

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

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South Wales (UK) Coal Seam Methane Project (Eden- 50%) Promising Estimate of Recoverable Resources in PEDL 100

HIGHLIGHTS

- **Independent report estimates prospective recoverable coal seam methane (CSM) resources of between 380 PJ and 670 PJ (approximately 380Bcf to 670 Bcf in volumetric terms) in PEDL 100, with potential additional upside. This is based on initial drilling result from three exploration wells and existing coal borehole data.**
- **Further work to mature this prospective resource to a 1P/2P Reserve level, will greatly increase the value of this asset. Eden anticipates the work required will involve a review of existing British Coal data and the drilling and testing of possibly between 6-10 additional drillholes. This work program is planned to start immediately.**

Prospective Resource Estimate

Following the recent completion of the first phase of exploration drilling in its South Wales Coal Seam Methane project, Eden Energy commissioned independent consultant, RISC Pty Ltd to provide an initial CSM resource estimate. This resource estimate is based on wellbore data from the 3 holes drilled to date in PEDL 100 (Aberavon-1, Llangeinor-1, Pencoed-1) and available regional data from 33 offset wells previously drilled by British Coal in the area around PEL 100.

The RISC report indicates promising initial results, with estimated recoverable CSM resources of between 380 and 670 PJ (approximately 380 to 670 Bcf in volumetric terms) in PEDL 100. These resources are classified as Prospective Resources due to the usual uncertainties with limited data at this stage of appraisal. Further, the report concluded that the Westphalian coal characteristics appear comparable to those in some Queensland Permian CSM projects.

Further Potential Upside in CSM Resources in PEDL 100

RISC also notes potential upside to the above resource volumes as follows:

- Pencoed-1 did not reach planned TD and therefore did not sample full potential of the area around this well. Deeper coals which were not reached are likely to have higher gas contents. This possible extra gas has not been included in the resource estimate.
- Permeability measurements are few due to unfavourable hole conditions. Some encouraging results have been obtained.
- Fault/fracture enhanced permeability is likely and this could greatly enhance connectivity of coal seams.

As mentioned above, significant further upside exists in the area around the Pencoed-1 well. The best quality coals are in the deeper coal sections, which were not penetrated in Pencoed-1 due to drilling difficulties. Additional prospective CSM resources in the order of 80PPJ to 160 PJ might have been expected if Pencoed-1 was drilled to its planned terminal depth, assuming the equivalent coal seams were encountered as in the lower sections of Aberavon-1 and Llangeinor-1 wells. This will be tested in subsequent appraisal drilling.

Completion of Eden’s PEDL 100 CSM Farm-in Obligations

With the completion of the three boreholes in PEDL 100, Eden has now discharged its farm-in obligations under the original farmin agreements with Costal Oil and Gas Limited to earn 50% in the CSM interests in the Westphalian coal seams in PEDL 100. Eden still has further work to complete its farmin obligation on PEDLs 148 and 149, the two other licences that were in the subject of the original farmin agreement, shown in Figure 1, and to earn an interest in the deeper conventional natural gas targets in all three PEDLs. In aggregate, these PEDLs cover a combined area of 430 Km², or more than 20% of the South Wales coal bearing basin.

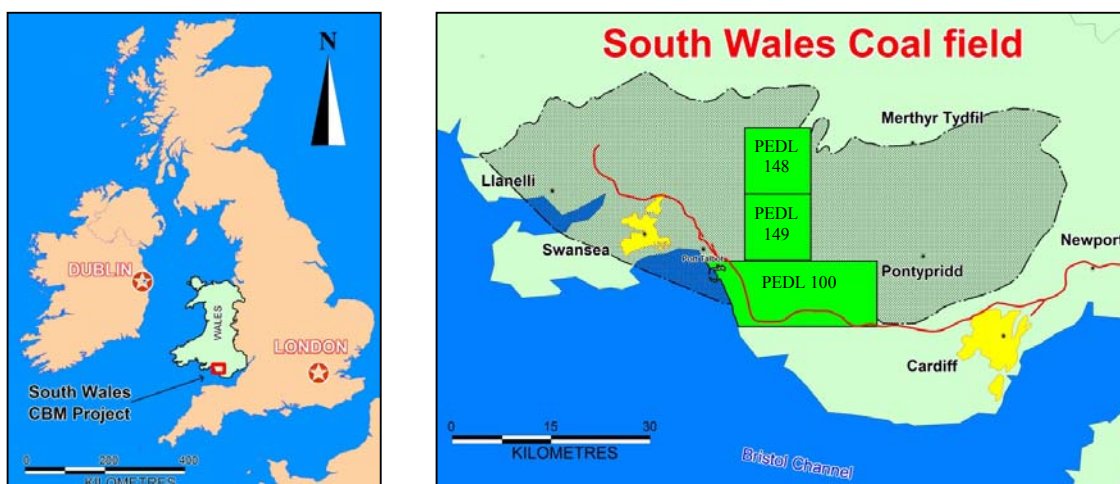


Figure 1. Location of Eden’s Original South Wales Coal Seam Methane Joint Venture Project

CSM Potential of Eden's Additional UK CSM Licence Areas

As previously announced, Eden and its CSM partners Coastal Oil and Gas and UK Methane Ltd were recently awarded 17 additional licences covering approximately 1400 Km². This gives Eden a 50% interest in a more than 1800 Km² of licence areas containing CSM, conventional and unconventional gas targets. These new blocks are shown in red in Figure 2.

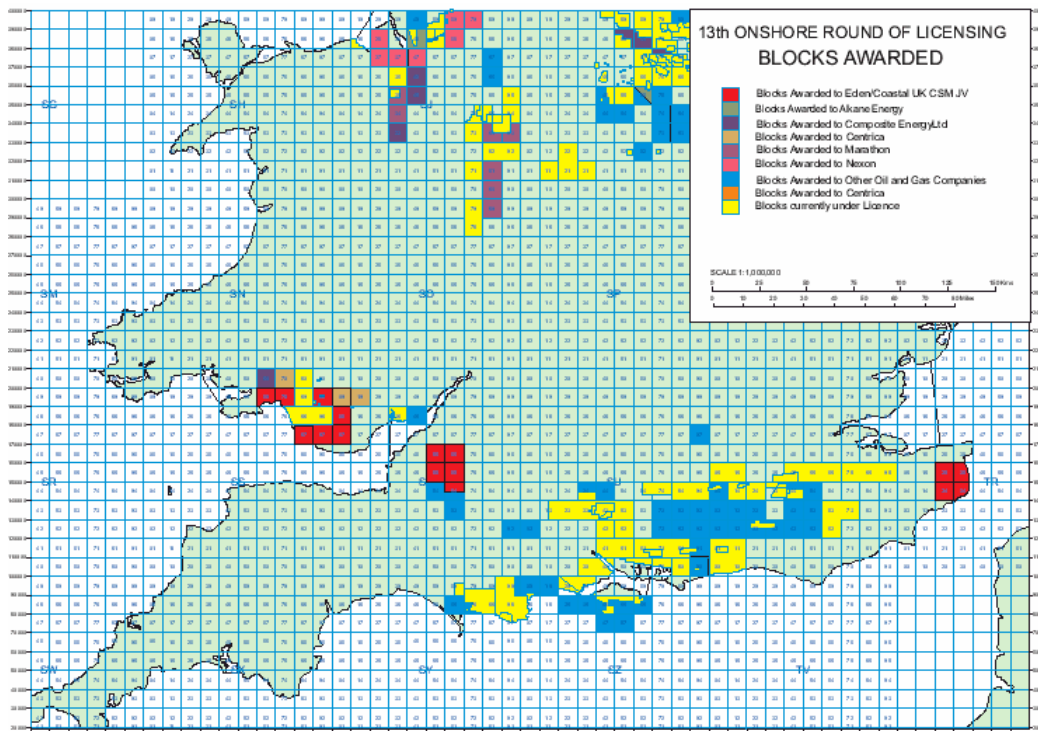


Figure 2. UK 13th Onshore Petroleum Licensing Round Results showing Eden's newly Awarded Petroleum Exploration and Development Licences in red

Approximately 1000 Km² of Eden's licence holdings are in the South Wales coal field, 450 Km² in the Bristol-Somerset coal field in the South West of England and 350 Km² in the Kent Coal field in Eastern England.

Eden's South Wales licences (the blocks shown in both red and yellow in South Wales on Figure 2) form a contiguous block over the South West portion of the South Wales coal field and now comprise approximately three quarters of the total awarded Petroleum Exploration and Development Licence area in this very prospective CSM region.

The South Wales coal field contains the gassiest coals in Europe. According to a November 2004 report compiled by the British Geological Survey (UK Coal Resource for New Exploitation Technologies – COAL R271, DTI/Pub, URN 04/1879), the South Wales Coal field has demonstrated methane values

in excess of 20 m3/t. This is more than twice the highest value for any other coal field in the UK.

PEDL 100 (230 Km2) represents less than one quarter of Eden's total licence area in South Wales coal field (1000 Km2). It is therefore reasonable to expect prospective CSM resources in Eden's total South Wales licence areas to be much larger the 380PJ to 670 PJ indicated in PEDL 100 alone.

Potential Value of Eden's UK CSM Interests

In addition, Eden's South Wales licences are exceptionally well located, being close to significant gas customers and with access to natural gas pipelines and both National and European power grids, as shown in Figure 3.

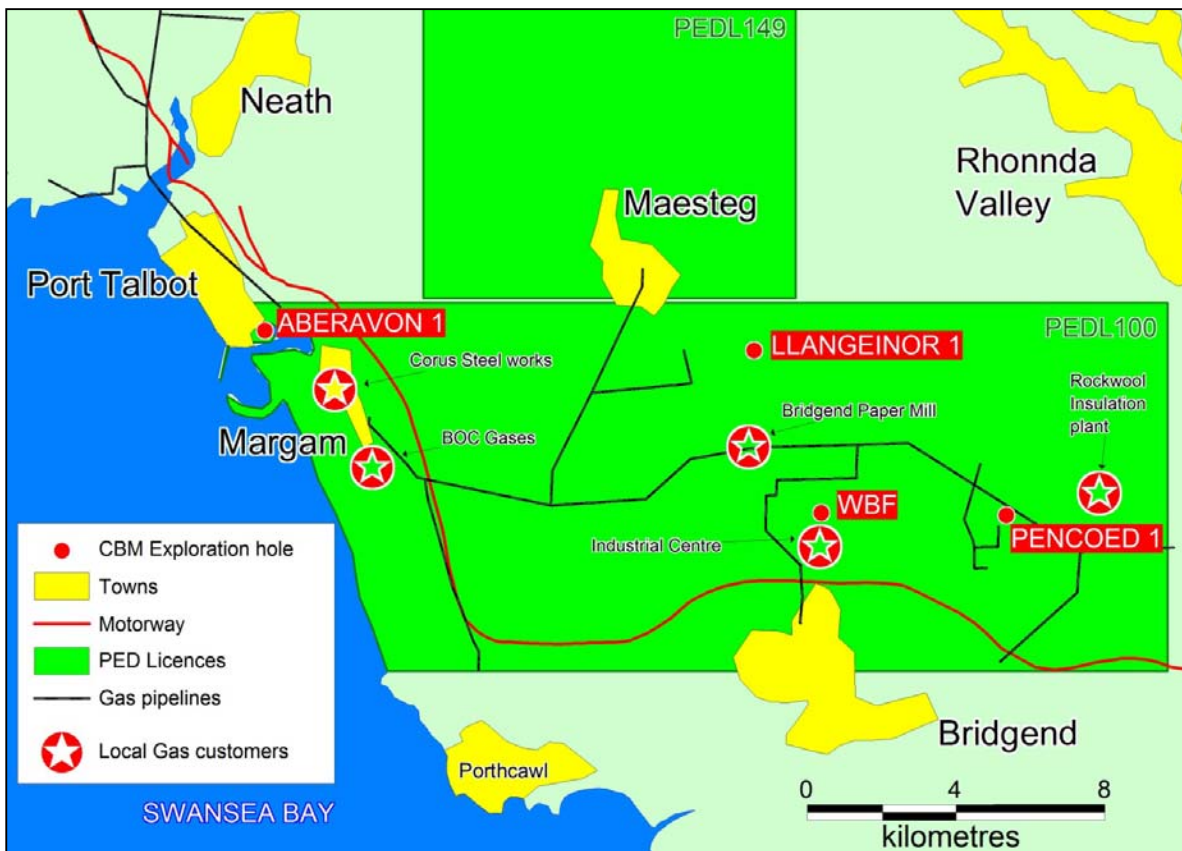


Figure 3. Gas customers and gas pipeline infrastructure in PEDL 100

Analysis of gas samples from Averavon-1 indicate the following average composition of the CSM as follows:

Methane	94.0%
Ethane and heavier hydrocarbons	1.6%
Inerts (CO ₂ , Nitrogen)	4.4%.

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This composition is very close to Australian pipeline gas specification and suggests minimum gas processing beyond simple dehydration and compression should be required to produce saleable gas.

Recent CSM dealings in Queensland value expected CSM reserves (usually quoted as P3 reserves) at between \$0.50- \$1 /GJ, with 2P and 1P Reserves being valued far higher. (Note: 1PJ = 1,000,000 GJ)

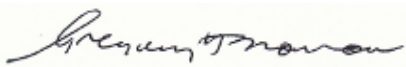
Gas typically trades at several times Australian gas prices in the UK. If Eden successfully matures the present prospective resource to a 1P/2P Reserve with the planned work program, it will result in a very high value for Eden's 50% share of these UK CSM assets, relative to Eden's current market capital.

Work Program to mature Prospective CSM Resources in PEDL 100 to CSM Reserves

Eden believes, after consultation with our expert consultant, that the likely work program required to mature the prospective CSM resources in PEDL 100 to a 1P/2P Reserve level will involve:

1. A detailed review of the joint venture's existing digitised data, extracted from the British Coal's vast data base from previous coal mining in the area.
2. Drilling and testing of possibly 6-10 further drillholes. The actual number of drillholes which are required will depend on both the detailed review of the existing data and the drilling results which are achieved from the further wells as they are drilled.

This work program is planned to start immediately and is targeted for completion within the next 6-12 months, subject to availability of suitable drilling rigs and to the existing joint venture securing further working capital or a suitable joint venture agreement with a third party.



Greg Solomon
Executive Chairman

About Eden Energy Limited

Eden Energy Ltd is a diversified clean energy company that listed on the Australian Securities Exchange in June 2006. Eden has interests in hydrogen production, storage & transport fuel systems, including the low emission Hythane hydrogenmethane blend, coal seam & abandoned mine methane in the UK, conventional gas in SA, low temperature pyrolysis research into hydrogen production and geothermal energy production.

All these aspects of Eden's business are part of an integrated strategy to become a major global participant in the alternate energy market, particularly focussing on the clean energy transport market, producing hydrogen without any carbon emissions, transporting the hydrogen to markets & providing the engines to power hydrogen-based transport & energy solutions.

For further information please contact Greg Solomon (+61 8 9282 5889) or visit our website (www.edenenergy.com.au).