statement

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any Key Management Personnel (**KMP**) which includes the Directors of the Company and members of Management as described in the Company's Annual Report, details of whose remuneration are included in the Remuneration Report, or any Closely Related Party of that person (or those persons) (as defined in the Corporations Act) (collectively referred to as a **Prohibited Voter**).

However, a Prohibited Voter may vote directed proxies for someone other than a Prohibited Voter. A shareholder who is not a Prohibited Voter (unless it directs to the contrary) is deemed to expressly authorise the Chairman of the meeting to exercise that shareholder's proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP. Such shareholder will be taken to have authorised the Chairman of the meeting to vote in accordance with his stated intention to vote in favour of Resolution 1. If a shareholder does not want to exercise its vote in favour of Resolution 1, it should direct the Chairman of the meeting to vote "against", or abstain from voting on, Resolution 1.

The Chairman of the meeting intends to vote undirected proxies, that are able to be voted, in favour of the adoption of the Remuneration Report.

Voting by Proxy:

European Gas Limited

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting (where an attendance record is made);
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

GLOSSARY

Words which are defined in the Explanatory Memorandum have the same meaning when used in this Notice unless the context requires otherwise. For assistance in considering the Notice, the following words are defined here:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited A.C.N. 008 624 691.

Board means the board of directors of the Company.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

EGL UK means the unlisted private limited company incorporated in England and Wales (company number 05321791) that was a subsidiary of the Company until 26 July 2012.

KMP means key management personnel and has the same meaning as defined in the Corporations Act and Australian accounting standards.

Listing Rules means the listing rules of ASX.

Notice or **Notice of Meeting** means this notice of annual general meeting.

Rule means a rule of the Constitution.

European Gas Limited

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EXPLANATORY MEMORANDUM

This explanatory memorandum is intended to provide shareholders with sufficient information to assess the merits of the resolutions contained in the accompanying Notice.

The directors recommend that shareholders read this explanatory memorandum in full before deciding how to vote on the resolutions.

The following information should be noted in respect of the various matters contained in the accompanying notice of annual general meeting:

Annual Report

Section 317 of the Corporations Act requires the directors to lay before the annual general meeting the financial report, the directors' report (including the Remuneration Report) and the auditor's report for the last financial year that ended before the annual general meeting. Those holders that elected to receive a printed copy of the annual report will have received a copy with this Notice.

In accordance with sections 250S and 250SA of the Corporations Act, shareholders will be provided with a reasonable opportunity to ask questions about or make comments on the management of the Company and the Remuneration Report but no formal resolution to adopt the Annual Report will be put to shareholders at the annual general meeting.

Resolution 1 - Adoption of Remuneration Report for the year ended 30 June 2012

"That for the purpose of section 250R(2) of the Corporations Act, the Remuneration Report for the financial year ended 30 June 2012 be adopted."

Section 300A of the Corporations Act specifies certain information be included in the Remuneration Report of the Company's annual report. Section 250R(2) of the Corporations Act requires that a resolution that the Remuneration Report be adopted be put to a vote of shareholders at the Company's annual general meeting. The Remuneration Report is set out in the directors' report within the financial report of the Company for the year ended 30 June 2012.

Following recent changes to the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGM's, shareholders will be required to vote at the second of those AGM's on a resolution ('spill resolution') that another meeting be held within 90 days at which all of the Company's directors (excluding the Managing Director) must offer themselves for re-election.

The Remuneration Report is for consideration and adoption by way of non-binding resolution. The vote on this resolution is advisory only and does not bind the Directors of the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company. Those practices and policies have been under review since the completion of the Buy-Back Offer on 26 July 2012 when EGL UK ceased to be a subsidiary of the Company.

If you choose to appoint a proxy **you are encouraged to specify how your proxy is to vote on Resolution 1.**

If you appoint the Chairman as your proxy, and you do not direct your proxy how to vote on Resolution 1 on the proxy form **you acknowledge that the Chairman will exercise your proxy, in line with his stated intention, even if he has an interest in the outcome of the resolution.**

The Chairman of the meeting intends to vote undirected proxies, that are able to be voted, in favour of the adoption of the Remuneration Report.

The Remuneration Report for the last financial year is set out in the European Gas Limited Annual Report 2012.

Resolution 2 - Re-election of Mr Julien Moulin as a director of the Company

"That Mr Julien Moulin, retiring in accordance with Rule 7.3(a) of the Constitution, be re-elected as a director of the Company."

The Constitution requires that one third of its Directors retire at each Annual General Meeting. The Directors required to retire are those Directors who have been in office the longest since their last election. Accordingly, Mr Julien Moulin offers himself for re-election.

Details of director standing for election

Mr Julien Moulin (Non-Executive Chairman)

Julien Moulin ordinarily resides in Europe and has been a Director of the Company since 1 September 2009. He has served as Chairman for most of the past 3 years. He has occupied an executive position with the Company on and off for a large part of the past 3 years and his executive role has now ceased. Mr Moulin played a significant role in the Company's debt restructure in early 2011, the capital raising during 2011, and the recent partial demerger of EGL UK. Julien is a Director of EGL UK and is actively involved in its strategic initiatives, relations with the French Government, and fundraising activities. As announced to ASX on 13 August 2012, Julien has now:

- Taken the nomination as the Company's representative on the board of EGL UK in accordance with the 10% nomination right under the articles of association of EGL UK.
- Taken on a special role, as a director of the Company and reporting to the Company's Board, charged with:
 - o Ensuring full co-operation between the Company and its significant investee EGL UK as regards financial and operational reporting from EGL UK to the Company.
 - o Ensuring an orderly transitional period of services and operations after the financial and operational separation as between the Company's European operations (where he is employed) and the Company's Australian operations.
 - o Liaising with European and Asian investors in the Company (including but not limited to those he has previously introduced to the Company).
 - o Assisting with general shareholder relations on an as required basis.

Resolution 3 – Change of name of the Company

Under section 157 of the Corporations Act, if a company wants to change its name, it must pass a special resolution adopting a new name and make an appropriate application to ASIC. The change of name takes effect when ASIC alters the details of the company's registration to reflect the change.

The Company has recently completed a partial demerger of its European operations by way of a very large buy-back of the Company's shares, which shares were cancelled on 26 July 2012 leaving the Company with just over 75 million shares on issue. The Company continues to own just over 25% of those European operations by way of a shareholding in EGL UK, an unlisted company incorporated in England and Wales. The Company has other assets and contracts giving it an exposure to the conventional and unconventional oil and gas sector.

The Company holds royalty interests in 12 permits in the Canning Superbasin via 2 separate royalty contracts (one of which relates to 9 permits, including EP 391). Blina oil field 'net' royalties from Production Licence L6 continue to be received by the Company on a monthly in arrears basis at a 3% rate under the other royalty contract covering 3 permits.

To reflect the reduced focus on Europe and the important interests the Company still holds in the Canning Superbasin, the Directors suggest that the Company be named for a geographical feature with an affinity to the Canning Superbasin, namely the Fitzroy River. The Fitzroy River is one of the Kimberley region's most significant waterways, carving out ancient gorges and flowing through rugged hills and plains for a distance of 750 kilometres. It discharges into the sea at King Sound, south of Derby, Western Australia. It has a huge catchment area. In flood, the Fitzroy River becomes one of the world's biggest rivers. The new name of 'Fitzroy River Corporation Ltd' has therefore been chosen.

The resolution needs to be passed as a special resolution, requiring it to be passed by at least 75% of the votes cast by members entitled to vote on the resolution.

European Gas Limited

ABN 75 075 760 655

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

000001 000 EPG
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

For your vote to be effective it must be received by 3:00pm (EST) Saturday 24 November 2012

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View the Annual Report, 24 hours a day, 7 days a week:

www.europeangas.com.au

To view and update your securityholding:

www.investorcentre.com

Your secure access information is:

SRN/HIN: I999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf XX

I/We being a member/s of European Gas Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of European Gas Limited to be held at Stamford Plaza Hotel, Cnr Edward and Margaret Streets, Brisbane, Queensland on Monday, 26 November 2012 at 3:00pm (EST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1 (except where I/we have indicated a different voting intention below) even though Item 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Item 1 by marking the appropriate box in step 2 below.

STEP 2 Items of Business **PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Adoption of Remuneration Report for the year ended 30 June 2012	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Julien Moulin as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

<p>Individual or Securityholder 1</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <p>Sole Director and Sole Company Secretary</p>	<p>Securityholder 2</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <p>Director</p>	<p>Securityholder 3</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <p>Director/Company Secretary</p>
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Contact Name _____ Contact Daytime Telephone _____ Date ____/____/____

European Gas Limited

ABN 75 075 760 655



┌ 000001 000 EPG
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in European Gas Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

Mr Mark Pitts
Company Secretary