

EUROGAS INTERNATIONAL INC.

NEWS RELEASE

EUROGAS INTERNATIONAL INC. ANNOUNCES COMPLETION OF THE FARM-OUT OF ITS INTEREST IN THE SFAX PERMIT AND RAS EL BESH CONCESSION IN OFFSHORE TUNISIA

FOR IMMEDIATE RELEASE

TORONTO, ONTARIO, January 20, 2014 – Eurogas International Inc. (CNSX:EI) (“Eurogas International” or the “Corporation”) announced today that, together with its joint venture partner, Atlas Petroleum Exploration Worldwide Ltd. (“APEX”), the Corporation has completed a farm-out agreement (the “Agreement”) with DNO Tunisia AS (“DNO Tunisia”) with respect to the Sfax Offshore Exploration Permit and the Ras El Besh Concession (together, the “Sfax Permit”), in the Republic of Tunisia.

DNO Tunisia is a wholly-owned subsidiary of DNO International ASA, an Oslo-listed, Middle East and Africa focused oil and gas company. Jaffar Khan, President and CEO of Eurogas International, commented “Eurogas is very pleased to have established a farm-out arrangement with DNO Tunisia, an entity with the technical knowledge and financial means to effectively pursue the significant potential of the Sfax Permit”.

In accordance with the Agreement, the Corporation has assigned 87.5% of its 45% participating interest to DNO Tunisia in exchange for a US\$2.7 million cash payment, and the carrying of 100% of all costs by DNO Tunisia, including development and production related costs associated with the Sfax Permit. The Corporation has retained a 5.625% participating interest in the property, subject to certain cumulative revenue thresholds and cost recovery provisions. In addition, DNO has assumed operatorship.

FORWARD-LOOKING STATEMENTS

Certain information set forth in this document, including management’s assessment of the Corporation’s future plans and operations, contains forward-looking statements. Forward-looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions or include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” or similar expressions. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Corporation’s control, including risks of not being able to obtain or renew permits and licenses, the inability to access sufficient capital from internal and external sources, risks associated with foreign operations, the impact of general economic conditions, currency fluctuations, exploration and development risks, reliance on key personnel and management, risks relating to the abandonment of operations, environmental risks, and competition from other industry participants. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Corporation’s actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Corporation will derive from them. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

ABOUT EUROGAS INTERNATIONAL

Eurogas International Inc. is an independent oil and gas exploration company listed on the Canadian Securities Exchange under the symbol EI.

All documentation in respect of the Corporation may be viewed under the Corporation's profile on SEDAR (www.sedar.com) or under the Corporation's website at www.eurogasinternational.com. For more information about Eurogas International, please visit www.cnsx.ca.

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