



For Immediate Release

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LICENCE AGREEMENTS SIGNED FOR ALBION PROCESS AT CERTEJ

European Goldfields Limited (AIM: EGU / TSX: EGU) is pleased to announce that it has entered into Licence Agreements securing the Albion Process Technology for its 80%-owned Certej project in Romania.

The Licence Agreements were entered into with Xstrata Queensland Limited and Highlands Frieda Limited, the co-owners of the technology.

Commenting on the agreements, David Reading, Chief Executive Officer of European Goldfields, said: *"We are delighted to be involved with companies such as Xstrata, Highlands and their agent Core Resources in the development of the Certej project. The Albion Process is an exciting technology which is well suited to Certej and which should significantly increase the profitability of the project."*

Flexibility of two viable development options – European Goldfields is actively pursuing two viable development options for the Certej project:

- the production and sale of high-grade gold/silver flotation concentrates
- the production of gold doré on site using the Albion Process.

Using the Albion Process to produce gold doré on site is expected to significantly increase project profitability and returns.

The project can also be developed in phases, starting with the sale of concentrates in the early years followed by the production of gold doré on site.

Sale of high-grade concentrates – In April 2006, European Goldfields announced the conversion of resources into Canadian NI 43-101 compliant reserves for the Certej deposit, based on the sale of concentrates option. This confirmed that the project can support the necessary capital investment and produce a robust return at a gold price of \$425/oz and above.

This estimation followed the completion of extensive metallurgical testwork, an in-house pre-feasibility study and subsequent pit optimisation and pit design work by RSG Global, which included a geotechnical drilling programme and geotechnical pit design parameters completed by Golder Associates of the UK.

The project is expected to involve the mining and processing of 3.0 Mt per annum over at least nine years. This would yield approximately 275,000 tonnes of concentrate per annum with high grades ranging realistically between 17 - 22 g/t gold and 85 - 165 g/t silver (depending on the source of the ore in the deposit), with a flotation gold recovery of approximately 88%. This translates into an annual production of approximately 170,000 oz of contained gold in the concentrate.

Production of gold doré on site – The Albion Process is an alternative development route to the sale of concentrates at Certej. The Albion Process is a combination of ultra-fine grinding and hot oxidative leaching at atmospheric pressure.

European Goldfields announced in July 2006 that it had received additional results of batch metallurgical testwork indicating a substantial increase in gold recoveries from samples of flotation concentrates produced from Certej ore. The new results using the Albion Process at optimised oxidation conditions suggest recoveries from concentrates of approximately 96% for gold, compared to previously reported recoveries of 84%. Silver recoveries remain stable, averaging 92%.

Hydrometallurgy Research Laboratories (HRL, a subsidiary of Xstrata PLC) is conducting the Stage III pilot plant scale continuous testwork programme using the Albion Process, after which European Goldfields expects to publish Canadian NI 43-101 compliant reserves based on this process in Q1 2007. HRL has already successfully completed Stages I and II of the metallurgical testwork programme.

About European Goldfields

European Goldfields is a resource company involved in the acquisition, exploration and development of mineral properties in Greece, Romania and the Balkans.

Greece – European Goldfields holds a 65% interest in Hellas Gold S.A. Hellas Gold owns the three major gold and polymetallic deposits of Stratoni, Skouries and Olympias in Northern Greece. Hellas Gold commenced production at Stratoni in September 2005 and selling an existing stockpile of Olympias gold concentrates in July 2006. Hellas Gold is applying for permits to develop the Skouries and Olympias projects.

Romania – European Goldfields owns 80% of the Certej project in Romania. Resources were recently converted into Canadian NI 43-101 compliant reserves, underpinning the value of the project. European Goldfields is now completing a feasibility study for submission to the Romanian government in Q1 2007, in support of a permit application to develop the project.

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Forward-looking statements

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