

EUROGAS INTERNATIONAL INC.

NEWS RELEASE

EUROGAS INTERNATIONAL ANNOUNCES FINANCIAL RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2011

TORONTO, ONTARIO – (April 27, 2011) – Eurogas International Inc. (“Eurogas International” or the “Corporation”) today announced its financial results for the three months ended March 31, 2011.

During the first quarter of 2011, the Corporation incurred a net loss of \$0.7 million, or approximately \$0.02 per share. This compares with a net loss of \$1.1 million, or \$0.04 per share in the first quarter of 2010. The Corporation’s March 31, 2011 financial results have been prepared in accordance with International Financial Reporting Standards (“IFRS”). A detailed analysis of the significant accounting policies adopted by the Corporation on the transition to IFRS and a reconciliation of the Corporation’s financial position and results of operations between IFRS and Canadian GAAP are provided in the footnotes to the Corporation’s financial statements which have been filed on the System for Electronic Document Analysis and Retrieval (“SEDAR”) and which may be viewed under the Company’s profile at www.sedar.com or the Corporation’s website at www.eurogasinternational.com.

Eurogas International is conducting exploration and evaluation programs for oil and natural gas in the shallow Mediterranean waters offshore Tunisia, where it holds a 45% working interest in the Sfax Permit. The Corporation has entered into a joint operating agreement with APEX, a production sharing agreement with the Tunisian state oil company and a prospecting permit with the Tunisian government. Pursuant to these arrangements, the Corporation and APEX agreed to undertake exploration, evaluation and extraction operations on the Sfax Permit. APEX is the operating partner in the joint venture arrangement.

RECENT EVENTS

On January 18, 2011, the Corporation announced that, together with its joint venture partner, it has declared a condition of a Force Majeure with respect to the Sfax Permit and the Ras-El-Besh concession. The Corporation and its joint venture partner believe that the current political uncertainty and civil unrest in Tunisia adversely affects their ability to continue their exploration and evaluation activities. Eurogas International believes that the declaration of a Force Majeure will temporarily suspend activities while the conditions resulting in the Force Majeure continue. It is anticipated that the Force Majeure declaration will result in an extension of the term of the Sfax Permit and the Ras-El-Besh concession for a period of time equivalent to the time that activities were suspended as a result of the Force Majeure. Once the situation in Tunisia is resolved, exploration and evaluation activities will resume.

BUSINESS DEVELOPMENTS

The Offshore Sfax Exploration Permit

On behalf of the joint venture, the Corporation is currently reprocessing four 3-D seismic surveys on the Sfax Permit. The Corporation, together with its joint venture partner, is currently using the reprocessed data to remap the prospects and leads in order to determine a future course of action with respect to the drilling of an exploration well to satisfy its outstanding drilling obligation.

Ras-El-Besh Concession

Upon completion of drilling and testing the REB-3 well within the Ras-El-Besh concession, the joint venture partners requested and received approval from the Tunisian government to temporarily suspend the well and release the drilling rig. Agreement by the Tunisian government was subject to the reinterpretation and remapping of seismic data, after which the joint venture partners were to determine to either reenter or abandon the well. During the fourth quarter of 2010, the joint venture concluded that it was appropriate to abandon the REB-3 well and pursue other opportunities on the Sfax Permit. The Corporation is currently evaluating timing, cost and the methodology for the abandonment, particularly in light of the Corporation's declaration of the Force Majeure. Pursuant to a settlement agreement between the joint venture partners and Delta Hydrocarbons B.V., a previous farmout partner in the Sfax Permit, Delta is committed to fund 50% of any costs associated with abandonment of the REB-3 well until December 9, 2011.

The Seawolf Litigation

In 2009, the joint venture partners commenced arbitration proceedings against Seawolf Oilfield (Cyprus) Limited and Seawolf Oilfield Services Limited (collectively, "Seawolf") under the rules of the London Court of International Arbitration, seeking damages for misrepresentations and breach of contract in respect of the drilling of the REB-3 well. In May 2010, the parties reached a settlement agreement that provides for a US\$12 million payment to the joint venture over an 18 month period. The settlement amount is secured by a letter of guarantee issued by a recognized international bank. Delta's entitlement pursuant to the settlement agreement is conditional on Delta meeting its obligations as defined in the settlement agreement, including the funding of its pro-rata share of ongoing costs associated with the litigation with Seawolf.

2011 EXPENDITURES

During the first three months of 2011, \$0.3 million (three months ended March 31, 2010 - \$0.4 million) was capitalized to the Sfax exploration and evaluation properties.

	Sfax Exploration Permit	Ras-El-Besh Concession	Exploration and Evaluation Properties
Carrying value, December 31, 2009	\$ 2,638,922	\$ -	\$ 2,638,922
Transactions for the three months ended March 31, 2010			
Investments	434,612	245,255	679,867
Changes related to decommissioning liability	-	(49,834)	(49,834)
Impairment	-	(195,421)	(195,421)
Carrying value, March 31, 2010	3,073,534	-	3,073,534
Transactions from April 1, 2010 to December 31, 2010			
Investments	1,591,467	249,738	1,841,205
Changes related to decommissioning liability	-	(29,867)	(29,867)
Impairment	-	(219,871)	(219,871)
Carrying value, December 31, 2010	4,665,001	-	4,665,001
Transactions during the three months ended March 31, 2011			
Investments	328,220	85,688	413,908
Changes related to decommissioning liability	-	(32,930)	(32,930)
Impairment	-	(52,758)	(52,758)
Carrying value, March 31, 2011	\$ 4,993,221	\$ -	\$ 4,993,221

WORK PROGRAM FOR THE REMAINDER OF 2011

The Corporation has temporarily suspended its 2011 work program pending settlement of the events that resulted in the declaration of Force Majeure. Once activities resume, the Corporation's ability to undertake its future work programs is dependent on it securing the necessary financial arrangements. At March 31, 2011, the Corporation had cash and short term investments of \$0.8 million compared with cash and short term investments of \$1.1 million at December 31, 2010. The Corporation's current cash resources are insufficient to meet its forecasted 2011 work program. The Corporation is actively pursuing alternative financing options, including debt or equity issuances, potential farmout arrangements, and monetization of certain assets. There can be no assurance that the Corporation will be successful in these initiatives.

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. Eurogas International has filed its financial statements and related management's discussion and analysis for the three month period ended March 31, 2011 with the Canadian securities regulatory authorities on SEDAR. All documentation may be viewed under the Company's profile on SEDAR (www.sedar.com), the company website at www.eurogasinternational.com, or by contacting Eurogas International. For more information about Eurogas International, please visit the Listings Disclosure Hall at www.cnsx.ca.

FORWARD LOOKING STATEMENTS

Certain information set forth in these documents, including management's assessment of each 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, 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 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.

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