

For Immediate Release

**GROUP EXPLORATION UPDATE
DRILL PERMIT APPROVED FOR GREEK PROJECTS
GROUP WIDE US\$15 MILLION EXPLORATION PROGRAMME UNDERWAY**

10 June 2010 – European Goldfields Limited (TSX / AIM: EGU) (“European Goldfields” or the “Company”) is pleased to announce the approval of an exploration drill permit within its 317 km² Greek Licence Area which hosts the Stratoni mine, the Olympias and Skouries development projects and three drill-ready exploration targets.

The Company plans to advance a pipeline of highly prospective exploration targets, all located within 10km of the Company’s producing mine and development projects. The Board of Directors has approved a US\$9.2 million exploration budget for Greece with the primary objective of increasing gold resource ounces to add to the 7.6 million proven and probable gold reserve ounces already defined at Olympias and Skouries.

An airborne geophysics survey, commissioned by European Goldfields, identified a total of 28km of anomalies within the Licence Area, some of which are already known to host mineralisation and others are currently untested. The 3 main targets, Piavitsa, Fisoka and Tsikara, are described below:

Piavitsa

Piavitsa is comparable in mineralisation style and geophysical characteristics to Olympias, which hosts proven and probable reserves of 3.7 Moz gold, 1.2 Mt lead and 52.1 Moz silver

- Historic drill results confirm Olympias-style gold-lead-zinc-silver mineralisation at Piavitsa, with a strong correlation between mineralisation and the extensive geophysical anomaly
- Piavitsa anomaly is 3 times the strike length of the Olympias massive sulphide orebody
- A 23,000m drill programme aims to demonstrate continuity of mineralisation along the Piavitsa anomaly and delineate resources

Fisoka & Tsikara

The magnetic component of the airborne survey also identified a 17km by 6km belt of porphyry intrusives which highlights two other major porphyry targets, Fisoka and Tsikara.

- Copper-gold porphyry targets located in the same intrusive belt which hosts Skouries
- Phase one drilling of 4,200m to test grade and width
- Phase two drilling of 13,500m aimed at delineating resources

The Company’s 317 km² Licence Area is well served by a network of roads and power lines and a number of the proposed drill sites have excellent access via existing roads and tracks which will permit the rapid commencement of the exploration programme.

A detailed map showing the location and potential of these previously drilled and drill-ready targets can be seen at <http://www.egoldfields.com/egoldfields/en/operationsprojects/greece/exploration>.

Romania

European Goldfields' Romanian exploration programme is focused on epithermal and porphyry targets with the potential to host multi-million ounce deposits. A series of drill targets have been identified including:

- Extensions to gold-bearing systems historically exploited within the Brad area. Historic production from Brad is estimated to be several million ounces of gold from veins which include high-grade bonanza zones with extensive free-milling gold
- Previously unrecognised 'blind' porphyry and epithermal targets
- Massive sulphide deposits previously untested for gold and silver

Following infill sampling a programme of drill and trench testing will be carried out in Q3 and Q4 with a total approved budget of US\$4.4 million for 2010.

Turkey

As with Romania, European Goldfields' 2010 exploration strategy is based on the identification of epithermal and porphyry targets with the potential to host multi million ounce deposits. Detailed surface work has defined a number of new targets on licences held in Joint Venture agreements with Ariana Resources and Aldridge Minerals. These targets will be drilled during the second half of 2010 under the approved US\$2.2 million exploration budget.

About European Goldfields

European Goldfields is a developer-producer with globally significant gold reserves located within the European Union. The Company generates cash flow from its 95% owned Stratoni operation, a high grade lead/zinc/silver mine in North-Eastern Greece and the sale of gold concentrates from Olympias. European Goldfields will evolve into a mid tier producer through responsible development of its project pipeline of gold and base metal deposits at Skouries and Olympias in Greece and Certej in Romania. The Company plans future growth through development of its highly prospective exploration portfolio in Greece, Romania and Turkey.

Resources & reserves parameters

For additional information on the resource and reserve estimates quoted in this news release, please refer to the Company's Resources & Reserves Declaration at: www.egoldfields.com/egoldfields/en/operations/projects/state Patrick Forward, General Manager, Exploration of the Company, was the Qualified Person under Canadian National Instrument 43-101 responsible for reviewing the disclosure of resource and reserve estimates quoted in this news release.

For further information please see the Company's website at www.egoldfields.com

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Forward-looking statements

Certain statements and information contained in this document, including any information as to the Company's future financial or operating performance and other statements that express management's expectations or estimates of future performance, constitute forward-looking information under provisions of Canadian provincial securities laws. When used in this document, the words "anticipate", "expect", "will", "intend", "estimate", "forecast", "planned" and similar expressions are intended to identify forward-looking statements or information. Forward-looking statements include, but are not limited to, the estimation of mineral reserves and resources, the timing and amount of estimated future production, costs and timing of development of new deposits, permitting time lines and expectations regarding metal recovery rates. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

The Company cautions the reader that such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of the Company to be materially different from its estimated future results, performance or achievements expressed or implied by those forward-looking statements and the forward-looking statements are not guarantees of future performance. These risks, uncertainties and other factors include, but are not limited to: changes in the price of gold, base metals or certain other commodities (such as fuel and electricity) and currencies; uncertainty of mineral reserves, resources, grades and recovery estimates; uncertainty of future production, capital expenditures and other costs; currency fluctuations; financing and additional capital requirements; the successful and timely permitting of the Company's Skouries, Olympias and Certej projects; legislative, political, social or economic developments in the jurisdictions in which the Company carries on business; operating or technical difficulties in connection with mining or development activities; the speculative nature of gold and base metals exploration and development, including the risks of diminishing quantities or grades of reserves; the risks normally involved in the exploration, development and mining business; and risks associated with internal control over financial reporting. For a more detailed discussion of such risks and material factors or assumptions underlying these forward-looking statements, see the Company's Annual Information Form for the year ended 31 December 2009, filed on SEDAR at www.sedar.com. The Company does not intend, and does not assume any 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.