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AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

24 February 2010

EDEN SIGNS AGREEMENT WITH MAJOR INDIAN COMPANIES FOR FIRST COMMERCIAL SIZED HYTHANE® DEMONSTRATION PROJECT IN INDIA

HIGHLIGHTS

- **Eden signs co-operation agreement with GAIL (India) Ltd and Mahanagar Gas Ltd to jointly undertake the first commercial sized Indian Hythane® demonstration project in Mumbai.**
- **The project aims to demonstrate the commercial efficiency of Hythane®, a blend of between 15% - 20% hydrogen with Natural Gas, as a high-efficiency, ultra-low emission premium blend of Natural Gas for a fleet of up to 50-70 buses.**
- **Hythane® can increase the efficiency of Natural Gas vehicles by up to 15% and at the same time reduce harmful emissions, particularly of oxides of nitrogen which causes serious health and respiratory problems, by between 30% to 50% compared with Natural Gas, whilst also reducing the total greenhouse gas emissions**.

DETAILS

Eden, a wholly owned subsidiary of Eden Energy Ltd, has entered into a cooperation agreement with GAIL (India) Ltd ("GAIL") and Mahanagar Gas Ltd ("MGL") to demonstrate the efficiency of Hythane® as a high-efficiency, ultra-low-emission premium blend of Natural Gas with the major Mumbai bus company, which is a customer of MGL.

GAIL (otherwise known as Gas Authority of India) is the largest distributor of Natural Gas in India. MGL is a joint venture company jointly owned by GAIL, BG Group and the Government of Maharashtra, which owns and operates pipelines and markets Natural Gas in and around the Mumbai area to a broad commercial, domestic and industrial customer base of more than 25 million people.

GAIL, a Government of India undertaking, is India's flagship Natural Gas company, integrating all aspects of the Natural Gas value chain (including Exploration & Production, Processing, Transmission, Distribution and Marketing). It also aims to spearhead the move to a new era of clean fuel industrialisation, through creating a quadrilateral of green energy corridors that connect major consumption centres in India with major gas fields, LNG terminals and other cross border gas sourcing points. GAIL is also expanding its business to become a player in the International Market.

GAIL's relevant business portfolio includes:

- 6,700 km of Natural Gas high pressure trunk pipeline with a capacity to carry 148 MMSCMD of natural gas across India

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- Joint venture companies in Delhi, Mumbai, Hyderabad, Kanpur, Agra, Lucknow, Bhopal, Agartala and Pune, for supplying Piped Natural Gas (PNG) to households and commercial users, and Compressed Natural Gas (CNG) to the transport sector
- Participating stake in the Dahej LNG Terminal and the upcoming Kochi LNG Terminal in Kerala
- Established presence in the CNG and City Gas sectors in Egypt through equity participation in three Egyptian companies: Fayum Gas Company SAE, Shell CNG SAE and National Gas Company SAE.

The demonstration project in Mumbai will involve Eden establishing a Hythane® refuelling station at a suitable bus depot to fuel buses, progressively increasing to 50-70 buses. The bus depot in Mumbai is operated by BEST, the state owned Mumbai bus operator that operates more than 4000 buses, half of which are already using natural gas and all of which are planned to be operating on natural gas within the next three years. MGL supplies BEST with all its natural gas requirements.

Upon successful completion of the demonstration project the parties will endeavour to negotiate a commercial agreement for the ongoing promotion and marketing of Hythane® by MGL in its area of operation.

Under the terms of the agreement Eden will supply the Hythane® refuelling station including an auto-thermal reformer to produce the necessary hydrogen from Natural Gas, compression, blending, storage and dispensing equipment. Eden will also be responsible for the installation, operation, maintenance, supervision and safety of the equipment and will retain ownership of the equipment. Eden will provide training to MGL personnel to enable them to operate the equipment.

GAIL will work with Eden and MGL and will support the demonstration project and assist in arranging all Hythane® standards and regulations and statutory clearances required for the project. MGL will provide all necessary site works for the installation of the equipment, and will provide all Natural Gas, water and electricity required for the project.

Planning approvals and installation of the equipment will take approximately 9 months and it is planned to then run the buses for a further 6 months. On completion of the demonstration project, Eden will compile a comprehensive report on the outcome and, subject to suitable results, the parties propose to negotiate the possible ongoing commercial terms for the promotion and marketing of Hythane® by MGL in its areas of operation, including the possible right for MGL to exclusively market Hythane® in Mumbai and other areas where MGL has operations.

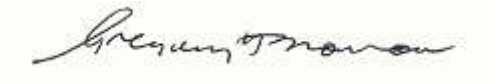
Eden has been working in India for the past five years promoting and developing Hythane® as a premium blend of Natural Gas. Currently regulations for each of Hythane® fuelled motor vehicles and Hythane® refuelling stations are in the process of being implemented. The Indian Government in 2005 adopted a national hydrogen road map embracing hydrogen enriched Natural Gas as the proposed transitional step towards a hydrogen based economy, and recently adopted a national standard of 18% hydrogen (by volume) in Natural Gas as its proposed HCNG standard. Whilst this is slightly less than the 20% hydrogen mixture which Eden recommends for heavy duty vehicles, 18% hydrogen is a good working compromise which is highly suitable for smaller vehicles whilst at the same still producing very significant benefits in larger heavy duty engines for buses and trucks.

It is proposed that wherever possible, all of the equipment for the demonstration project will be supplied by Indian manufacturers. Eden has already completed the development for Ashok Leyland of a Hythane® bus engine which is suitable for the demonstration project, and a second

engine project is also planned. Ashok Leyland supplies a majority of Indian Government owned bus fleets.

This demonstration will provide a very strong base from which Eden proposes to develop and promote a broad based commercial Hythane® market across India as Natural Gas is rolled-out as a national vehicle fuel during the next few years. India has significant quantities of domestic Natural Gas and commenced large-scale production of Natural Gas from the KG Basin in April 2009. Several new pipelines have since been added to the national pipeline grid, opening up the availability of large quantities of clean, cheap Natural Gas which is now being embraced across India as a major transport fuel.

This cooperation agreement is seen as a major milestone not only in Eden's promotion of Hythane® in India, but also in India's progress towards achieving its national hydrogen roadmap goals of having 20% of all vehicles operating on a hydrogen based fuel by 2020, and of having all vehicles operate on hydrogen by 2050.



Gregory H. Solomon
Executive Chairman

N E W S

• RELEASE •

FOR IMMEDIATE RELEASE
Wednesday February 24, 2010

INDIAN GAS LEADER SIGNS WITH AUSTRALIA'S EDEN ENERGY

TO TRIAL ULTRA-CLEAN HYDROGEN-ENRICHED NATURAL GAS

India's largest distributor of natural gas is to join with an Australian firm in the world's first commercial sized trial of a hydrogen-enriched blend of Natural Gas designed to reduce notorious pollution levels from that country's massive public transport bus fleets.

The trial will see between 50-70 buses on the streets of Mumbai, a city of some 16 million people, by the end of this year.

The buses will be fuelled by Hythane®, a blend of Natural Gas enriched with 15-20% hydrogen and developed by the US subsidiary of Perth-based and ASX-listed clean fuel technologist, Eden Energy Limited (ASX: "EDE").

Hythane® has been shown to reduce harmful emissions and greenhouse gases from gas-powered vehicles by up to 50% while increasing their efficiency by up to 15%.

The Mumbai breakthrough for the demonstration project in the capital of Maharashtra state is encapsulated in a cooperation agreement signed between Eden and India's largest Natural Gas distributor, the State owned GAIL (India) Limited, and its Mumbai-based subsidiary, Mahanagar Gas Limited ("MGL").

MGL is also partly-owned by British Gas – a major player in Australia's CSM market.

The new agreement will see Eden over the next nine- twelve months, install a Hythane® refuelling station and associated infrastructure at a bus depot in central Mumbai operated by the State-owned BEST Undertaking.

Hythane® will initially fuel two buses and expand to more than 50 Natural Gas powered buses. BEST currently operates more than 4,000 buses in Mumbai from 25 bus stations. More than half of this bus fleet currently uses Natural Gas, with BEST progressively converting its entire fleet to Natural Gas operation by 2013.

MGL supplies all the Natural Gas to BEST.

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The trial buses will use the Hythane® fuel for a six-month period, targeted to commence in the last quarter of 2010. If the participants are satisfied with the outcome, they will then assess rolling out Hythane® fuelled buses across Mumbai's public bus fleets, and the remainder of MGL's market footprint which supplies an estimated 25 million people.

Eden's Executive Chairman, Mr Greg Solomon, said the demonstration project, the first of the Company's planned Hythane® bus projects in India, will be the largest Hythane® project ever undertaken in the world.

"The fuel has been trialled extensively for more than 15 years in several countries including Canada and the United States but this is the first project to involve a fleet of this size and in a trial designed to produce a commercially viable outcome," Mr Solomon said.

"The agreement is the culmination of Eden's five year campaign to help facilitate the Indian Government's strategic hydrogen roadmap to move to a full hydrogen-based fuel economy by 2050, targeting 20% of all vehicles to operate on a hydrogen-based fuel by 2020."

The Perth-based fuel technologist's market gains to date in the energy-hungry expanding Indian economy include the establishment last year of its first public Hythane® dispensing station - for the Indian Oil Corporation - on the outskirts of the Indian capital, New Delhi.

Further, earlier this month, Eden executed a non-binding terms sheet under which Indian Oil Corporation will, subject to certain conditions being satisfied, fund the up-scaling to a commercial sized prototype of new technology jointly developed by Eden with the University of Queensland to produce hydrogen and solid carbon including carbon fibres and carbon nanotubes from Natural Gas. This will potentially open up a very cost effective method of producing large quantities of both hydrogen and high value solid carbon which can be used for composite material production.

Eden also recently completed the development with Ashok Leyland, India's largest bus manufacturer, of a 6-cylinder, 6-litre bus engine specifically designed to run on Hythane®.

The Company has also worked with the Indian regulatory authorities for three years helping to develop the necessary safety and operational standards and regulations.

"The Mumbai Hythane® trial will provide the substantive 'on-road' results to demonstrate Hythane's ability, on a commercial basis, to help reduce damaging emission levels from mainstream public transport systems and the sub-continent's infamous pollution levels, and will be the world's largest single trial of this hydrogen based fuel," Mr Solomon said.

"The Mumbai agreement and the calibre of the partners involved is a critical milestone not only for Eden Energy but also in India's progress towards achieving its ambitious goals under its national hydrogen roadmap.

"It should lead to the roll-out in the next few years of a large-scale, commercially viable, ultra-clean public bus system in India operating on Hythane® fuel.

"Preliminary tests have already shown that Hythane® is not only a fuel that produces fewer greenhouse gases, but that it can offer major practical benefits by potentially halving NOx output, the cause of the harmful photo-chemical smog, in the more than 50 major cities in

India that have commenced or are scheduled to commence development of public bus rapid transit systems designed to run on Natural Gas."

Mr Solomon said the large scale testing and use of Hythane® in India had been dependent on availability of significantly increased Natural Gas supplies, which only commenced in April 2009 with the start of large-scale gas production in the offshore KG Basin.

"Annual Natural Gas supplies in India are projected to rise from 5 million tonnes to more than 25 million tonnes over the next five years and pipeline grids are being rapidly extended to accommodate this – providing a first-time opportunity for India to widely use its own domestically available clean, cheap Natural Gas," Mr Solomon said.

"This growth of the gas market, using Hythane® as the premium blend of Natural Gas, will help deliver a significant immediate reduction in India's air pollution levels and also provide its platform for the future roll out its hydrogen economy."

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