

NEWS RELEASE

29 October 2009

GRANTING OF EXPLORATION PERMIT GAZONOR, FRANCE

HIGHLIGHTS

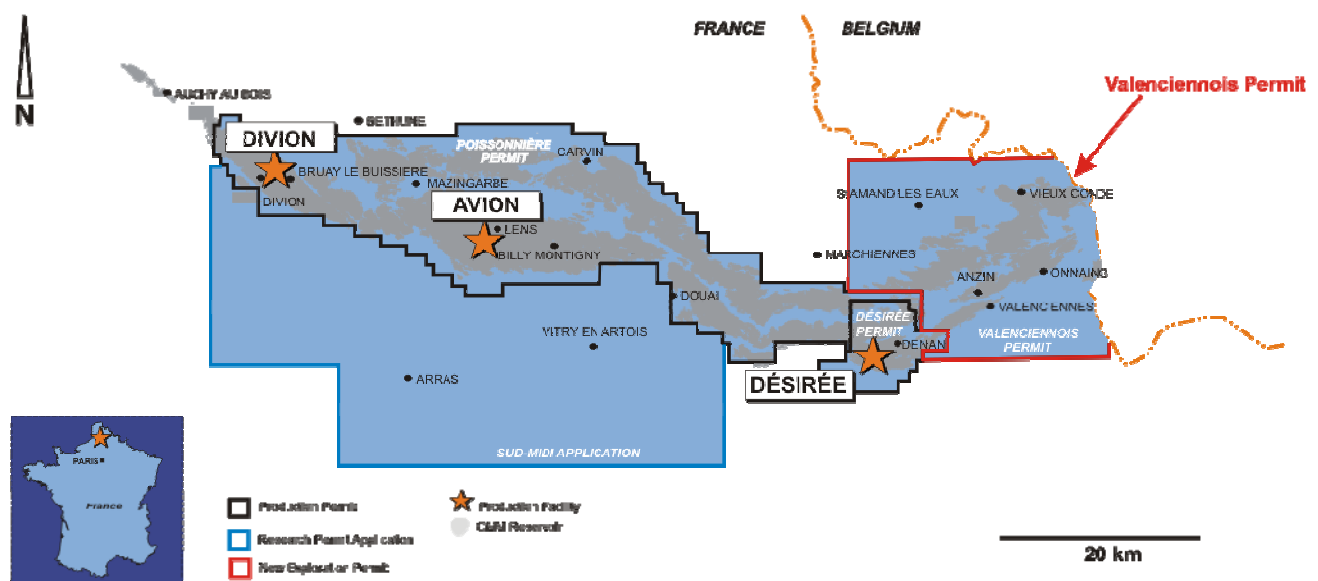
- Exploration permit “Valenciennois” covering 423 km² granted.
- Area is contiguous with the Company’s 100% owned Gazonor project to the Belgian Border.
- Permit area at Gazonor now expanded to 1180 km².
- Exploration planned to be incorporated into the previously announced exploration program at Gazonor.

GRANTING OF EXPLORATION PERMIT

European Gas Limited (“European Gas” or “Company”) is pleased to announce that the French Government has formally granted the Valenciennois exploration permit located in northern France.

The permit area covers 423 km² of the Nord Pas de Calais Basin, and is contiguous with the Company’s 100% owned Gazonor Project. The permit includes the exclusive rights to explore for all hydrocarbons including coal bed methane (“CBM”) and coal mine methane (“CMM”). The granting forms an extension to the Company’s Poissonnière and Désirée production permits and extends to the Belgian border. The permit is valid until September 2014 and is renewable.

The Company’s current reserve and resource assessments exclude the potential reserves and resources within the Valenciennois exploration permit. The Company has commenced a process of reviewing its reserves and resources for Gazonor and a new statement will be released to market in due course.



ABOUT EUROPEAN GAS LIMITED

European Gas Limited is a hydrocarbon producer/developer/explorer with projects in western Europe. The strategy of the Company is to develop Coal Bed Methane and Coal Mine Methane projects, in particular, in France where the Company, having major holdings under licence, holds a significant competitive advantage.

The western European natural gas market is substantial with advanced infrastructure, including extensive pipeline networks and a free and open high demand market.

The Company also holds hydrocarbon royalties in the Canning Basin of Western Australia.

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or refer to the European Gas Limited web-site: www.europeangas.fr

COMPLIANCE STATEMENT

The technical information quoted in this announcement has been compiled by Mr Rod Bresnehan and geoscientists under his supervision. Mr Bresnehan is a member of the Society of Petroleum Engineers and is Chairman of the Society of Petroleum Engineers (Australia). Mr Bresnehan has consented to the inclusion in this report of the technical matters based on the information in the form and context in which it appears.