



NEWS RELEASE

29 September 2009

PLACEMENT

European Gas Limited (“European Gas” or “Company”) is pleased to announce a placement of 14,200,000 shares at a placement price of A\$0.17 each, to raise A\$2.414 million.

The placement will be completed in two tranches with the issuance of 7,100,000 shares immediately and 7,100,000 shares on 15 October 2009. The placement will be made to Maoming Fund who will move from an interest in the Company of 14.30% to 19.98%, once completed.

No commission or brokerage is payable.

The placement funds will be used for working capital purposes including exploration, drilling and capital works at the Company’s hydrocarbon exploration and production operations in France and elsewhere in Europe.

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