

RESULTS FOR Q2 2010

10 August 2010 – European Goldfields Limited (AIM: EGU / TSX: EGU) (“European Goldfields” or the “Company”) today reports its results for the quarter ended 30 June 2010. The financial statements, as well as the accompanying Management’s Discussion & Analysis, are available for review at <http://www.egoldfields.com/egoldfields/en/financials/quarterlies> and should be read in conjunction with this news release.

Operational and development highlights:

- Greece: final EIS submitted
- Romania: final Certej EIS submitted
- Final credit approval for US\$135m Certej financing
- Exploration drill permit approved for Greek projects
- Stratoni environmental permit extended

Corporate activity:

- Appointment of Nomad/Joint Brokers
- Appointment of VP Business Development

Financial highlights:

- Sales US\$12 million
- Working capital of US\$106 million

Commenting on the results, Martyn Konig, Executive Chairman and President of European Goldfields, said:

“During the first half of 2010 we have made significant progress in the permitting of our development projects. With the submission of both the Certej and the Greek EIS, we have reached another significant milestone towards bringing the projects to production. We are pleased to have our project financing commitments in place at Certej and the Company is progressing innovative financing alternatives for the development of the Greek projects. The recent approval of an exploration drill permit for the Greek projects highlights our commitment to providing long term value and significant upside potential for our shareholders.”

SELECTED FINANCIAL DATA

	Quarter ended 30 June	
<i>(in thousands of US dollars, except per share amounts)</i>	2010 \$	2009 \$
Statement of profit and loss		
Sales	11,969	16,204
Gross profit	272	3,186
Profit/(Loss) before income tax	(20,555)	2,653
Income taxes	1,941	(1,078)
Profit/(Loss) after income tax	(18,614)	1,575
Non-controlling interest	341	(136)
Profit/(Loss) for the period	(18,273)	1,439
Earnings/(Loss) per share	(0.10)	0.01

	30 June 2010 \$	30 June 2009 \$
<i>(in thousands of US dollars)</i>		
Balance sheet		
Working capital	105,796	171,185
Total assets	724,581	753,196

Revenues decreased from \$16.2 million to \$12.0 million in Q2 2010 compared to the prior year quarter because there were no sales of gold bearing pyrite concentrates which had been a significant revenue and profit driver for the Company in the last two years. The performance of the Stratoni base metal mine showed a marked improvement compared to the prior year quarter, generating a small gross profit primarily as a result of higher realised metal prices, but this was unable to replace the profitability of the gold concentrate business.

At the net profit level, the Company made a loss of \$18.3 million in the current quarter, down from a profit of \$1.4 million for the same period in 2009. Apart from the changes in operating profitability, the main driver related to a \$10.4 million foreign exchange loss versus a \$1.2 million gain in Q2 2009, plus higher corporate overheads and Hellas Gold related costs. The majority of the exchange losses are unrealised and have arisen as a result of changes to the US Dollar values of Euro cash and cash equivalents. With the strengthening of the Euro since the end of Q2 2010, a large portion of this loss has already reversed.

OPERATIONAL AND DEVELOPMENT HIGHLIGHTS

GREECE

- Final EIS submitted
- Exploration drill permit approved
- Stratoni environmental permit extended
- Updated reserve statement

Final EIS Submitted – The final Environmental Impact Study (“EIS”) for the Company’s Project in Halkidiki (the “Project”) in North-Eastern Greece has now been submitted to the Greek Ministry of Environment, Energy and Climate Change (“MoE”).

In late September 2009, the Greek authorities completed the Preliminary Environmental Assessment and Evaluation based on the Preliminary Environmental Impact Study (“PEIS”) submitted by the Company’s 95%-owned subsidiary Hellas Gold SA, and issued a pre-approval of the construction and operation of the Project.

The Project consists of:

- The development of mining and processing at the Skouries project
- The next stages of the Olympias project, namely the mining and processing of ore and metallurgical treatment of the concentrate, in accordance with the business plan as originally submitted
- Continuation of operations at the Mavres Petres deposit of the Stratoni Mine
- Development of the port facilities at Stratoni to service the above projects’ operations

The completion and submission of the final EIS is another landmark in European Goldfields’ development of the Project.

The EIS will now be subject to the final stages of a decision-making process that conforms to the EU Directive on Environmental Impact Assessment. In summary, the EIS is reviewed by the competent authorities and is subject to public consultation, the requirements for which are set out in this EU Directive and embodied in Greek law.

Drill Permit Approved – The Company announced in June 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 7.5 million proven and probable gold reserve ounces already defined at Olympias and Skouries.

Stratoni Environmental Permit Extended – The Environmental Permit for its Stratoni lead-zinc-silver mine has been extended until the end of July 2012. The extended permit was received by the Company from the MoE on the 12th of July. The extended permit ensures production can continue until the granting of the overall Environmental Permit for all of European Goldfields' projects in Northern Greece.

Reserves Update – New reserves have been estimated for the Company's Stratoni operation as follows:

Reserve Category	'000t	Ag g/t	Ag Moz	Pb %	Pb '000t	Zn %	Zn '000t
Proven	1,657	174	9.3	6.1	101	8.5	141
Probable	103	225	0.7	8.7	9	9.3	10
Total	1,760	177	10.0	6.3	110	8.5	150

The Company's ongoing mining activities at Stratoni depleted the reserve by a total of some 295,000 wet tonnes over the course of 2009 and Q1 2010 compared to the January 2009 reserve detailed in the June 2009 report. Additional tonnes were added through exploration to the lower part of the mine but were offset by other sections of the mine being inaccessible due to adverse geotechnical conditions. The deposit is open in several directions and further expansion of reserves is planned through the 2010 exploration drilling programme.

The Company's Resource and Reserve statement has also been updated to reflect the depletion of the Olympias gold concentrate stockpile.

Stratoni Production

	Q2 2010	Q2 2009
Production		
Ore mined (wet tonnes)	64,813	60,023
Sales		
Zinc concentrate (tonnes)	10,279	10,571
- Containing payable: Zinc (tonnes)*	4,159	4,427
Lead concentrate (tonnes)	4,682	3,786
- Containing payable: Lead (tonnes)*	3,071	2,448
Silver (oz)*	232,212	183,452
Inventory (end of period)		
Ore mined (wet tonnes)	16,392	2,293
Zinc concentrate (tonnes)	2,663	25
Lead/silver concentrate (tonnes)	902	2,090
* Net of smelter payable deductions		

ROMANIA

- Final EIS submitted
- Final credit approval for US\$135m Certej financing

Final EIS Submitted – The final Environmental Impact Study (“EIS”) for the Company’s Certej Project in Romania has now been submitted. This follows the issue of the Zonal Urbanisation Plan (“PUZ”) planning document by local authorities in May 2010, which included an environmental summary and public consultation, and the subsequent definitive confirmation of final guidelines for the EIS. The completion and submission of the final EIS report is another landmark in European Goldfields’ development of the Certej Project.

The EIS will now be subject to the final stages of a Romanian decision-making process that conforms to the EU Directive on Environmental Impact Assessment. In summary the EIS is reviewed by the competent authorities and is subject to public consultation, the requirements for which are set out in this EU Directive and embodied in Romanian law.

Final Credit Approval for Certej Financing – The Company has received formal letters of commitment to underwrite a US\$135 million financing package to part fund the development costs of the Certej gold-silver Project in Romania (the “Project”). The Mandated Lead Arrangers are Caterpillar Financial SARL, ING Bank N.V., Investec Bank plc, UniCredit Bank AG, London Branch and WestLB AG, London Branch, (together the “MLAs”).

The structure of the financing package has further been optimised since the signing of the mandate letter and now consists of an 8 year US\$120 million secured, limited recourse debt facility and a US\$15 million secured equipment lease facility. The commitments are on the basis of detailed term sheets which have been agreed with the Company and a Technical, Environmental and Social Audit of the Project conducted by SRK Consulting on behalf of the MLAs.

GROUP EXPLORATION UPDATE

Greece – Following the recent approval of the exploration permit for the Greek Licence area, the Company has initiated a planned programme of drilling totaling 40,500m for the 3 main exploration targets, Piavitsa, Fisoka and Tsikara, aimed at establishing continuity and delineating resources.

Romania – The Company has identified a series of epithermal and porphyry drill targets within the Romanian licence area that includes extensions to historically exploited gold bearing systems, previously unrecognized ‘blind porphyry and epithermal targets and 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 – Detailed surface worked carried out by the Company has defined a number of new targets on licences held in Joint Venture agreements with Ariana Resources and Aldridge Minerals. These targets are due to be drilled during the second half of 2010 under the approved US\$2.1 million exploration budget.

CORPORATE ACTIVITY

Appointment of Nominated Advisor and Joint Broker – Liberum Capital Limited was appointed as NOMAD and Joint Broker and Evolution Securities Limited as Joint Broker to the Company on 10 June 2010.

New Appointments – Steve Sharpe has been appointed as Vice President, Business Development. Mr Sharpe has over 25 years investment banking experience, focused primarily on the mining sector. Before joining European Goldfields he was Managing Director-Structured Finance at Canaccord Genuity Limited, and prior to that held senior management positions at Endeavour Financial, Standard Bank and N M Rothschild & Sons Limited.

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 Straton operation, a high grade lead/zinc/silver mine in North-Eastern Greece. 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, VP Projects & 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.

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.

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

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