



Suite 200, Financial Plaza  
204 Lambert Street  
Whitehorse, Yukon  
Canada Y1A 3T2

## RESULTS FOR 2007

### STRONG FINANCIAL PERFORMANCE

**\$43.6M OPERATING CASH FLOW – \$219M CASH BALANCE**

### SOLID PLATFORM FOR GROWTH

**19 March 2007 – European Goldfields Limited (AIM: EGU / TSX: EGU) (“European Goldfields” or the “Company”)** today reports its results for the financial year ended 31 December 2007. Highlights are:

#### Financial highlights:

- Sales of \$86.4m, up 65% over 2006
- Operating cash flow of \$43.6m, up 125% over 2006
- Profit (before tax) of \$33.4m, up 178% over 2006
- Working capital of \$226.4m at 31 December 2007; compared to \$41.9m at 31 December 2006
- Earnings per share of \$0.16, compared to \$0.03 in 2006

#### Operational highlights:

- Stratoni: Production up 27% versus 2006 – New reserves continue to replace mining depletion
- Skouries: Fabrication of long lead time equipment has commenced
- Olympias: Market created for gold concentrates – Six-fold increase in sales versus 2006
- Certej: Key feasibility studies completed to high accuracy level – Permitting process well underway
- Exploration in Greece: Airborne survey outlines intrusive belt – Progress in target definition

#### Corporate highlights:

- Acquisition of an additional 30% interest in Hellas Gold, increasing stake to 95%; total cost of investment in Hellas Gold of \$25 per gold equivalent reserve ounce
- Reinforced strategic alliance with Aktor and its parent company Elliniki Technodomiki, consolidating the partnership for building of gold projects in Greece and South-East Europe
- \$180 million raised through equity financing and sale of Stratoni silver stream
- Joint venture in Turkey with Ariana Resources, endorsing growth in South-East Europe
- Added to S&P/TSX Global Gold Index in September 2007; S&P/TSX Composite Index in March 2008

Commenting on the results, David Reading, Chief Executive Officer of European Goldfields, said: *“The year ended 31 December 2007 saw significant progress in the stated growth strategy of building European Goldfields into a mid-tier mining company. In less than four years, shareholders in European Goldfields have benefited from a dramatic turnaround from being a loss-making exploration company into one which produced in 2007 over \$23 million in net profits, generated \$44 million in operating cash flow, and increased its ownership from 30% to 95% of its Greek assets. In addition, European Goldfields has approximately \$220 million of cash in the bank with net attributable reserves of over 9Moz of gold and 72Moz of silver, 750,000 tonnes of copper, 664,000 tonnes of lead and 889,000 tonnes of zinc at the end of the financial year. The last 12 months has provided a strong growth platform for the next phase of our development.”*

**Conference Call & Webcast – 19 March 2008 at 10am ET / 2pm GMT** – European Goldfields will host a conference call on **Wednesday 19 March 2008 at 10:00 a.m. ET / 2:00 pm (London, UK time)** to update investors and analysts on its results. Participants may join the call by dialing one of the three following numbers, approximately 10 minutes before the start of the call:

- **From North America:** (Local) **416-644-3416** or (toll free): **1-800-732-9307**
- **From the UK, Austria, Belgium, Denmark, France, Germany, Ireland, Italy, Netherlands, Norway, Sweden & Switzerland** (toll free): **00-800-2288-3501**

A live audio **Webcast** will be available on: <http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=2190100>

## SELECTED FINANCIAL DATA

	Year ended 31 December	
<i>(in thousands of US dollars, except per share amounts)</i>	2007	2006
	\$	\$
<b>Statement of loss and deficit</b>		
Sales	86,405	52,438
Gross profit	43,787	27,252
Profit before income tax	33,435	12,008
Profit after income tax	28,218	7,184
Non-controlling interest	(5,019)	(4,182)
Profit for the period	23,199	3,002
Earnings per share	0.16	0.03
<i>(in thousands of US dollars)</i>	31 December 2007	31 December 2006
	\$	\$
<b>Balance sheet</b>		
Working capital	226,431	41,854
Total assets	782,131	311,943

European Goldfields' audited consolidated financial statements and management's discussion and analysis for the years ended 31 December 2007 and 2006 are filed on SEDAR at [www.sedar.com](http://www.sedar.com).

## CORPORATE ACTIVITY

### Highlights:

- Acquisition of an additional 30% interest in Hellas Gold, increasing stake to 95%
- \$180 million raised through equity financing and sale of Stratoni silver stream
- Joint venture in Turkey with Ariana Resources, endorsing growth in South-East Europe

**Acquisition of an additional 30% interest in Hellas Gold** – On 29 June 2007, the Company completed the acquisition of an additional 30% interest in Hellas Gold S.A. ("**Hellas Gold**"), increasing its stake to 95%. The purchase price was agreed at \$178 million, which incorporated a 15% discount to the "see-through value" of Hellas Gold. The purchase price was paid by the allotment to the vendor Aktor S.A. ("**Aktor**") of 35,447,246 common shares, representing 19.9% of the issued and outstanding shares of the Company on a diluted basis, and the balance of \$8.4 million in cash, 50% of which Aktor has agreed to re-invest into Hellas Gold as funding towards maintaining its residual 5% shareholding interest in Hellas Gold.

This transaction was, in essence, a share swap in that approximately 95% of the purchase price was paid to Aktor in common shares of the Company. This reinforces the Company's strategic alliance with Aktor and its parent company Elliniki Technodomiki TEB A.E. (ATHEX: ELTEX) ("**EI-Tech**") and consolidates the partnership for the building of gold projects in Greece and South-East Europe.

EI-Tech is a large Greek conglomerate with a market capitalisation in excess of \$2 billion with investments in five fields: construction, concessions, energy, real estate, and mining and quarries. Aktor, Greece's largest construction company, employs over 600 engineers, has extensive expertise in the construction of large industrial projects and, due to its tunnelling expertise, possesses one of the largest fleets of underground equipment in Europe.

Furthermore, to demonstrate and confirm its long-term commitment to the Company and its projects, Aktor has agreed not to sell the European Goldfields shares it received as consideration until the date on which gold production commences in Greece (or four years after the closing of the Acquisition, if earlier).

**\$180 million raised through equity financing and sale of Stratoni silver stream** – Concurrently with the Acquisition, the Company completed a treasury offering of 27.6 million shares, for total gross proceeds of Cdn\$138 million. The Acquisition combined with the treasury offering resulted in a 50% increase in the Company's market capitalisation.

Also, in April 2007, Hellas Gold agreed to sell to Silver Wheaton (Caymans) Ltd. ("**Silver Wheaton**") all of the silver metal to be produced from ore extracted during the mine-life within an area of some 7 km<sup>2</sup> around its zinc-lead-silver Stratoni mine in northern Greece (the "**Silver Wheaton Transaction**"). Silver production at Stratoni is a by-product of its lead-zinc operations.

The sale was made in consideration of a prepayment to Hellas Gold of \$57.5 million in cash, plus a fee per ounce of payable silver to be delivered to Silver Wheaton of the lesser of \$3.90 (subject to an inflationary adjustment beginning after year three) and the prevailing market price per ounce. The Stratoni proven and probable silver reserve contained approximately 12 Moz of silver.

The Silver Wheaton Transaction does not apply to any additional silver resources within Hellas Gold's 317 km<sup>2</sup> of mining and exploration licences in northern Greece, for example silver resources at the Company's other mines of Olympias and Certej which contain 66 Moz of proven and probable silver reserves, except for a right of first refusal granted to Silver Wheaton on similar future transactions over the Company's silver assets.

***Joint venture in Turkey with Ariana Resources, endorsing growth in South-East Europe*** – In February 2008, the Company signed a Heads of Agreement with Ariana Resources plc (AIM: AAU) ("**Ariana**") for the joint development of Ariana's properties in North-eastern Turkey, which includes the Ardala copper-gold porphyry and eleven other licences covering a total area of 168 km<sup>2</sup>.

These projects are located in the Pontides region of Turkey, a highly prospective geological terrain containing several major deposits. The Ardala Cu-Au porphyry has been the subject of reconnaissance drilling around the periphery of a porphyry intrusion, which identified encouraging grades of copper and gold. It has a 600m x 700m surface exposure centered on a magnetic high of 1,000m x 1,000m extent. Copper-gold mineralisation has also been identified on other properties in the vicinity of Ardala within granitoids and in the surrounding country rocks.

Under the agreement, European Goldfields will initially own 51% of the properties transferred by Ariana into the joint venture. European Goldfields will then fund all development costs of these initial properties and any future properties located within a defined area in North-eastern Turkey until completion of a Bankable Feasibility Study, at which time European Goldfields' interest in each relevant project will increase to between 80% and 90%, respectively.

In addition, European Goldfields has agreed to subscribe for new shares in Ariana at 5 pence per share in a private placement, resulting in European Goldfields owning 20% of the outstanding shares in Ariana following the placement, for a total consideration of approximately £890,000.

Ariana also holds properties in Western Turkey where exploration of epithermal vein systems has drill tested a number of targets and defined other targets for further investigation. Ariana has also developed an extensive remote sensing database covering the most prospective parts of Turkey.

Completion of the joint venture and the placing is expected by mid-April 2008, conditional upon satisfactory due diligence and the signing of definitive agreements.

## STRATONI OPERATIONS (GREECE)

### Highlights:

- Production up by 27% versus 2006
- New reserves continue to replace mining depletion
- Focus on development to ramp up production
- Exploration continues to define new resources

**Production up by 27% versus 2006** – The Stratoni mine consists of a lead-zinc-silver deposit and lies approximately 4 km from the coastal town of Stratoni in northern Greece. The Company's 95%-owned subsidiary Hellas Gold mined a total of 214,875 wet tonnes in 2007 (2006 – 176,691) at its Stratoni mine. Hellas Gold completed 26 shipments in 2007 (2006 – 20). This translates into an increase of 27% in tonnes of base metal concentrates sold. Sales from Stratoni were as follows:

	2007	2006
<b>Production</b>		
Ore mined (wet tonnes)	214,875	176,691
<b>Sales</b>		
Zinc concentrate (tonnes)	38,152	32,351
- Containing payable: Zinc (tonnes)*	15,891	13,775
Lead concentrate (tonnes)	23,123	15,780
- Containing payable: Lead (tonnes)*	14,963	10,467
Silver (oz)*	1,172,234	818,139
<b>Inventory (end of period)</b>		
Ore mined (wet tonnes)	-	2,499
Zinc concentrate (tonnes)	1,689	37
Lead/silver concentrate (tonnes)	49	214
* Net of smelter payable deductions		

On average, mined and processed lead and zinc grades in 2007 have been 16.2% and 3.6% respectively higher than reserve grades. In 2007, zinc and lead concentrates sales increased by 18% (to 38,152 tonnes) and 46% (to 23,123 tonnes), respectively.

**New reserves continue to replace mining depletion** – European Goldfields is pleased to announce an increase in reserves at Stratoni, which can now be reported as follows under Canadian National Instrument 43-101 as at 31 December 2007:

Reserve Category	'000t*	Ag g/t	Ag Moz*	Pb %	Pb '000t*	Zn %	Zn '000t*
Proven	1,904	193.3	11.8	7.3	139	9.1	173
Probable	313	190.0	1.9	7.5	24	11.2	35
<b>Total</b>	<b>2,217</b>	<b>192.9</b>	<b>13.7</b>	<b>7.3</b>	<b>163</b>	<b>9.4</b>	<b>208</b>

\* After depletion of ore extracted from the start of mining operations in Q4 2005 until 31 December 2007.

Total reserve tonnes have increased by 11% over the previous reserves published in January 2007, accounting for deduction of ore since then. The additional tonnes are from the upper-west part of the orebody, which remains open along strike. In addition, the grade of lead and silver has been increased in the reserve, based on the underground sampling programme which has allowed accurate modeling of higher grade zones. This has resulted in an increase of 20% in lead metal, 10% in zinc metal and 25% in silver metal over the previous reserve estimate published in January 2007, accounting for deduction of ore since then.

The new reserve will add an extra year to Stratoni's life of mine and the improved grades will result in better revenues. Since the Stratoni mine resumed production in September 2005, Hellas Gold has essentially managed to replace mining depletion by new reserves.

The new reserve has allowed Hellas Gold to adjust its yearly ore production schedule as follows:

- Year 2008: 290,000 tonnes
- Year 2009: 375,000 tonnes
- Year 2010: 400,000 tonnes
- Year 2011: 400,000 tonnes
- Year 2012: 400,000 tonnes
- Year 2013: 352,000 tonnes

This new reserve is based on an updated measured & indicated resource estimate for the Stratoni orebody, which results from a new optimised geological model based on revised geological mapping.

Patrick Forward, General Manager, Exploration of European Goldfields, was the Qualified Person under Canadian National Instrument 43-101 responsible for preparing the updated resource and reserve estimates for the Stratoni deposit quoted above. A technical report from Patrick Forward will be filed on SEDAR ([www.sedar.com](http://www.sedar.com)) within the next forty-five days.

**Focus on development to ramp up production** – Ore production rates from underground have steadily increased from an average of 727 tonnes per day in 2006 to 885 tonnes per day in 2007, and the mine now operates effectively at over 900 tonnes per day. The rate of ore production is expected to continue to increase and reach 290,000 tonnes in 2008.

Actual ore production for 2007 has been approximately 13% lower than the originally forecasted 250,000 tonnes due in part to poor ground conditions in the upper area of the mine. As a result, development of the main internal ramp and cross-cut accesses in the upper parts of the mine was slower than expected and face availability was reduced over most of the year. For the same reason, forecast ore production for 2008 has been reduced from the originally forecasted 350,000 tonnes to 290,000 tonnes.

The excavation of a new decline to the base of the Mavres Petres orebody is now essentially completed. Connection of the decline to the bottom of the main ramp will improve material movement and ventilation and enable the introduction of equipment as a support mechanism to ameliorate poor ground conditions. The completion of the decline and the development of the internal ramp and stope accesses to the higher, more extensive, levels of the orebody, expected to provide additional reserves to the west, are now the main focus to ensure a ramp-up in production to 400,000 tonnes of ore per year.

**Continued commitment to the environment and the community** – Hellas Gold's commitment to the environment continues in conjunction with investments in social initiatives for the benefit of local communities in what is essentially an under-developed region of Greece. For example, Hellas Gold (i) constructed a new water treatment plant to ensure capacity to treat all mine water under extreme conditions; (ii) installed two filter presses to produce a solid cake requiring less surface storage space for fine tailings and water treatment plant sludge; (iii) is backfilling voids at the old Madem Lakkos mine workings with coarse tailings (49,000 m<sup>3</sup> of voids filled to date), which reduces storage space on surface and mine water pumping from underground; and (iv) improving the lighting and transport facilities in the local communities as well as other social improvements. This responsible approach to the environment and local communities demonstrates the Company's commitment to sustainable development.

**Exploration continues to define new resources** – Stratoni benefits from inferred resources comprising some 639,000 tonnes grading 7.7% lead, 9.9% zinc and 203.4 g/t silver. These inferred resources are currently being mined at the margin, confirming expected grades. Drilling on 25m centres is planned in 2008 in the upper west and lower east parts of the orebody which account for some 85% of the inferred resources. The drill programme is designed to convert the inferred resources to the measured and indicated categories, which can be immediately converted to proven and probable reserves as the areas are adjacent to current mine infrastructure.

New mineralisation has been encountered during the excavation of the new decline running between the existing reserve and mined-out areas at Madem Lakkos. Initial results indicate that the zone has an average width of 6.55 metres with a weighted average grade of 0.7 to 14.8% Pb, 1.3 to 22.1% Zn and 16 to 307g/t Ag. A drill programme designed to define indicated and measured resources along at least 200 metres of strike and 75 metres of dip has commenced with results expected in the second quarter of 2008. The new decline will enable immediate access for mining of any new discovery in this area.

Drilling in 2008 of inferred resources and of the newly identified zone is expected to add an additional three years in total to the mine reserves, and with the zones open further along strike, particularly to the west where suitable host marbles and feeder structures are known to exist, additional further reserves are expected to be defined in the future.

## SKOURIES PROJECT (GREECE)

### Highlights:

- Fabrication of long lead time equipment has commenced
- Low cost production due to low strip ratio and high grade gold-copper core at depth

***Fabrication of long lead time equipment has commenced*** – In June 2007, Hellas Gold signed a €30 million contract with Outotec Minerals OY (“**Outotec**”) for the supply of a large technology package for the Company’s 95%-owned Skouries gold-copper project, which is located 35 km by road from the Stratoni port in northern Greece.

Outotec has already delivered a basic engineering package to Hellas Gold for the grinding mills, flotation equipment, process control and paste thickeners. Fabrication of the SAG and ball mills has commenced and they are due ex works in the third quarter of 2009.

***Low cost production due to low strip ratio and high grade gold-copper core at depth*** – The Company has completed the key technical studies for the full feasibility study on Skouries. These studies include:

- A cost and definition study for the process plant and associated infrastructure, undertaken by Aker Kvaerner Engineering Services
- A cost and definition study for underground mechanical and electrical utilities, undertaken by Scott Wilson Mining
- The design of the tailings management facility, undertaken by Golder Associates
- A study of hydrogeology and creek boundaries by the Greek Institute of Geology & Mineral Exploration (IGME), to be used in the development of a new hydrogeological model
- A reserves estimate, undertaken by SRK Consulting
- A basic engineering package by Outotec for the grinding mills, flotation equipment, process control and paste thickeners

Basic and detailed engineering for the process plant and associated infrastructure is being conducted by the firm ENOIA of Athens, Greece.

Mining studies carried out to date confirm that Skouries can be mined as a low strip open pit operation and as a highly productive underground mine. This would produce annually up to 43,000 tonnes of copper and 220,000 oz of gold over a mine life of over 20 years. Ore production is shown to be sustainable based on the detailed mine design carried out by independent external consultants and benchmarking with other comparable mines.

Extensive testwork completed by the independent external consultants has shown average recoveries of 84% gold and 91% copper can be achieved. Concentrate grades of approximately 26% copper and averaging 26 g/t gold are expected.

The concentrates will be trucked to Hellas Gold’s port storage facility at Stratoni, which will be approximately 15 km away by road from the proposed Skouries plant site. Skouries is located on a high plateau with no habitation in the vicinity.

The design of the tailings management facility (“**TMF**”) incorporates the latest paste production technology in a phased TMF that will minimise land take and embankment height and provides increased tailings stability. The study shows that the paste tailings are inert. The use of paste tailings and a phased TMF also allows sequential rehabilitation of the tailings management facility to minimise active tailings areas.

Management believes that, based on technical studies to date and taking into account a stronger Euro versus the US dollar, the project will require approximately \$300 million in initial capital expenditure for the process plant and associated infrastructure, the tailings management facility, the open pit and other costs.

Operating costs for the open pit mining are expected to be €1.28 per tonne, and €6.05 per tonne for the underground mining. This translates into a co-product operating cost ranging between \$250 and \$300 per gold ounce, depending on fuel cost and exchange rate assumptions. The Company plans to publish the results of the final feasibility study on Skouries once the final Environmental Impact Study is completed.

## OLYMPIAS PROJECT (GREECE)

### Highlights:

- Market created for gold concentrates – Six-fold increase in sales versus 2006
- Total of 395,000 oz of gold reserves still located on surface
- Olympias development plan underway

**Market created for gold concentrates – Six-fold increase in sales versus 2006** – The Company's 95%-owned Olympias project benefits from an existing stockpile of gold-bearing pyrite concentrates which represented, at 31 December 2007, a reserve of approximately 172,000 tonnes grading 23.5 g/t gold (containing 130,000 oz of gold), in addition to substantial underground reserves of gold, lead, zinc and silver.

Hellas Gold completed 47 shipments in 2007 (2006 – 9). This translates into a six fold increase in tonnes of pyrite concentrates sold. Sales of pyrite concentrates were as follows:

	2007	2006
<b>Sales</b>		
Gold concentrate (dry tonnes)	79,554	11,338

Also, Hellas Gold received in 2007 payments totalling \$6.8 million for the sale of an additional 69,979 dry tonnes of gold concentrates expected to be recognised in 2008 and future years, bringing the total of gold concentrates sold or paid for in 2007 to 149,533 dry tonnes.

Hellas Gold has now secured the sale of the entire stockpile to six different purchasers, thereby creating a market for gold concentrates which did not exist prior to 2006.

**Total of 395,000 oz of gold reserves still located on surface** – In addition the stockpile of gold concentrates, Hellas Gold plans to process 2.4Mt of stockpiled tailings arising from the previous operations at Olympias, which will produce approximately 350,000 tonnes of concentrates (containing 238,000 oz of gold), and resume underground mining operations at Olympias producing more gold bearing pyrite concentrates for sale to existing and new off-take purchasers.

Olympias benefits from extensive mining and plant infrastructure already in place, including a concentrator plant, a shaft down to a depth of 400 metres below surface and a port facility nearby at Stratoni. International contractor Outotec Minerals OY inspected the facilities in July 2007 and concluded that the plant could be brought back into efficient operation quickly and at relatively modest cost.

Hellas Gold is ready to start reprocessing these tailings and refurbishing these facilities, and resume underground production as soon as permits are awarded.

**Olympias refurbishment plan underway** – Olympias is a polymetallic (gold, lead, zinc and silver) deposit located 8 km north of the Stratoni mine in northern Greece. The Company's current plan is for development at Olympias to progress in three phases to allow refurbishment and construction of infrastructure, a realistic ramp-up in production within the mine and the subsequent construction of new gold processing facilities at Stratoni. This staged approach also allows the phasing of capital investment, as follows:

- **Phase 1** has already started, with the sale of the existing stockpile of gold-bearing pyrite concentrates located on surface at Olympias. Revenues from Phase 1 are intended to fund Phase 2.
- **Phase 2** will consist of reprocessing old tailings at Olympias, which will have the added benefit of cleaning up the valley, together with underground refurbishment and limited mining in the upper levels of the mine. Revenue during Phase 2 will be generated from the sale of lead/silver, zinc and gold pyrite/arsenopyrite concentrates.
- **Phase 3** will consist of underground mining initially around the existing shaft and other infrastructure. Production of ore is expected to ramp up progressively from 200,000 to 900,000 tonnes per annum through the expansion of underground infrastructure, which will include a new decline from the base of the Olympias deposit for conveying the ore to a new centralised concentrator, gold plant and tailings management facility at a brown field site to be located in the Stratoni mine area. Revenue during Phase

3 will be generated from the sale of lead/silver and zinc concentrates and the sale of gold and silver bullion produced at the new gold processing plant.

The phasing of the project allows time for optimisation and development of the metallurgical process for treating the auriferous arsenopyrite/pyrite concentrates.

The Olympias project is expected to be self-sustaining over the initial phases with the sale of concentrates and the high recoveries for the on-site gold processing are considered promising for the latter phase.

## **PERMITTING PROCESS (SKOURIES & OLYMPIAS PROJECTS)**

**Permitting process moving forward** – In July 2007, the Company received a formal letter confirming that the Greek Ministry of Development had completed its review of the Company's business plan submitted in January 2006 for the joint development of the Skouries and Olympias gold and base metals projects in Northern Greece.

In the letter, the Ministry of Development also re-declared its positive opinion of the Company's preliminary environmental impact study ("PEIS") which has already been submitted, and formally requested the Ministry of Environment to issue its official approval of the PEIS.

The letter also states that the Ministry of Development "*is in agreement with the development of the project described in the business plan, as this investment is particularly beneficial to the national and local economy (...) and reflects the intent of the contract signed between the Greek State and Hellas Gold*".

This letter is addressed to Hellas Gold and the Ministry of Environment and represents a statement of support for the projects based on detailed studies completed by appropriate technical and advisory bodies appointed by the Ministry of Development. This letter represents the foundation for the fulfilment of the Company's business plan for Skouries and Olympias, in compliance with the Greek and EU legal framework.

The business plan focuses on a phased approach to the development of the Skouries gold-copper porphyry deposit and the Olympias gold-lead-zinc-silver deposit. The principal revenue stream in the early phases will be through the sale of concentrates. The Company's current plan is to develop Olympias in three phases to allow refurbishment of existing infrastructure and the subsequent construction of new gold processing facilities at Stratoni. Skouries will initially be mined as a low strip open pit operation, followed by highly productive underground mining.

The Company is currently finalising a full environmental impact study ("EIS") which is expected to be submitted to the Greek government in the second quarter of 2008, addressing any comments received on the PEIS which are expected within the next few weeks. On approval of the EIS, the environmental permits for Skouries and Olympias are expected to be issued.

The Company will then submit to the Greek government a final technical report on the Skouries and Olympias projects, which will restate the principles of the business plan and take into account any conditions detailed in the environmental permit. The mining permits are expected to be issued on approval of the technical report by the Greek government.

## **EXPLORATION IN GREECE**

**Airborne survey outlines intrusive belt; progress in target definition** – Hellas Gold holds 317 km<sup>2</sup> of highly prospective licences in northern Greece over which an airborne geophysical survey was completed by Fugro Airborne Surveys in December 2007. Twenty targets had already been identified from existing data; however, the survey represents the first systematic modern exploration ever been conducted over the licence area. The survey comprises magnetics and radiometrics over the entire licence area and an electromagnetic ("EM") survey over the northern part of the licence area, which is host to massive sulphide targets.

Early processing of the magnetics has defined an intrusive belt some 17 km by 6 km in the South-East part of the licence area. This clearly defines known porphyry deposits at Skouries and at the previously identified

Fisoka target. Fisoka is shown by the geophysics to comprise three porphyry bodies. The northern body was drilled historically with grades of between 0.4% and 0.65% copper over widths of 20 to 81 metres and no gold analyses. Ground truthing has shown that the central area shows the most intense veining with copper oxides visible at surface. Re-analysis of stream sediment sampling has shown that the more anomalous samples were in stream draining from the central area. These factors indicate that the untested central and southern Fisoka porphyries offer the best potential. Hellas Gold plans to drill test the central and southern Fisoka porphyries later this year.

The magnetics have also highlighted a series of strong anomalies, similar in magnitude to Skouries, over a 3 km by 4.5 km area, which is believed to represent a complex of intrusives some 3 km to the South-East of Skouries which will be investigated on the ground in the next few weeks.

The raw EM data indicated conductors over the known massive sulphide orebodies, including the Olympias look-alike massive sulphide target at Piavitsa. Post processing of the EM will be used to confirm continuity of the Piavitsa mineralisation along its 2 km strike length prior to drill testing in the second half of 2008.

The fully processed geophysics will also be used to prioritise the remainder of the twenty identified targets and develop new ones over the licence area.

### **CERTEJ PROJECT (ROMANIA)**

#### **Highlights:**

- Key feasibility studies completed to high accuracy level
- Reserves increased by 20% – Life-of-mine extended by two years
- Environmental Impact Study completed – Permitting process well underway
- Continuing exploration programme

**Key feasibility studies completed to high accuracy level** – European Goldfields is in the final stage of completing a full feasibility study for its 80%-owned Certej project, located within a mining district in Romania known as the “Golden Quadrilateral”. In 2007, European Goldfields completed feasibility level studies to a high level of accuracy of +/-15% on the open pit mine design, the processing plant and the tailings management facilities (TMFs).

RSG Global Consulting Pty Ltd (“**RSG Global**”) completed a pit optimisation and pit design study, which included a geotechnical drilling programme designed by Golder Associates. The study resulted in a better conversion from resources to reserves and confirmed that the deposit will be mined with an open pit strip ratio of 3.1:1.

The project will involve the mining and processing of 3.0 million tonnes of ore per annum over at least eleven years. This is expected to yield approximately 160,000 oz of gold and 820,000 oz of silver per year in doré, reflecting an average total process recovery of 81% for gold and approximately 75% for silver.

The metallurgical process involves the production of a gold-bearing concentrate followed by the production of gold and silver as doré on site by means of the Albion Process. The Albion Process is a combination of ultra-fine grinding of concentrates and oxidative leaching at atmospheric pressure. The liberated gold and silver is then recovered as doré by the conventional Carbon in Leach (CIL) process.

The second phase of the continuous Albion and CIL pilot plant trials have been completed and Aker Kvaerner Engineering Services has now finalised an engineering and cost study for the processing plant and associated infrastructure to an accuracy of +/- 15%.

The residues from the flotation and gold plants will be disposed of in two separate but adjoining tailings management facilities (TMFs), which are ideally located and designed for this project. The EIS confirms that the Certej project and its TMFs will have a negligible impact on the local water streams, flora and fauna. Golder Associates has completed a design and cost study for the TMFs.

**Reserves increased by 20% – Life-of-mine extended by two years** – In October 2007, European Goldfields announced a 20% increase in gold reserve ounces for the Certej project, reported as follows under Canadian National Instrument 43-101:

Reserve Category	Million Tonnes	Au g/t	Au Moz	Ag g/t	Ag Moz
Probable	32.8	2.0	2.1	11.4	12.0

Note: Reserve based on pit optimisation using a gold price of \$425/oz and a silver price of \$7/oz.

The new reserve results from a better conversion of resources into reserves, combined with increased resources. It is based on the generation of a gold-bearing concentrate followed by the production of gold and silver as doré on site by means of the Albion Process.

**Environmental Impact Study completed – Permitting process well underway** – In February 2008, European Goldfields completed the final Environmental Impact Study (the “EIS”) to develop the Certej project, which is expected to be submitted to the Romanian environmental authorities in Timisoara by the end of March 2008. This follows the submission of a Technical Feasibility Study to the Romanian authorities in March 2007 and the grant by the local county council of a General Urbanisation Certificate in September 2006. This certificate confirms the designation of Certej as an industrial mining area and attests to the local community’s support for the project.

European Goldfields already holds a mining permit for Certej, which is currently being exploited on a small scale by way of an existing open pit. The EIS addresses a proposed increase in mine production at Certej and the processing of ore on site.

The EIS has been carried out over a 12-month period in order to accumulate all the required base line data during the different seasons. The EIS is a detailed multi-discipline study comprising over 2,000 pages subdivided into a number of volumes assessing the environmental, social and health impacts of the project on the mine area.

The EIS was prepared with the contribution of several Romanian institutes of international reputation, namely the National Institute of Research and Development for Industrial Ecology (ECOIND), the National Institute of Research and Development for Environment Protection (ICIM), the Technical University of Construction Bucharest and the Babes-Bolyai University of Cluj. The EIS was prepared to the regulatory framework established by Romanian and EU legislation.

The environmental permit and an updated mining permit are expected in Q4 2008 following a standard public consultation process with local communities, which is expected to start 45 days after submission of the EIS. Customary construction and public utility permits are expected to follow by end-2008 when the detailed engineering design has been completed for the site plant.

**Continuing exploration programme** – Ongoing exploration activities in adjacent concessions to Certej are aimed at increasing satellite resources to provide extension to life of mine or higher grade feed to the Certej operation. This will include step out exploration over satellite resources to investigate strike and down dip potential. As part of an ongoing generative programme, satellite image and pilot geochemical programmes over known mineralisation are currently being carried out. This will enable exploration to focus activities along structures that were active during the mineralising events.

European Goldfields has pending applications for new exploration licences in the “Golden Quadrilateral” area of West-central Romania where the Certej deposit is located. The applications cover complex geological terrains that host significant epithermal, porphyry and volcanogenic massive sulphide (VMS) mineralisation. Remote sensing surveys and mapping are proposed over the concessions combined with geochemical surveys using results of the above mentioned pilot studies in order to define the exact methodology. The aim of the programme is to generate high quality targets that represent significant mineralised systems that can be drill tested in 2009.

## **Documents sent to shareholders**

Copies of the Company's Annual Report, Management's Discussion and Analysis and Consolidated Financial Statements for the year ended 31 December 2007, and copies of the Notice of Meeting and Management Proxy Circular for the Annual Meeting of shareholders of the Company to be held on 19 May 2008 have been sent to shareholders and filed on SEDAR at [www.sedar.com](http://www.sedar.com)

## **Director's shareholding**

The Company approved the grant on 20 March 2008 of 40,000 restricted share units ("RSUs") to Philip Johnson, a director of the Company, under the Company's Restricted Share Unit Plan. Such RSUs will be redeemed into an equal number of Common Shares of the Company on 19 May 2008, from which the Company will withhold 16,800 shares for tax purposes and sold in the public market. As a result, Philip Johnson will hold 37,200 Common Shares of the Company representing 0.02% of the issued share capital of the Company.

## **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/goldfields/resources.jsp](http://www.egoldfields.com/goldfields/resources.jsp). 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.

## **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 2007, filed on SEDAR at [www.sedar.com](http://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 contact:**

**European Goldfields:**

David Reading, Chief Executive Officer

e-mail: [info@egoldfields.com](mailto:info@egoldfields.com)

Tel: +44 (0)20 7408 9534

**Buchanan Communications:**

Bobby Morse / Ben Willey

e-mail: [bobbym@buchanan.uk.com](mailto:bobbym@buchanan.uk.com)

Tel: +44 (0)20 7466 5000

**Renmark Financial Communication:**

Jason Roy

e-mail: [jroy@renmarkfinancial.com](mailto:jroy@renmarkfinancial.com)

Tel: +1 514 939 3989

**RBC Capital Markets:**

Andrew K Smith

e-mail: [andrew.smith@rbccm.com](mailto:andrew.smith@rbccm.com)

Tel: +44 (0)20 7029 7882