



NEWS RELEASE

10 January 2011

STATEMENT REGARDING NEGOTIATIONS

European Gas Limited (“the Company”) advises that negotiations are continuing with Transcor Astra Group (“Transcor”), the holder of the Convertible Notes (“the Notes”) issued by the Company in late 2007.

The Company refers to its previous announcements of 17 December and 24 November 2010 and confirms it is working closely with its advisers (Alvarez and Marsal, Paris) to achieve a suitable outcome for shareholders of the Company.

Negotiations with Transcor regarding refinancing or restructuring the Notes and with parties of interest remain confidential and any proposals are incomplete.

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

Julien Moulin
Chairman

Mark Pitts
Company Secretary

EUROPEAN GAS LIMITED
ABN 75 075 760 655

Suite 4, 4 Ventnor Avenue
West Perth WA 6005, Australia

T +61 8 9226 0320

F +61 8 9226 0309

www.europeangas.com.au