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TSX: EUR

NEWS RELEASE

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**EURO RESSOURCES S.A.  
ANNOUNCES RECORD REVENUE FOR THE SECOND QUARTER 2006**

PARIS, France, August 15, 2006: EURO Ressources S.A. (TSX: EUR; Euronext of the Bourse de Paris: EUR) today announced its unaudited interim financial results for the second quarter of the 2006 financial year ended June 30, 2006, prepared in accordance with International Financial Reporting Standards. These results record a second quarter loss of \$1.06 million compared to a loss during the second quarter of 2005 of \$0.24 million. All financial amounts are expressed in US dollars.

James H. Dunnett, Directeur-Général of EURO Ressources S.A. ("EURO") commented: "EURO achieved record revenue from royalties during the quarter of \$2.47 million compared to \$1.20 million for the comparative period in 2005. This increase of over 100% reflected the benefit of the rise in the price of gold to \$627.70/oz in the quarter, compared to \$554.06/oz in the first quarter and an average of \$427.39/oz in the second quarter of 2005.

"Our royalty revenue from Rosebel continues to benefit substantially from the strong gold price performance but has been somewhat offset by the lower production at Rosebel during the second quarter, in part due to the six day illegal strike. This strike resulted in lost production of 5,400 ozs, as reported by Cambior Inc. Cambior's forecast production at Rosebel for 2006 remains stated as 335,000 ozs despite proportionately lower production achieved in the first half of the year.

"We note that Cambior expects to publish updated reserve estimations for Rosebel during the third quarter 2006. This may benefit from the continuing positive development drilling completed during the first half of 2006 and the higher than anticipated gold mineralization reported in ore mined during the period."

**Rosebel Royalty**

As reported by Cambior Inc., production from the Rosebel gold mine for the quarter ended June 30, 2006 was 76,400 ounces of gold compared to production of 89,600 ounces of gold in the corresponding quarter in 2005. Cambior reported record mill throughput during the quarter of 21,800 tpd. Production was adversely impacted by the six day illegal strike which Cambior states, caused 5,400 ounces of production to be lost during the period.

More detailed information about the operations, actual and anticipated production levels, as well as historic and current reserve statements of the Rosebel gold mine, can be viewed on Cambior's website at: [www.cambior.com](http://www.cambior.com).

## **IFRS**

In terms of Canadian National Instrument 52-107, EURO adopted International Financial Reporting Standards ("IFRS") effective January 1, 2006. EURO was required to adopt IFRS reporting standards in respect to its filings in France with effect from January 2005 and anticipates that this early adoption of similar standards in Canada will reduce the duplication of audit and related expenses as compared to those experienced in 2005.

A summary of the results for the 2<sup>nd</sup> quarter to June 30, 2006 together with Management's Discussion and Analysis ("MD&A") is given below.

### **Three Months Ended June 30, 2006**

Royalty revenue totaled \$2.47 million during the period (2005: \$1.20 million). After accounting for the realized losses on gold derivatives settled during the quarter, EURO's net revenue remained at a record of \$1.30 million (2005: \$1.16 million).

EURO further recognized a non-cash charge for the second quarter of \$1.40 million relating to mark-to-market expenses arising from our future gold hedging, (2005 : \$0.18 million) resulting in a loss for the quarter of \$1.06 million compared to a loss of \$0.24 million in 2005. This non-cash charge does not affect EURO's liquidity and reflects additional revenue that will be brought to account in future periods from increased royalties receivable from the higher gold price.

General and administrative costs were \$598,000 during the three months ended June 30, 2006 compared to \$610,000 during the same period last year. Interest costs for the three months ended June 30, 2006 were \$258,000 (2005: \$87,000). This rise in interest expense reflects increased interest rates and increased debt incurred at the end of the comparative period 2005 which was used to pay the second \$6 million portion of the Rosebel Royalty purchase price to Golden Star.

The decrease in depreciation and amortization expenses of \$245,000 (2005: \$339,000) during the three months ended June 30, 2006 reflects the increase in reserves of the Rosebel royalty and the consequent decrease in amortization expense. Debt accretion expense of \$109,000 (2005:\$222,000) reflects the accounting treatment for the deferred component of the Rosebel Royalty purchase consideration, which was higher in the 2005 period prior to the \$6 million payment made to Golden Star on 30 June 2005.

### **Six Months Ended June 30, 2006**

We recorded royalty revenue of \$4.38 million during the first six months of 2006 (2005: \$2.31 million). Net of settlement of the gold hedging maturing during the period, net revenue increased to \$2.45 million from \$2.23 million. After providing for mark-to-market charges against income of \$6.7 million (2005: \$1.4 million) arising from the accounting treatment for our gold hedging contracts, we reported a net loss of \$4.34 million during the period (2005: \$0.75 million)

The non-cash charge for mark-to-market of our future derivative gold contracts reflects the continued rise in the price of gold (\$590.89/oz average for the six months, 2005: \$427.37/oz). This non-cash charge does not affect the liquidity of the Company and reflects additional revenue that will be brought to account in future periods from the increased royalties arising from the higher gold price.

## Liquidity

Consolidated cash as of June 30, 2006 was \$1.11 million compared to \$1.47 million at the end of 2005. The Company expects that its current cash flow position will enable it to adequately fund all of its operational and debt service requirements.

EURO Ressources S.A. is a French company, whose principal asset is a royalty interest in the Rosebel gold mine operated by Cambior in Surinam. EURO is presently focused on acquiring additional mineral royalties on operating gold mines. Additionally, EURO continues to hold certain exploration and development mineral rights, principally gold, in French Guiana, which are the subject of joint venture arrangements. EURO has approximately 49.4 million shares outstanding.

**Statements Regarding Forward-Looking Information:** *Some statements contained in this news release are forward-looking statements. Investors are cautioned that forward-looking statements are inherently uncertain and involve risks and uncertainties that could cause actual results to differ materially. Such statements include comments regarding the intentions of the Company to acquire additional royalty or mineral interests, estimates of mineral reserves made by Cambior Inc. in respect of the Gross Rosebel mine and Cambior's anticipated production levels from that mine. There can be no assurance that future developments affecting the Company will be those anticipated by management.*

Additional information relating to EURO Ressources S.A. is available on SEDAR at [www.sedar.com](http://www.sedar.com)

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