
NEWS

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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.

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

issued through

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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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