Eurogas Corporation

AGM Presentation

May 22, 2008

Symbol	EUG-V
Shares outstanding	155.7 MM

Highlights for 2007 / 08

- Strategic partnerships on Spanish and Tunisian projects
  - recovery of past investments
- Castor project, Spain
  - Castor project requires no capital through completion
  - completion of ‘FEED’ study
  - government approved Castor Development Application
- Sfax permit, Tunisia
  - Sfax Permit farmed out: US$ 125 MM (gross) for past and future expenditures - participation after farmout 22.5%
  - acquired 540 km^2 of 3D exploration seismic
  - acquired 60 km^2 of 3D seismic over Salloum prospect
  - farmor to drill 3 wells
- Corporate
  - raised $30.2 million via Rights Offering
  - cash as of May 22, 2008 $39 million
  - projected cash at June 30, 2008 of $80 million

Castor UGS to provide natural gas storage for the highly industrialized east coast of Spain which consumes nearly 50% of Spain's gas

Spain's Reliance on Natural Gas

- Spain is totally dependant on gas imports
  - LNG tankers 60%
  - Natural gas pipelines 40%
- Average growth of gas consumption over past 10 years has been 12.3% p.a.
- Natural gas now 20% of Spain's primary energy supply
- Peak demand is driving the expansion of underground gas storage
- Castor will provide one third of Spain's UGS deliverability

2007 Activities for Castor UGS Project

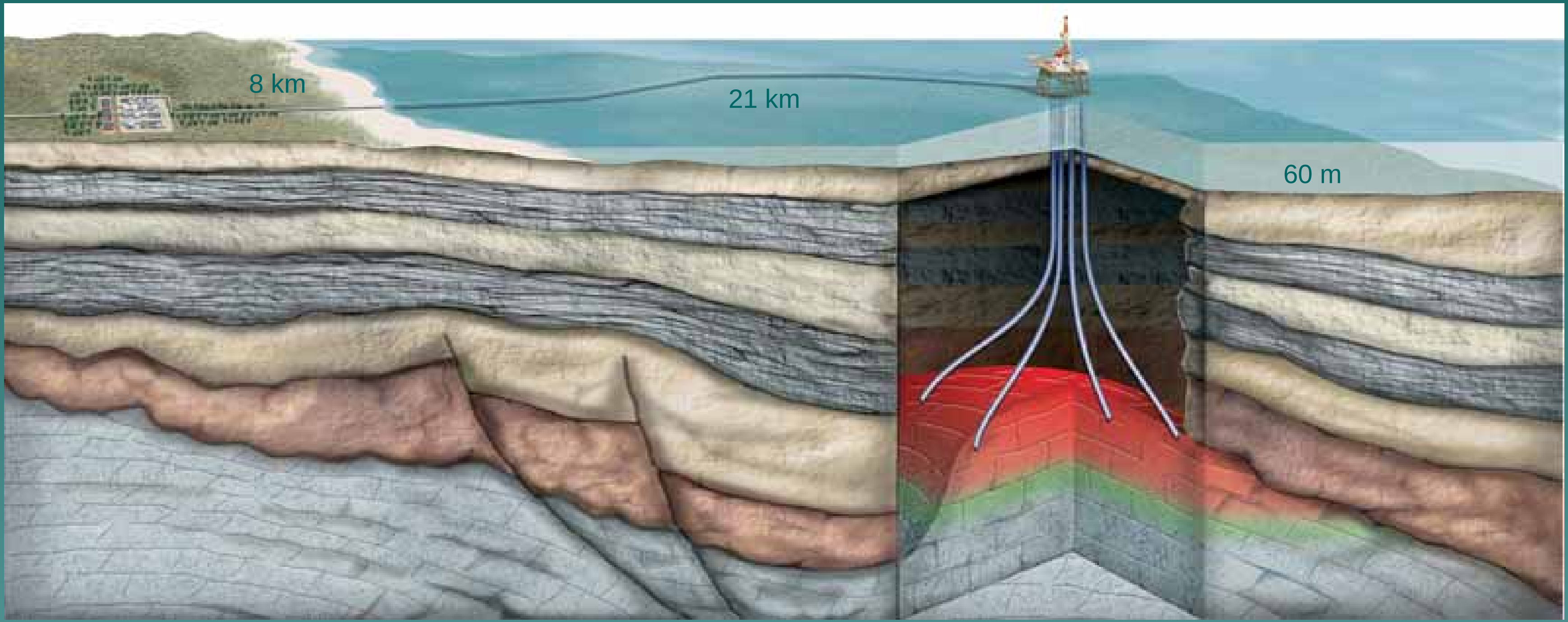
- "FEED" study completed by ACS
- Significant additions to facility design
  - gas compressors onshore & offshore
  - acid gas removal facilities
- Project costs: 1.3 billion euros (estimate from FEED study)
- Implemented state-of-the-art 3D mapping techniques to optimize well placement and well trajectories
- Approval process
  - submitted Development Concession Application
  - public enquiry in August 2007
  - revised EIA submitted with 'FEED' changes
  - other permitting initiated
- ACS, Enagas Agreement signed December 2007

ACS, Enagas Agreement

◆ Escal ownership	ACS	66.66%
	Enagas	(33.33%)
	CLP	33.33%
Eurogas ownership		24.6%

- ACS to provide all funding guarantees for the project
- Eurogas to receive past costs of approximately $41 million
- ACS to manage project development and government approvals

Cross Section of Castor Project



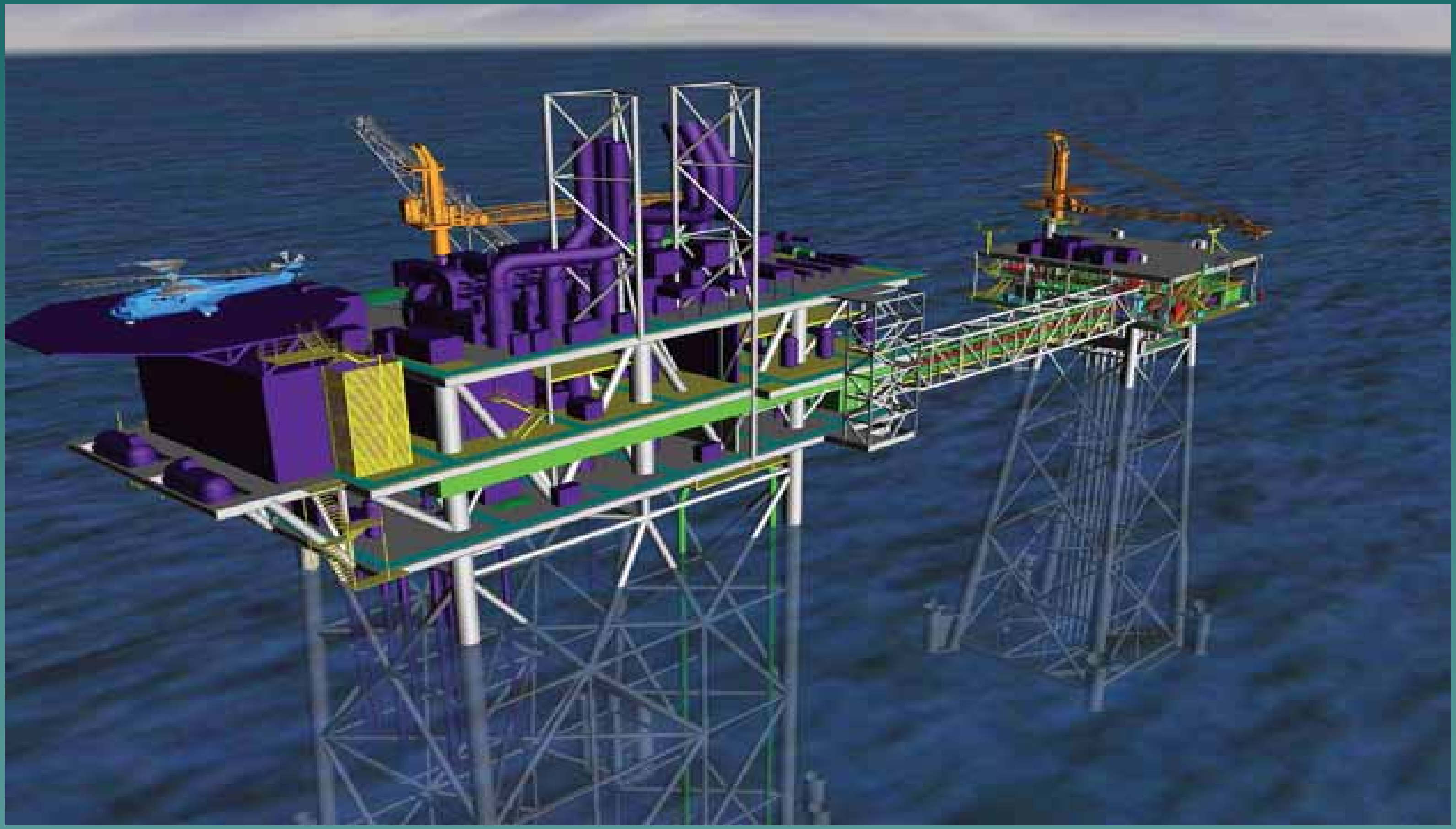
- The Castor reservoir is an ideal candidate for gas storage:
  - reservoir capacity large: 1.9 bcm of natural gas (67 bcf)
  - reservoir rock highly permeable: fractures with caverns and caving
  - rates of injection and withdrawal are very high
  - strong bottom water drive to maintain near constant reservoir pressure
  - gas withdrawal rates near constant

Onshore facilities

Injection cycle: gas compression

Withdrawal cycle: acid gas and impurities removal, gas dehydration

Offshore facilities

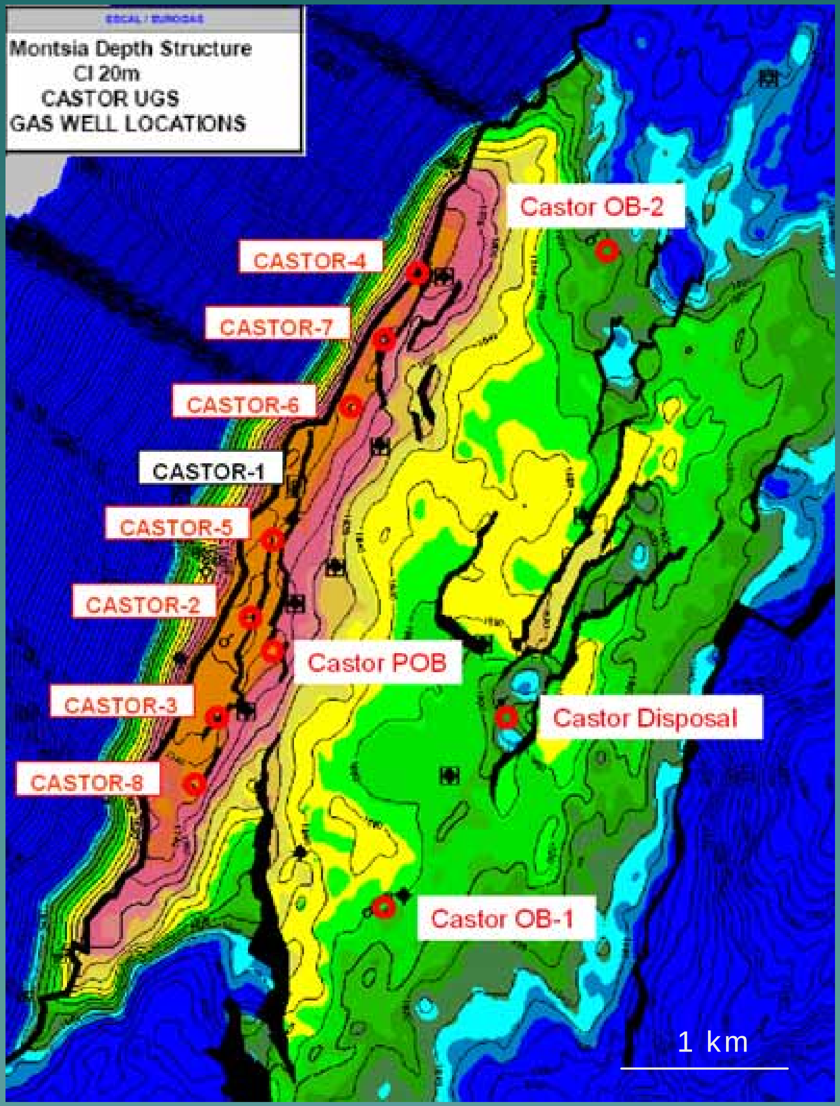


2 platforms: Wellhead, processing

Injection cycle: Gas compression

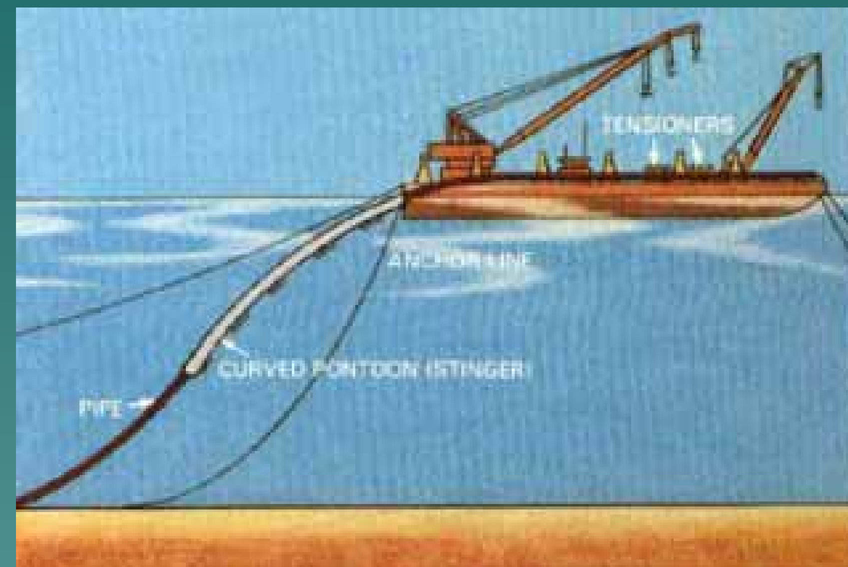
Withdrawal cycle: Liquids removal & re-injection, gas dehydration

Well Locations



- 13 total wells
- Existing Castor 1 well (2005)
- 7 new injector / producers
- 2 pressure observation wells
- 2 gas / liquid observation wells
- 1 water disposal well

Offshore / onshore pipelines



Typical pipeline barge that will lay the 30-inch pipe

Castor Project Costs

(estimated in ACS FEED study)

	MM euros
Well drilling & completions	160
Offshore platforms	520
Pipelines	120
Onshore plant	280
Cushion gas	125
Other	95
TOTAL	1,300

Castor Project Activities in 2008

- Development Concession granted by the Spanish government
- Finalize detailed engineering designs for equipment & pipelines both onshore & offshore
- Order long delivery equipment and services
- Commence construction of Wellhead & Processing Platforms
- Continue permitting process

Remuneration Regime for the Castor Project

- Repayment of Capital
  - 10 % per year for 10 years
  - 5 % per year after 10 years
- Return on Investment
  - 10 year bond rate + 3.5 % = 4 + 3.5 = 7.5 %
  - based on declining balance
- Payment of Operating Expenses
- Debt
  - 80 % debt equity ratio
  - repayment over 15 – 20 years
- Cash flow minimum over 30 years

(for complete details see Eurogas' 2006 Annual Report on SEDAR)

Sfax Offshore Permit, Tunisia

History of Sfax Offshore Permit

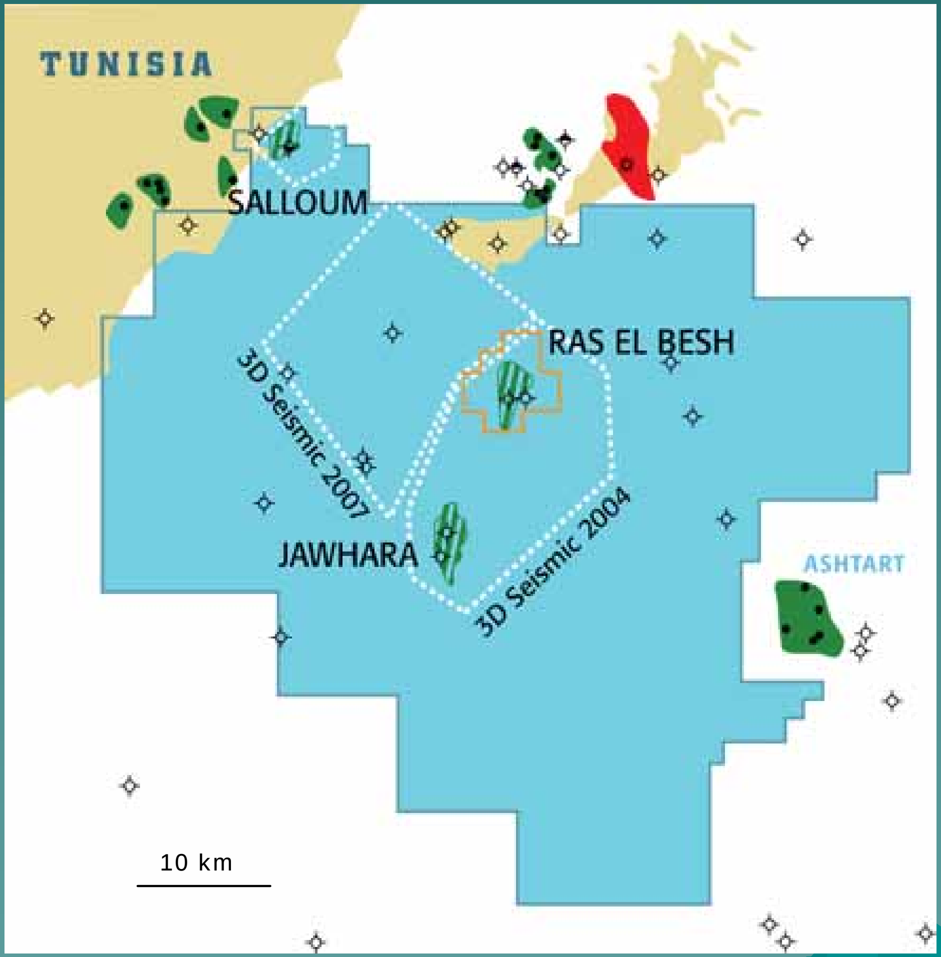
- 2004: Eurogas acquired a 45% WI
- Commitment
  - seismic: done
  - drill 1 exploration well: satisfied by drilling of REB-3 appraisal well
- Focus on lower risked development projects
- Acquired 950 km^2 of new 3D seismic over development prospects and exploration leads
- In 2008, farmed out for $125 million (gross), retaining a 22.5% participating interest after funds spent
- Drilling to commence in June 2008

2008 Farmout to Delta Hydrocarbons

- Delta committed to spend $125 million for a 50% participation in the Sfax permit
- Eurogas to receive $11 million for past costs
- Eurogas to have a 22.5% participating interest in the permit carried through Delta spending of $125 million
- Work program to focus on development of the Ras El Besh and Jawhara oil prospects, each of which tested oil
- APEX to continue to operate with assistance from Delta

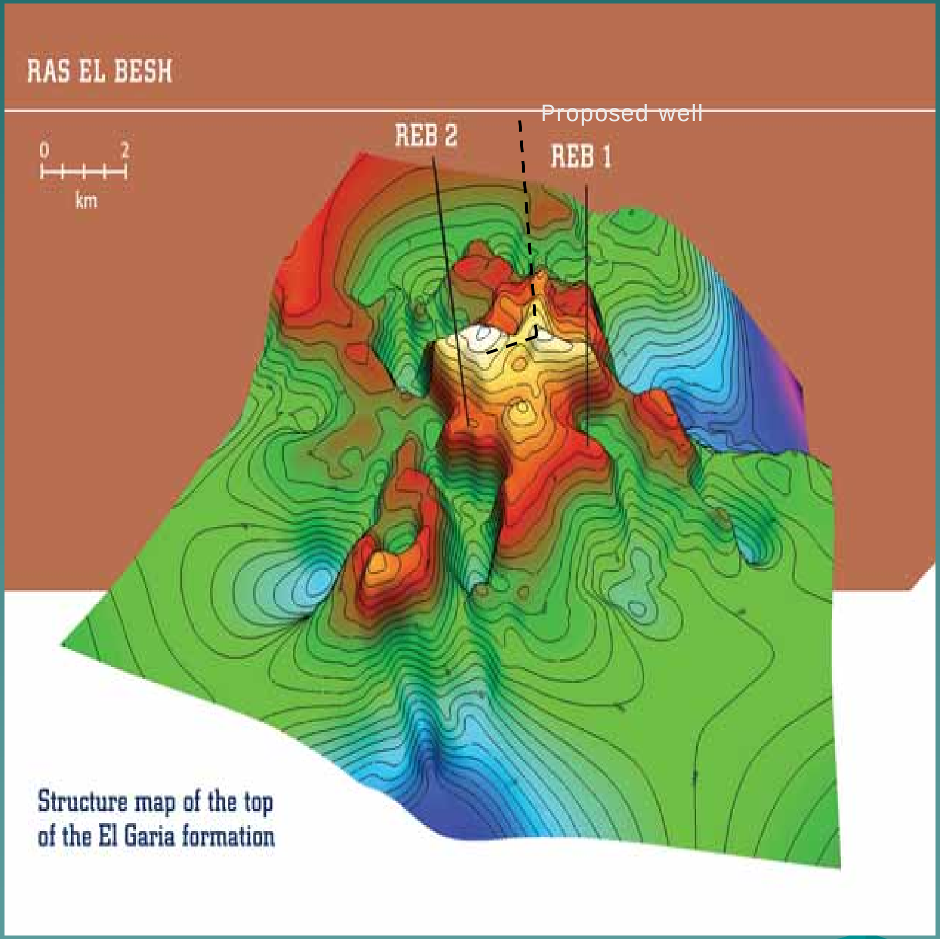
Sfax Permit: 2007 Activities

- Total 1 million acres
- Acquired 540 km^2 of 3D seismic over exploration lands
- Acquired 60 km^2 of 3D seismic over Salloum prospect
- Acquired a jack-up production platform that is being upgraded with new oil facilities
- Preparing to drill 2 wells at Ras El Besh, one well at Jawhara



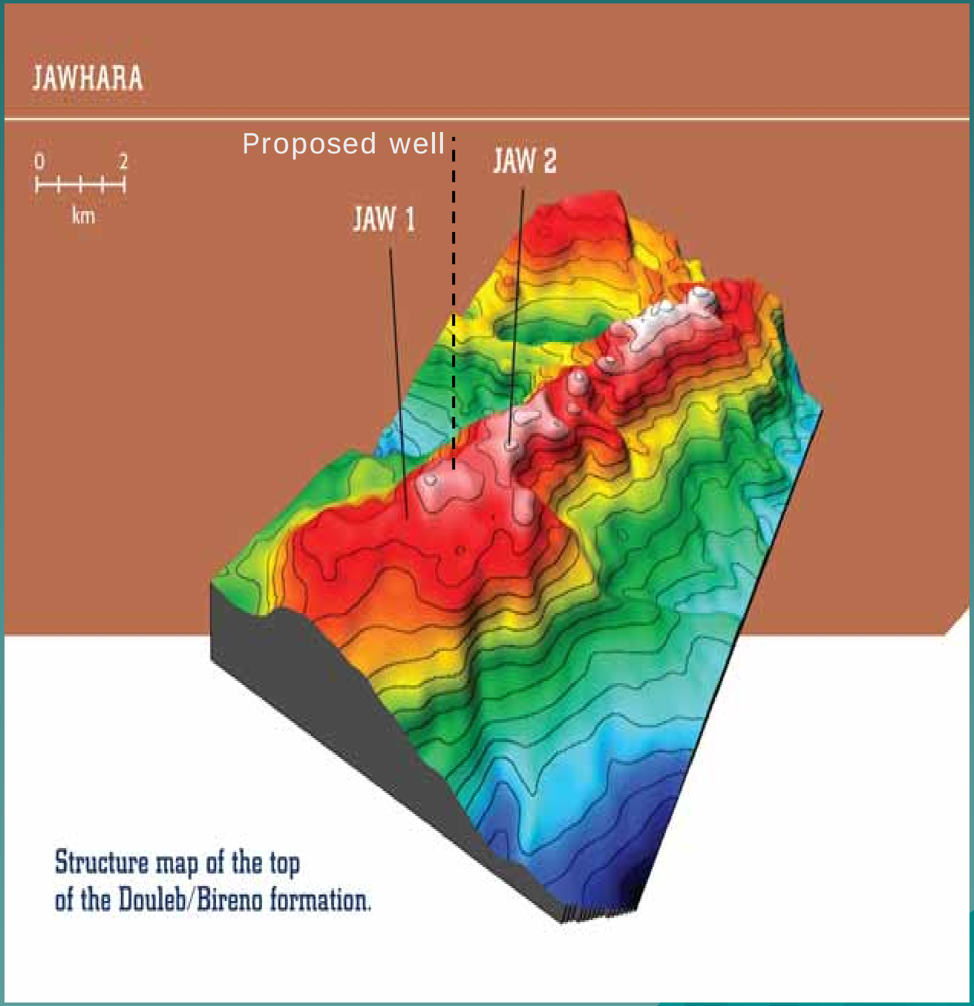
3D Image of Ras El Besh Prospect

- Major company drilled REB1 and REB2 in 1990's
- REB 2 tested oil
- Proposed location at REB 3 mapped as being 50-70 m higher than REB 2



3D Image of Jawhara Prospect

- JAW 1 tested oil in 1976
- Follow-up well at JAW2 in 1980 was abandoned as the target reservoir was absent due to faulting
- Plans are to re-enter JAW 1 or drill a new well



2008 Activities

- Farmout to Delta Hydrocarbons in April 2008
- Operator signed a drilling contract on May 14, 2008 for two firm and two optional wells
- Expect to commence drilling at Ras El Besh in June 2008
- Drill Jawhara oil prospect after Ras El Besh

Summary of Eurogas Activities

- Eurogas brought in partners for both the Castor and Sfax projects
- Castor UGS project, Spain: Eurogas has no further funding requirements through completion and start-up of facilities for its 24.6% WI
- Sfax permit, Tunisia: Delta Hydrocarbon to spend $125 MM to earn a 50% interest with Eurogas retaining a 22.5% participating without costs until Delta spends $125 million
- Eurogas to receive past investment costs:
  - $11 MM for the Sfax permit
  - $41 MM for the Castor Development Concession
- Eurogas will be well positioned going forward with a strong treasury of approximately $80 million