

EUROGAS INTERNATIONAL INC.

NEWS RELEASE

EUROGAS INTERNATIONAL ANNOUNCES 2011 FINANCIAL RESULTS

TORONTO, ONTARIO – (February 1, 2012) – Eurogas International Inc. (“Eurogas International” or the “Corporation”) today announced its financial results for the year ended December 31, 2011. The Corporation’s annual audited financial statements, along with management’s discussion and analysis have been filed on the System for Electronic Document Analysis and Retrieval (“SEDAR”) and may be viewed by interested parties under the Company’s profile at www.sedar.com or the Corporation’s website at www.eurogasinternational.com.

Since December 31, 2011, the Corporation’s joint venture partners have substantially completed the plug and abandonment of the REB-3 well located within the Ras El Besh development concession in Tunisia. The REB-3 well was originally drilled in 2008, and was subsequently suspended pending further evaluation of geological and geophysical data.

The costs of plugging and abandoning the well were approximately US\$5.5 million, of which the Corporation’s share was US\$1.3 million. In order to secure the resources necessary to complete these activities, on January 31, 2012, the Corporation arranged for a \$2.5 million revolving term credit facility with its principal shareholder, Dundee Corporation. Borrowings under the facility will bear interest at prime plus 1.25%. 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.

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.

ABOUT THE CORPORATION

Eurogas International Inc. is an independent oil and gas exploration company listed on the Canadian National Stock Exchange under the symbol EI. For more information about Eurogas International, please visit the Listings Disclosure Hall at www.cnsx.ca.

For further information, please contact:

Eurogas International Inc.
c/o Dundee Corporation
21st 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