QUARTERLY REPORT   March 2009

HIGHLIGHTS

Gazonor, France

- Gas sales of 117,167 MWh (421,801 GJ) for the quarter.
- Revenue of €2.8 million (A$5.1 million) for the quarter.
- Gas prices for the quarter of €23.40 per MWh (€6.45 per GJ).
- Handover of management of Avion site to Gazonor allowing production enhancements and cost reductions.
- Gas network improvements leading to higher gas injection capability from Avion site.
- 70% expansion of coal bed methane ("CBM") Contingent Resources to 8642 PJ (8150 Bcf or 231 Bm^3).
- Granting of Poissonnière Extension production permit.

Corporate

- Substantial reduction in production, exploration and administrative expenditure.
- Cash position at end of quarter €3.15 million (A$5.8 million)

Company Information

Board of Directors
Anthony J McClure (Managing Director)
Alan J Flavelle (Executive Director)
Terence V Willsteed (Non Executive Director)
Mike Atkinson (Non Executive Director)
Gauthier De Potter (Non Executive Director)

Company Secretary
Mark E Pitts

ASX Code:	**EPG**
Shares on Issue:	199,155,662
Conv. Notes[1]:	48,500,000
Options:	11,000,000

[1] 24,250 notes converting to 48,500,000 fully paid ordinary shares subject to customary adjustment to provisions. Expiry end Dec 2010.

Figure 1: European Gas Limited Project Areas

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West Perth WA 6005 Australia

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GAZONOR

European Gas holds a 100% interest in the Gazonor project in Northern France. The Gazonor assets include the gas exploitation rights over the Poissonnière and Désirée permits, comprising a total area of 767 square kilometres (km^2) including the Poissonnière extension (granted January 2009). An additional 1,352 km^2 is under application for exploration permits (see Figure 2).

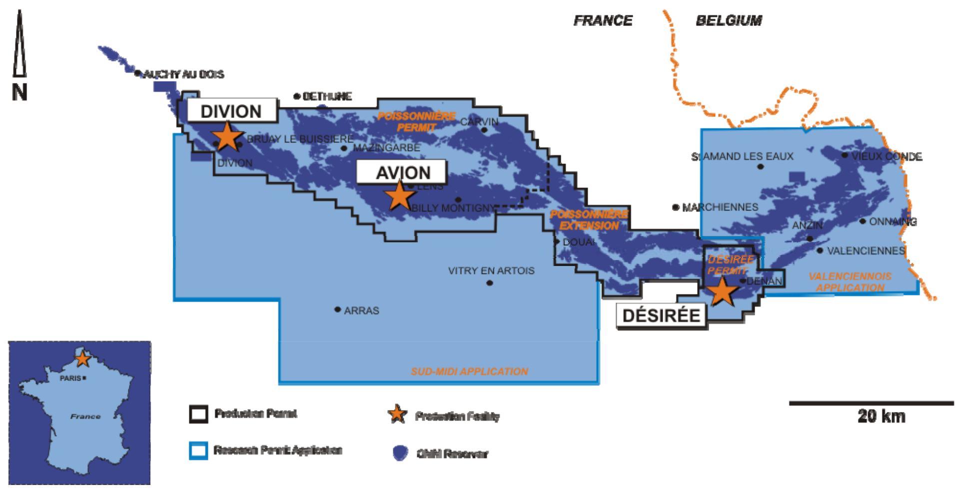

Figure 2: Gazonor Project Location Map

Gas Sales

Detail of gas sales for the quarter are summarised in the following table.

Sales		Average Price Received	
MWh	GJ	€/MWh	€/GJ
117,167	421,801	23.40	6.45

Gas sales of 117,167 MWh (421,801 GJ) for the quarter

Gas sales for the quarter were increased compared to the December quarter 2008 (gas sales 101,048 MWh (363,773 GJ)) due to operational improvements at the Avion site towards the end of the quarter as detailed below.

Sale price for the March quarter averaged approximately €23.40 per MWh or €6.45 per GJ (approximately A$42.90 per MWh or A$11.80 per GJ).

Average sale price of €23.40 per MWh or €6.45 per GJ

Revenues for the quarter totalled €2.8 million (A$5.1 million).

Operational Improvements

During the quarter, a range of operational improvements have been completed including;

- Handover of the management and maintenance of the Avion site to Gazonor at the start of March 2009 on the expiry of the existing maintenance contract. The handover allows for further cost reductions at the site along with production scheduling optimisation, resulting in production improvements.

- GRTgaz Taisnières gas enrichment facility expansion allowing for expanded network injection of gas from the Avion site; and
- GRTgaz network adjustments at Artois Est allowing for greater distribution and network injection of gas from the Avion site.

The above improvements are expected to result in greater sales on a reduced cost basis, in particular in the spring and autumn months of operations.

Gas Price Outlook

For the June quarter of 2009, sales prices will decline and the Company currently estimates that pricing will average around €15.50 per MWh or €4.25 per GJ (approximately A$28.40 per MWh or A$7.80 per GJ). The Company's gas is sold under contracts with a pricing formula which smooths market volatility.

Currently forward gas pricing for the 2009 calendar year at Zeebrugge, Belgium is approximately €18.90 per MWh or €5.20 per GJ (A$34.70 per MWh or A$9.50 per GJ). This represents a drop of approximately 37% from the 2008 average of €30.00 per MWh or a 47% drop from the peak of €36.00 per MWh in October 2008.

Production Permit Grant

New production permit granting covering 188km²

During the quarter, the Company announced the granting of the Poissonnière Extension production permit.

The production permit area covers 188km^2 of the Nord Pas de Calais Basin at the Company's 100% owned Gazonor project. The production permit includes the exclusive rights to produce all hydrocarbons including coal bed and coal mine methane. The granting forms an extension to the Company's Poissonnière production permit, is valid until December 2017 and is renewable.

Reserves

Current Gazonor reserves are summarised in the following table.

Certified Reserves as at July 2008

		Billions of Cubic Metres * Bm^3	Billions of Cubic Feet * Bcf	Petajoules PJ
Gazonor	1P	1.3	46	49
Gazonor	2P	3.7	131	140
Gazonor	3P	10.1	357	380

** contained methane*

The estimates were carried out by independent Deutsche Montan Technologie GmbH of Essen, Germany ("DMT") on behalf of European Gas. Both deterministic and probabilistic methodology has been used to derive reserve estimates. The 2P figure is based on a lognormal relationship being in force and using the deterministic 1P and 3P estimates for control.

Contingent Resources

During the quarter, the Company announced the completion of CBM contingent resources estimates for the recently granted Poissonnière Extension production permit. The estimates are shown in the following table.

Poissonnière Extension Contingent Resources as at March 2009

		Billions of Cubic Metres * Bm^3	Billions of Cubic Feet * Bcf	Petajoules PJ
Poissonnière Extension	C1 + C2 + C3	95	3350	3552

** contained methane*

70% expansion of CBM Contingent Resources

The additional contingent resources have resulted in a 70% expansion of Gazonor's total contingent resources with totals shown in the following table.

Gazonor Total Contingent Resources

		Billions of Cubic Metres * Bm^3	Billions of Cubic Feet * Bcf	Petajoules PJ
Poissonnière	C1 + C2 + C3	122	4300	4560
Poissonnière Extension	C1 + C2 + C3	95	3350	3552
Désirée	C1 + C2 + C3	14	500	530
TOTAL		**231**	**8150**	**8642**

** contained methane*

Gazonor Contingent Resources now stand at 8462 PJ (8150 Bcf or 231 Bm^3)

The assessment excludes the reserves and potential resources within areas influenced by mining and the Valenciennois and Sud Midi applications covering 1,352km^2. These areas continue in the application process having been submitted in October 2007 and July 2008 respectively.

The initial estimates were conducted by the European Gas technical group under Society of Petroleum Engineers ("SPE") and Petroleum Resource Management System ("PRMS") guidelines.

Pre-Feasibility Works

Pre-feasibility works for Gazonor expansion continuing

The Company continues its internal pre-feasibility study for the expansion of production at Gazonor. The current works concentrate on two principal areas of development: expansion of gas production and sales; and the potential installation of electricity generation facilities. These works at Gazonor are designed to expand and optimise productivity.

The pre-feasibility works demonstrates the potential of increase of annual gas production from 300 Gigawatt hours (GWh) per year to over 500 GWh per year at the Avion site. It has been determined that the reservoir has the potential to produce at these levels for at least 10 years before moving to decline.

The current production model demonstrates production over a 20 year period totalling 970 million cubic metres (CH_4 content) (34 Bcf or 36 PJ) or approximately 26% of Gazonor's 2P reserves.

The principal objective of the pre-feasibility works is to optimise sales of gas and/or gas and electricity. The study involves the analysis of several business streams for the Avion site including the expansion of gas sales, partial conversion to electricity generation and the movement of the entire facility to electricity generation.

Although the Company is assessing a range of alternatives, a primary interest is to minimise capital expenditure through leasing options of principal equipment. Other options are also being assessed.

The Company is also progressing planning activities for the further development of other sites at Gazonor including Divion and Désirée.

Part of the optimisation process is evaluating other potential production sites, which include coal mine methane monitoring stations. These sites may be developed relatively rapidly to deliver additional gas directly to local markets, and are being assessed and approvals are being sought.

With the increased scope of the pre-feasibility study and the continued uncertainty of the commodities markets, particularly electricity markets in Europe, the finalisation of the study has been extended. It is planned to provide further information of the pre-feasibility works during the June 2009 quarter.

LORRAINE — Eastern France

European Gas holds a 100% interest in two permits, covering a major part of the Lorraine Basin. In addition, the Company has recently submitted an application for an additional 360 km^2 (Lorraine Nord). (see Figure 3.)

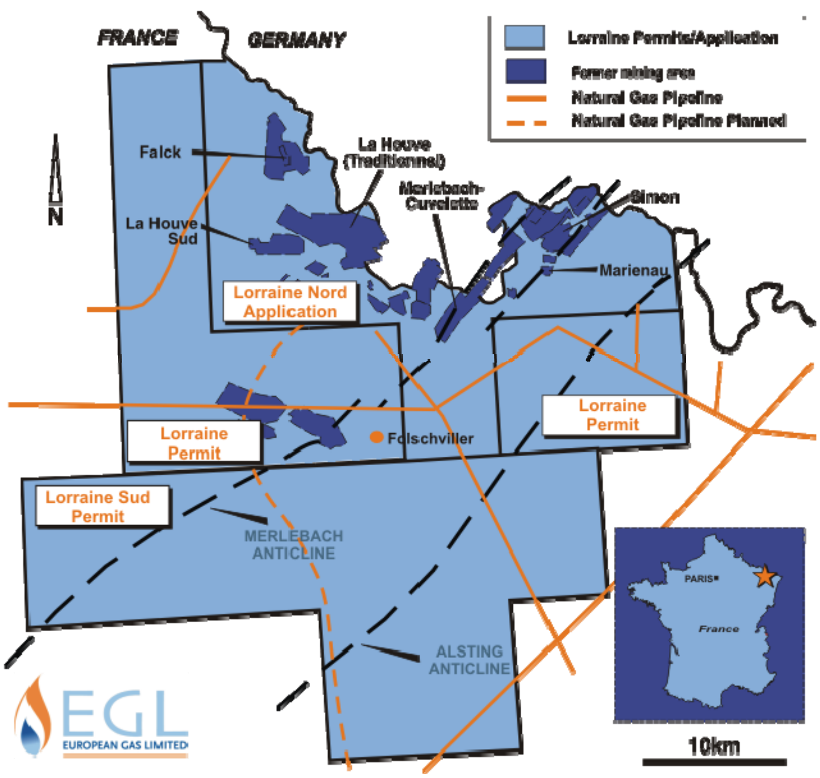

Figure 3: Lorraine Project Location Map

During the December 2008 quarter the drilling of the Folschviller 2 appraisal (or production test) well was completed. The site is 850 metres east of the town of Folschviller and immediately adjacent to Company's Folschviller St 1 stratigraphic well.

Two laterals and two sidetracks were completed for a total of 433 metres of coal and a further 367 metres of gassy sediments. The target has been the coal of the Marie-Maurice-Noirel seam and the Alpha-Alpha'-Beta-Gamma seam.

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Production testing of the upper gas saturated coals is presently hampered by workover rig availability required to change the downhole pump location. The current placement of the pump allows for only water sampling and pressure testing of the upper lateral. The full test of the upper lateral is only partially complete, however, results to date indicate that the coals are tight as anticipated.

The lower lateral is temporarily shut in below a packer. Testing on the lower lateral was deferred pending the availability of a workover rig and has now been suspended as part of the Company's cost reduction exercise, however the program remains a priority to complete.

Testing deferred

When the production test program resumes, it is envisaged that the second part of the test will allow for the opening of the lower lateral and the production testing of both laterals and the two sidetracks. This program is designed to allow observation of the pressures at which gas desorption commences and further evaluation of reservoir characteristics. In the lower lateral a fractured zone was identified while drilling, potentially indicating a significant zone of higher permeability. This fracture zone, together with the coals exposed in the lower lateral, will also be evaluated in the second part of the well test.

Results from these tests will be used to estimate potential deliverability and evaluate the future application of a lateral drainage strategy for development of the Lorraine coals.

The technical challenges of drilling horizontally through coal seams in this region have been successfully met and as a result the risks associated with potential development options have been reduced. A key focus of the Company is the cost reduction of drilling, completion and operational options required for future evaluation and production.

Contingent Resources

The contingent resources are contained within the Lorraine and Lorraine Sud permits (see Figure 3).

Contingent Resources as at October 2008

		Billions of Cubic Metres * Bm^3	Billions of Cubic Feet * Bcf	Petajoules PJ
Lorraine	C1 + C2 + C3	54	1899	2010
Lorraine Sud	C1 + C2 + C3	50	1782	1890
TOTAL		**104**	**3681**	**3900**

** contained methane*

The estimates exclude the Lorraine Nord application area covering 360 km^2.

The estimates were conducted by the European Gas technical group under SPE and PRMS guidelines. The study allows for the planning and commencement of projects to recategorise potentially recoverable gas from the contingent resources to reserve categories and the assessment of optimised development and production options.

LONS-LE-SAUNIER Central France

European Gas holds a 100% interest in the Lons-le-Saunier permit.

The Company has carried out a preliminary structural assessment of the Lons-le-Saunier coal basin for the purpose of identifying sites to drill test the gassy coals in the basin. This analysis has identified many areas where thick gassy coals may be tested. One site south of the Lons-le-Saunier township has been selected for initial drilling. The target coals are at depths less than 1000 metres below the surface. In addition, during the quarter, the study has further delineated targets with particular emphasis on conventional gas plays which the Company is continuing to pursue.

The timing of the drill test is subject to completion of permitting, financing and the mobilisation of an appropriate drilling rig.

GARDANNE Southern France

European Gas holds a 100% interest in the Gardanne permit.

One site has been selected for appraisal drilling at Gardanne, subject to rig availability and financing. The Company classifies this well as an appraisal well as it is to be drilled into an extension of a zone which recorded good methane flows from vertical wells drilled for mine de-gassing purposes in the past.

The program is in preparation for the development of the Gas in Place (GIP) resource which to date totals 2,803 million cubic metres (99.1 Bcf).

SAINT ETIENNE Central France

European Gas holds a 100% interest in the St Etienne permit.

No work was conducted during the quarter.

BENELUX JOINT VENTURE

European Gas holds a 50% interest in a joint venture company created for the purposes of securing title, exploring, developing, extraction and marketing of hydrocarbons including CBM, CMM and conventional oil and gas within Belgium, the Netherlands and Luxembourg (“European Gas Benelux S.A.”).

European Gas Benelux S.A. has applied to the Wallonia Government for a hydrocarbon permit “Hainaut” covering 443 km^2. The application covers the immediate southern extension of the Wallonia Coal Basin and historical coal mining region. The Basin is the eastern extension of the Nord Pas de Calais Basin in France in which the Company’s Gazonor project is situated. A production permit application has also been submitted for “Anderlues et Peronnes” which covers 40 km^2.

The principal target for European Gas Benelux S.A. is CBM and CMM.

SOUTHERN TUSCANY — Italy

Three permit areas covering a total of 1,553 km^2 have been granted and preliminary environmental impact studies have been submitted to the Regione Toscana. Initial work will commence upon formal notification that the reports have been accepted.

CANNING BASIN — Western Australia

European Gas holds a Net Well Head Royalty (2% to 3%) over 30,171 km^2 in the Canning Basin, Western Australia.

CONTINUED EXPLORATION PROGRAMS

Outside of the principal objective of expansion of current production and sales at Gazonor and cost control management, the main strategy of the Company continues to focus on coal bed methane and other hydrocarbon developments.

With regard to exploration works, the Company continues planning programs for the ongoing stratigraphic drilling and appraisal or production test programs for each of the Company's principal projects: Lorraine, Gazonor and Lons-le-Saunier. Database, geological and geophysical desk top appraisal programs are ongoing.

Potential Joint Venture

Discussions have continued during the quarter with several substantial groups for the joint venture of one or more of the Company's exploration projects, and discussions were initiated with further groups since January. While turbulence in the financial markets had an impact on the pace of the discussions, and the dialogue remained largely at the technical level, the sustained level of interest shown by a number of potential partners is positive.

CORPORATE

Cost Reduction Exercises

During the December 2008 half year, the Company commenced a comprehensive cost reduction exercise spanning production, exploration and corporate operations of the Company. This program has continued into the March 2009 quarter resulting in significant costs savings for the Company.

For Gazonor, current forecasts demonstrate that on site unit cash operating costs at Avion may reduce by approximately 25% for the 2009 calendar year when compared to 2008. These unit cost reductions are a result of actual cost reduction measures (down approximately 15%) along with higher gas production forecasts moving from 300 to 350 GWh per year.

Major cost reduction programs

Corporate and exploration costs have been considerably reduced with the postponement of further drilling and other exploration activities. Substantial cost reductions with the reduced reliance on external consultants and contractors were completed by the end of calendar 2008. Further initiatives in cost curtailment covering operational and administrative costs including reductions in management and executive director costs were completed by the end of the quarter.

Appointment of Non Executive Directors

During the quarter, the Company announced the appointment of two Non Executive Directors:

Mr Mike Atkinson

Mr Atkinson is based in London and has extensive energy industry experience, in particular in the coal industry. Mr Atkinson has held positions within the UK Department of Energy and National Coal Board and is a past Chairman of the British Coal Corporation. Mr Atkinson's experience has included advising ministers regarding coal policies and gas and energy requirements. He is currently a non-executive Director of Anglo Pacific Group PLC and is qualified as a Cost and Management Accountant.

Mr Gauthier De Potter

Mr De Potter is based in Brussels and is currently an executive Director of Transcor Astra Group ("Transcor"). Transcor was founded in 1947 with principal businesses including the refining, storage, distribution and trading of crude oil, oil products, natural gas, coal and coke. Transcor is a subsidiary of Compagnie Nationale à Portefeuille S.A. and is controlled by Baron Albert Frère and his family. Mr De Potter is a qualified Electro-Mechanical Engineer and Certified Financial Analyst. He has held senior positions at JP Morgan, Tractebel (now GDF-Suez) and Bechtel Enterprises/InterGen.

FINANCIALS APPENDIX 5B

Cash position maintained

At 31 March 2009, the Company had available funds of approximately €3.15 million (A$5.8 million).

The attached Appendix 5B highlights the quarter's cash activities and other relevant financial information.

ABOUT EUROPEAN GAS LIMITED

European Gas Limited (ABN 75 075 760 655) is a hydrocarbon explorer/developer 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 with 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 market.

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

For further information please contact:

Sarah Jordan

Investor Relations/Business Development Manager

info@europeangas.fr

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

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Compliance Statement

The technical information quoted in this announcement has been compiled by Mr Alan Flavelle and Mr Rod Bresnehan and geoscientists under their supervision. Mr Flavelle is a Fellow of the Australasian Institute of Mining and Metallurgy and is a member of the Society of Petroleum Engineers. Mr Bresnehan is Technical Advisor to European Gas and is Chairman of the Australian Council of the Society of Petroleum Engineers. Mr Flavelle and Mr Bresnehan have consented to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

EUROPEAN GAS LIMITED

ABN	Quarter ended ("current quarter")
75 075 760 655	**31 March 2009**

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter 3 months €'000	Year to date 9 months €'000
1.1	Receipts from product sales and related debtors	2,996	7,060
1.2	Payments for (a) exploration and evaluation	(821)	(6,066)
	(b) development	-	-
	(c) production	(1,155)	(3,874)
	(d) administration	(559)	(1,773)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	49
1.5	Interest and other costs of finance paid	(272)	(840)
1.6	Income taxes paid	(50)	(361)
1.7	Cashcalls – exploration & evaluation	-	-
	Net Operating Cash Flows	**139**	**(5,715)**
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(10)	(79)
1.9	Proceeds from sale of: (a)prospects	-	-
	(b)equity investments	-	128
	(c)other fixed assets		-
1.10	Loans to other entities	-	-
1.11	Cash assets acquired	-	-
1.12	Other	-	-
	Net investing cash flows	**(10)**	**50**
1.13	Total operating and investing cash flows (carried forward)	**130**	**(5,665)**

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	**130**	**(5,665**
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Convertible notes (*refer Note 6*)	-	-
1.20	Other – Heritage shareholders unclaimed cash – held in trust	-	-
	Net financing cash flows	**-**	**-**
	Net increase (decrease) in cash held	**130**	**(5,665)**
1.21	Cash at beginning of quarter/year to date	3,022	8,816
1.22	Exchange rate adjustments to item 1.21	0	0
1.23	**Cash at end of quarter**	**3,151**	**3,151**

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter €'000
1.24	Aggregate amount of payments to the parties included in item 1.2	78
1.25	Aggregate amount of loans to the parties included in item 1.10	-

1.26 Explanation necessary for an understanding of the transactions

Director's remuneration

Non-cash financing and investing activities

2.1

2.2

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available €'000	Amount used €'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		€'000
4.1	Exploration and evaluation	500
4.2	Development	-
	Total	**500**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter €'000	Previous quarter €'000
5.1	Cash on hand and at bank	2,151	2,022
5.2	Deposits at call	1,000	1,000
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22) (*see note 6*)	**3,151**	**3,022**

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number on issue	Total Number quoted	Issue price per security (see note 3) (AU$)	Amount paid up per security (see note 3) (AU$)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	199,155,662	199,155,662	-	-
7.4	Changes during quarter (a) Increases through issues Ordinary shares				
7.5	**+Convertible debt securities** Tranche A Tranche B (*refer to note 6)*	 14,500 notes 9,750 notes			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Unquoted options** Series B options Employee / Contractor options	*Number* 4,000,000 3,500,000 3,500,000	*Quoted* Nil Nil Nil	*Exercise price* $1.50 $1.50 $2.50	*Expiry date* 28/11/2010 15/04/2010 15/04/2012
7.8	Issued during quarter	*Number*	*Quoted*	*Exercise price*	*Expiry date*
7.9	Exercised during quarter	*Number*	*Quoted*	*Exercise price*	*Expiry date*
7.10	Expired during quarter Heritage options	*Number* 1,563,269	*Quoted* Nil	*Exercise price* $1.00	*Expiry date* 28/02/2009
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Anthony McClure – Managing Director
.... Date 30 April 2009

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB6 Exploration for and Evaluation of Mineral Resources* and *AASB107: Cash Flow Statements* apply to this report..

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

6 **Convertible Notes –** The Convertible Notes have a face value of €1,500, carry a coupon rate of 5% and mature on 31 December 2010 (if not converted beforehand). Upon conversion, Tranche A and Tranch B would convert to 48,500,000 fully paid ordinary shares in the Company subject to the customary adjustments provisions.

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+ See chapter 19 for defined terms.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

EUROPEAN GAS LIMITED

ABN	Quarter ended ("current quarter")
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		(c) other fixed assets	(10)	(79)
1.9	Proceeds from sale of:	(a)prospects	-	-
		(b)equity investments	-	128
		(c)other fixed assets		-
1.10	Loans to other entities		-	-
1.11	Cash assets acquired		-	-
1.12	Other		-	-
	Net investing cash flows		**(10)**	**50**
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1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Convertible notes (*refer Note 6*)	-	-
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	Net financing cash flows	**-**	**-**
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Payments to related entities of the entity and associates of the related entities

		Current quarter €'000
1.24	Aggregate amount of payments to the parties included in item 1.2	78
1.25	Aggregate amount of loans to the parties included in item 1.10	-

1.26 Explanation necessary for an understanding of the transactions

Director's remuneration

Non-cash financing and investing activities

2.1

2.2

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available €'000	Amount used €'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		€'000
4.1	Exploration and evaluation	500
4.2	Development	-
	Total	**500**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter €'000	Previous quarter €'000
5.1	Cash on hand and at bank	2,151	2,022
5.2	Deposits at call	1,000	1,000
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22) (*see note 6*)	**3,151**	**3,022**

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number on issue	Total Number quoted	Issue price per security (see note 3) (AU$)	Amount paid up per security (see note 3) (AU$)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	199,155,662	199,155,662	-	-
7.4	Changes during quarter (a) Increases through issues Ordinary shares				
7.5	**+Convertible debt securities** Tranche A Tranche B (*refer to note 6)*	 14,500 notes 9,750 notes			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Unquoted options** Series B options Employee / Contractor options	*Number* 4,000,000 3,500,000 3,500,000	*Quoted* Nil Nil Nil	*Exercise price* $1.50 $1.50 $2.50	*Expiry date* 28/11/2010 15/04/2010 15/04/2012
7.8	Issued during quarter	*Number*	*Quoted*	*Exercise price*	*Expiry date*
7.9	Exercised during quarter	*Number*	*Quoted*	*Exercise price*	*Expiry date*
7.10	Expired during quarter Heritage options	*Number* 1,563,269	*Quoted* Nil	*Exercise price* $1.00	*Expiry date* 28/02/2009
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Anthony McClure – Managing Director
.... Date 30 April 2009

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB6 Exploration for and Evaluation of Mineral Resources* and *AASB107: Cash Flow Statements* apply to this report..

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

6 **Convertible Notes –** The Convertible Notes have a face value of €1,500, carry a coupon rate of 5% and mature on 31 December 2010 (if not converted beforehand). Upon conversion, Tranche A and Tranch B would convert to 48,500,000 fully paid ordinary shares in the Company subject to the customary adjustments provisions.

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+ See chapter 19 for defined terms.