

EUROGAS INTERNATIONAL INC.

NEWS RELEASE

EUROGAS INTERNATIONAL ANNOUNCES SETTLEMENT OF ARBITRATION

TORONTO, ONTARIO – (May 20, 2010) – Eurogas International Inc. (“Eurogas International” or the “Company”) today announced that the settlement of the arbitration proceedings against Seawolf Oilfield (Cyprus) Limited and Seawolf Oilfield Services Limited has now been finalized. The arbitration proceedings had been commenced by Atlas Petroleum Exploration Worldwide Ltd. (the “Operator”), the Company’s joint venture partner in the Sfax Exploration Permit. Eurogas International’s interest in the settlement proceeds is subject to final determination under its joint venture agreement with the Operator, but will be no less than US\$2.7 million and may reach a maximum of US\$5.4 million.

Eurogas International Inc. is an independent oil and gas exploration company listed on the Canadian National Stock Exchange under the symbol EI. Further information regarding the Company may be viewed under the Company’s profile on SEDAR (www.sedar.com), the Company’s website (www.eurogasinternational.com) or by contacting the Company. For more information about Eurogas International please visit the Listings Disclosure Hall at www.cnsx.ca.

Certain information set forth in these documents, including management’s assessment of each of the Company’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 Company’s control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. 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 Company’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:

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