

## **EUROGAS INTERNATIONAL INC.**

## **NEWS RELEASE**

TORONTO, ONTARIO – (October 24, 2012) – Eurogas International Inc. (“**Eurogas International**” or the “**Corporation**”) today confirmed the terms of the previously announced financial commitment from its parent, Dundee Corporation, to provide the necessary financial resources to the Corporation to enable it to complete its drilling obligation, subject to certain conditions, pursuant to the terms of the Sfax Permit.

Dundee Corporation has agreed to extend and increase its revolving term credit facility with the Corporation from its original \$2.5 million provided in February 2012 to \$5 million. Borrowings under the facility bear interest at prime plus 1.25%. In addition, the terms of the facility provide that Dundee Corporation may, at its discretion, require Eurogas International to convert all of the amounts outstanding pursuant to the credit facility into common shares of Eurogas International, at a conversion price that is based on the fair value of the common shares at the time of the conversion, subject to a minimum conversion price of \$0.05 per share. Any issuance of common shares by the Corporation will be subject to regulatory and other approvals.

While Eurogas International and Dundee Corporation are related parties, the Corporation will not be required to obtain minority shareholder approval for the potential issuance of common shares to Dundee Corporation under the credit facility, based on an available financial hardship exemption under applicable securities laws. In that connection, the Board of Directors of Eurogas International, including its independent directors, have concluded that the Corporation is in serious financial difficulty and would not be able to pursue its drilling commitment without the credit facility, and the revised facility improves the Corporation’s financial situation and is provided on terms that are reasonable in the circumstances.

### **FORWARD LOOKING STATEMENTS**

Certain information set forth in these documents, 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 the impact of general economic conditions, risks associated with foreign operations, currency fluctuations, exploration and development risks, reliance on key personnel and management, the ability to access sufficient capital from internal and external sources, risks of not being able to obtain or renew permits and licenses, 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.

For further information, please contact:

***Eurogas International Inc.***  
c/o Dundee Corporation  
21<sup>st</sup> Floor, Dundee Place  
1 Adelaide Street East  
Toronto, ON M5C 2V9

Jaffar Khan, President & CEO  
Telephone: (403) 264-4985  
Telefax: (403) 262-8299  
Website: [www.eurogasinternational.com](http://www.eurogasinternational.com)