

EUGS:US
Eurogas Inc

**EuroGas to Acquire 30% Interest in McCallan Oil & Gas
and Option to Purchase Additional 25% Interest**

EuroGas to Own 100% of McCallan

NEW YORK , NY -- (MARKET WIRE) -- 05/27/08 -- EuroGas, Inc. (PINKSHEETS: EUGS) (HAMB: EUG) today announced that it had entered into an agreement to acquire a 30% interest in McCallan Oil & Gas (U.K.) Ltd. (McCallan), a closely held U.K. oil and gas concern, from Mr. Hans D. Dietmann, McCallan's controlling shareholder and Managing Director, and has secured an option to purchase an additional 25% interest in McCallan from Mr. Dietmann. Combined with the recently announced agreement to purchase a 45% interest in McCallan from Regent Ventures Ltd., EuroGas is on track to own 100% of McCallan when the acquisitions and the option to purchase the remaining 25% interest are finalized.

McCallan's main assets are its wholly-owned subsidiaries EuroGas Polska sp.zo.o ("EuroGas Polska"), a Polish company, and Vienna, Austria based EuroGas GmbH ("EuroGas Austria").

EuroGas Polska

EuroGas Polska owns a 24% interest in a large Joint Operating Agreement (JOA) operated by Poland's national oil & gas concern Polish Oil & Gas ("PGNiG"), which itself owns 51% in the JOA. The balance of 25% is held by Aurelian Oil & Gas Plc, a U.K. public company listed on the London Stock Exchange. The JOA comprises approximately 3,200 square kilometers with 10 oil and gas concessions in the Polish Carpathian Mountains. The PGNiG and the Polish Ministry of Environment and Natural Resources have publicly stated in the Annual Reports on Poland's hydrocarbon reserves the existence of a potential 300.000.000 BOE (Barrels of Energy) reserve in the southern portion of the concession area.

RWE-DEA, a subsidiary of Germany's utility giant RWE, confirmed in its Annual Report 2007 an oil discovery on a small concession at the northwestern flank of the JOA's Carpathian concession area while PGNiG has recently made a large 2.4 TCF natural gas discovery at the northeastern flank of the concession area of the JOA next to the Ukrainian border where several smaller producing fields exist at shallow depth. Recently, PGNiG gave notice to the JOA interest holders to commence a large scale seismic program in the central and northeastern portion of the concession area of the JOA and has suggested to drill two deep wells in that portion of the concession area.

EuroGas Austria

EuroGas Austria also owns a 33% shareholding in Rozmin s.r.o. (Rozmin), a Slovakian mining company which is placing its huge Gemerska Poloma talc (soapstone) deposit into production. Ownership of the Gemerska Poloma deposit was recently restored to its rightful owners in a decision by the Supreme Court of the Slovak Republic after a protracted litigation. The decision cannot be appealed.

Gemerska Poloma is one of the largest and purest talc ore bodies of the world with 150,000,000 estimated tons of carbonate reserve. Belmont Resources Ltd., a Canadian mining company, currently owns 57% of Rozmin, but this interest may be purchased by EuroGas in exchange for a CDN \$1,000,000 payment to Belmont pursuant to a longstanding agreement. The remaining 10% interest in Rozmin is owned by a Berlin based German trading company.

Acquisition Terms

EuroGas will purchase Mr. Dietmann's 30% interest by issuing 20,000,000 restricted EuroGas, Inc. common shares, as well as 1,000,000 non-voting and non interest bearing Series 2008 Preferred Shares with certain Net Profit Interest ("NPI") rights attached to it. As part of the transaction, Mr. Dietmann agreed to a lock-up agreement which prohibits him from selling or transferring these shares for a period of three years without EuroGas' consent.

In addition, EuroGas has the right to force conversion of the Preferred Shares with the NPI, together with Mr. Dietmann's remaining 25% shareholding interest in McCallan, once the share price of the company has traded at \$2.50 per share for a period of 20 consecutive days. If EuroGas common stock closes at or above \$2.50 per share for 20 consecutive trading days prior to year end 2008, EuroGas can force Mr. Dietmann to exchange his remaining 25% interest in McCallan and the Preferred Shares with the NPI for a total of 25,000,000 restricted common EuroGas shares.

If EuroGas common stock closes at \$2.50 per share for 20 consecutive trading days in 2009 or until May 31, 2011 EuroGas will issue 15,000,000 restricted common shares to Mr. Dietmann for his remaining stake in McCallan. In the event that EuroGas common stock doesn't close at \$2.50 for twenty consecutive trading days from now until May 31, 2011, Mr. Dietmann will be allowed to retain his 25% stake in McCallan along with the Preferred Stock and associated NPI.

Any stock issued to Mr. Dietmann for his remaining 25% interest in McCallan and the Preferred Shares will be subject to a three year lock-up agreement which prohibits the sale or transfer of these shares without EuroGas' consent. Any stock issued pursuant to Mr. Dietmann will be held by an escrow agent suitable to EuroGas and Mr. Dietmann.

About EuroGas, Inc.

EuroGas is a publicly traded oil and gas company with assets in Ukraine. The company's common stock trades on the Hamburg Stock Exchange in Germany under the symbol EUG and on the Other OTC (Pink Sheets) in the United States under the symbol EUGS.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995:

This press release includes forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995.

You can identify forward-looking statements by their use of the forward-looking words "anticipate," "estimate," "project," "likely," "believe," "intend," "expect," or similar words. These statements discuss future expectations, contain projections regarding future developments, operations, or financial conditions, or state other forward-looking information. When considering the forward-looking statements made in this press release, you should keep in mind the risks noted and other cautionary statements throughout this press release. You should also keep in mind that all forward-looking statements are based on management's existing beliefs about present and future events outside of management's control and on assumptions that may prove to be incorrect. If one or more risks identified in this press release or other filing materializes, or any other underlying assumptions prove incorrect, our actual results may vary materially from those anticipated, estimated, projected, or intended.

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Last Updated: May 27, 2008 07:00 EDT