

Australian Securities Exchange Announcement

15 September 2009

EDEN SECURES MAIDEN INDIAN SALES OF OPTIBLEND® SYSTEM

First Sales of the OptiBlend® System

Eden Energy Ltd has secured the first three sales of its OptiBlend® dual fuel system in Assam in north-eastern India, where low cost natural gas is readily available.

The OptiBlend System dramatically lowers operational costs, increases back up fuel capacity, reduces emissions, and extends both maintenance intervals and engine life.

These first sales are to one of the world's largest tea plantations, and will be trialled on diesel generators with a power output of between 400 kVA and 1,250 kVA .

The OptiBlend System, developed by Eden's wholly owned Hythane Company in Colorado, USA, is an innovative retrofit technology developed for a wide range of diesel engine applications, which displaces diesel with natural gas or other alternative fuels, without modifications to the internal components or the stock fuel management system. It is initially being marketed in both India and USA for use with diesel-powered generators.

In India there are many hundreds of thousands of medium and large sized diesel-powered generators that are used to provide either back-up power or base-load power to commercial, industrial, residential and institutional complexes throughout the country.

Benefits of the OptiBlend® System

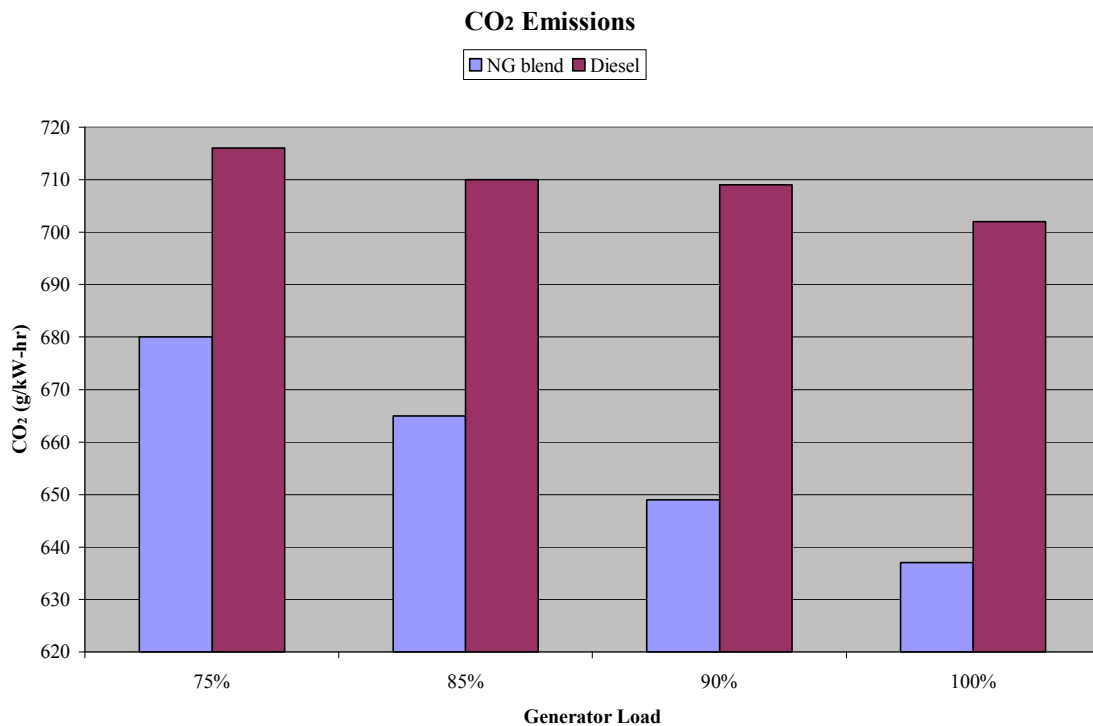
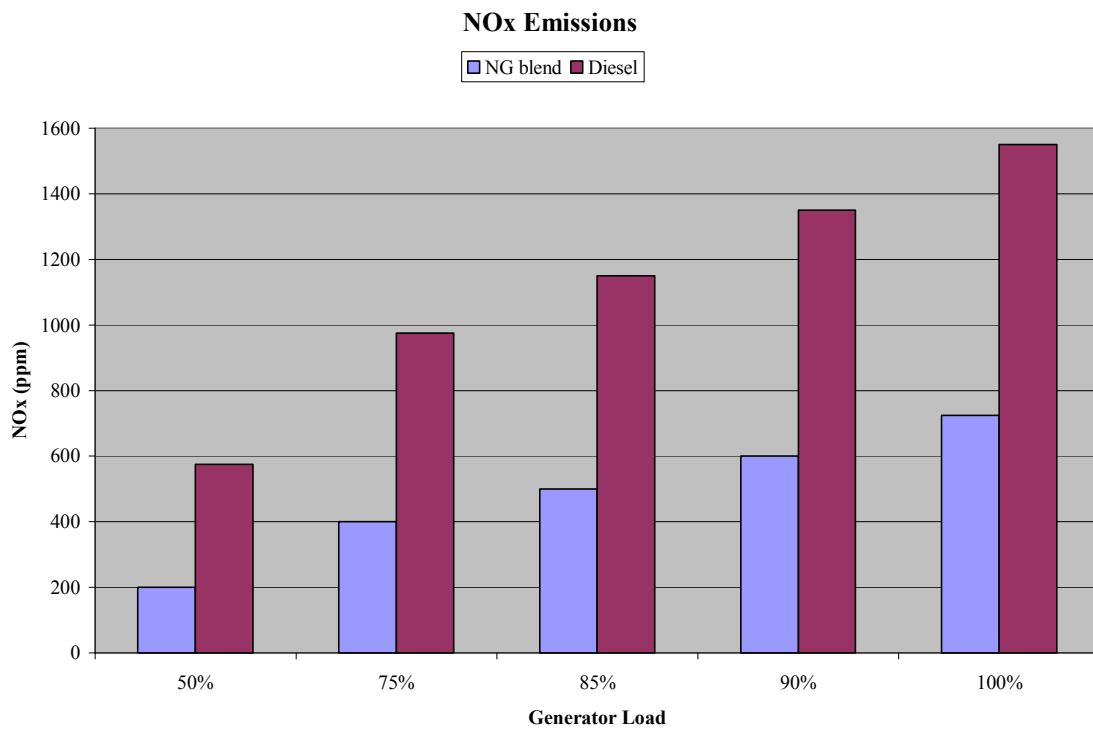
The OptiBlend System will:

- Deliver a significant reduction in operating costs;
- Provide safe displacement of more expensive diesel fuel, creating a significant reduction in the cost per kW-hr rate of the generator.
- Not compromise the OEM's power rating or the safety of the generator. A list of the safety monitoring points is detailed below.
- As an additional safety feature, allow the generator to instantly revert back to running entirely on diesel fuel in the event of a loss of natural gas supply for any reason.

Installation of the OptiBlend System will also provide a dramatic environmental impact. Environmental benefits include:

- Significant reduction in NOx
- Reduction in CO₂
- Reduction in particulate matter

Shown graphically below, these reductions are dramatic.



Based on the usage of 8 hours per day at 75% load, installation of an OptiBlend on a Cummins K50 1250 kVA generator would save approximately 210 kg of CO₂ per day, and 76.7 metric tons CO₂ per year compared to straight diesel operation. Reduction in NO_x is even more dramatic. The generator would also save 83.2 kg of NO_x per day, and 30.4 metric tons NO_x per year compared to straight diesel. NO_x reduction is important because it is a contributor to smog, as well as being responsible for numerous other health issues.

OptiBlend® System Safety Features

There are two options for the type of OptiBlend kit that can be installed. The base system allows a safe displacement with natural gas of approximately 50% of the diesel fuel used. Addition of knock detection to the base system allows optimum tuning of the system engine under heavier loads, allowing safe displacement of an additional 10% of the diesel fuel. Either option will safely provide dramatic cost savings benefits and emissions reductions and preserve uptime.

The OptiBlend Base system monitors:

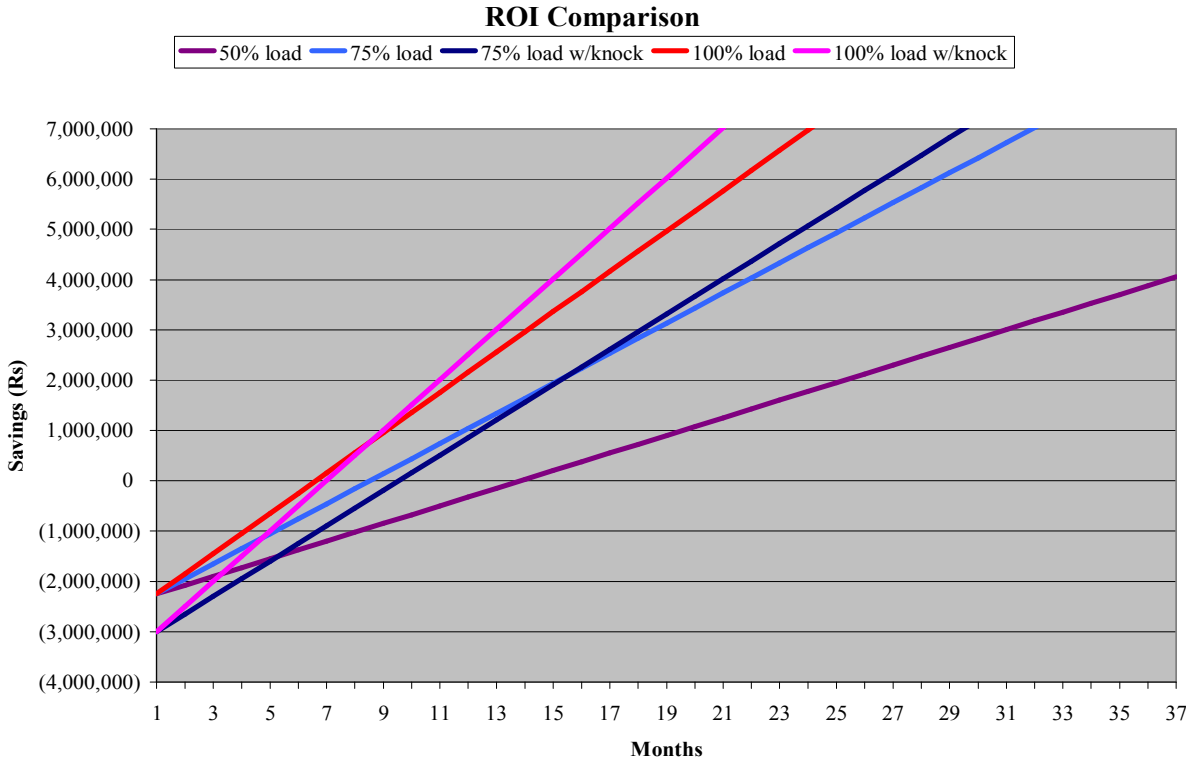
- Exhaust gas temperature, protecting against overheating and overfueling
- Diesel fuel level, preventing gas fumigation when the diesel fuel is low
- Engine vibration, limiting gas in cases of misfire and unstable combustion or speed governing issues
- Frequency, allowing the to operate within the OEM’s original governor classification
- Load, protecting against overload conditions and turning off gas at low loads to avoid incomplete combustion.

The knock detection option includes all of the items shown above for the base system, plus:

- The ability to safely further optimize the system to reach greater displacement of diesel
- Safety measures including engine knocking and misfire.

OptiBlend® System Economics

The graph below, based on the current Indian market price of INR 38 per litre for diesel and INR 16 per cubic metre for natural gas, and operation for 8 hours per day, illustrates the return on investment (ROI) that can be expected with on a Cummins K50 1250 kVA generator at multiple loads using either the OptiBlend Base System or the OptiBlend Base System with Knock Detection.



The current conversion rate of Indian Rupees to Australian dollars is IRs 41 for AUD\$1.

Even though these are conservative usage numbers, the payback period is still well under a year for all but one scenario, which shows the tremendous value of the OptiBlend System. If the generator is used either at greater loads or more than 8 hours per day, as many generators in India are, the OptiBlend System will pay for itself even faster.

The OptiBlend will provide great flexibility for power delivery because it can be switched on or off at any time. In India for example, many companies are contracted to a specific gas usage each month. If this amount of gas is not used, there is a charge associated with it regardless of the amount used. The flexibility of operation of an OptiBlend provides the ability to better regulate the amount of gas it uses each month, potentially providing additional economic benefit.

Future Prospects

Eden is pursuing many other possible customers in both India and USA and anticipates a significant market emerging in both countries (and many more as well), particularly as natural gas both becomes more widely available in India, and becomes more cost competitive in both countries compared with diesel as it is projected to do over the next few years.

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