

NEWS RELEASE

30 May 2011

New law on hydrocarbon exploration and production voted by the National Assembly in France clears the uncertainty away for European Gas projects

The French National Assembly has recently backed a bill which restricts hydraulic “fracking” in all commercial shale gas and oil exploration and production. Hydraulic fracture stimulation (known as “fracking”) is a well treatment process that involves controlled high pressure pumping of a mix of water, sand and sometimes chemicals into hydrocarbon reservoirs to release trapped natural gas or oil. The shale oil and gas licences awarded to other applicants in the past few years in France are likely to be affected by this decision.

Executive Chairman Julien Moulin said “The new bill passed by the National Assembly clarifies the current situation on hydrocarbon exploration and production in France and will allow European Gas Ltd to continue to develop its exploration program, unaffected.”

European Gas uses vertical and lateral drilling techniques without the need for “fracking”. These techniques have been determined through research work and proven at the Company’s Folschvillier-2 lateral well. Exploration and development drilling from areas previously disturbed by coal mining and/or centered in industrial areas with multi directional lateral wells up to two km within the coal seams leaves both the aquifers and the surface environment virtually undisturbed.

European Gas has made a strong commitment to its shareholders and the French Government to continue to explore and develop coal mine methane and coal bed methane resources in France in a responsible and environmental friendly manner. Exploration programs planned by the Company do not and will not involve any hydraulic “fracking”.

For further information please contact:

Julien Moulin, Chairman

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

Email: info@europeangas.com.au

ABOUT EUROPEAN GAS LIMITED

European Gas Limited (EGL) is a Europe focused unconventional hydrocarbon Exploration Company. EGL currently owns several significant assets in Western Europe most notably in France and Italy.

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