



ACN 109 200 900

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

18 August 2008

MAJOR BOOST FOR EDEN'S GREEN ENERGY PROJECTS FROM LARGE PRIVATE INDIAN GROUP

Eden Energy Ltd ("Eden") is pleased to announce a major boost from one of India's largest private development corporations for Eden's green fuel, gas and geothermal projects in India, the United Kingdom, and Australia.

Under a two tiered strategy announced today with Mumbai-based Zoom Developers Private Ltd ("Zoom"):

- Zoom will provide Eden with short-term working capital of A\$5 million via a convertible note loan
- Both parties have signed a conditional Letter of Intent ("LOI") providing for Zoom to enter into a series of joint development agreements across various Eden projects
- These projects cover Eden's Indian-based hydrogen/Hythane® project (a green fuel initiative); coal seam methane/gas projects in England and Wales; and natural gas and geothermal projects in Australia
- It is anticipated that it will take approximately 2-3 months to negotiate the joint development agreements and for Zoom to conclude its necessary due diligence.

"The immediate cash injection coupled with Zoom's interest in joint project involvement will provide both an immediate financial boost plus broad operational and technical support to our green energy drive across three continents," Eden's Executive Chairman, Mr Greg Solomon, said today.

"Quite apart from Zoom, we are now attracting growing attention from world-class energy, infrastructure and engineering majors in many parts of the world," Mr Solomon said.

"Increasing global political, consumer and regulatory pressures arising out of climate change concerns are driving many governments as well as national and multinational companies to look for viable technologies which can provide early climate and emissions solutions.

"This push will help accelerate the pace at which Eden's technologies and projects are able to

be rolled out. We believe Zoom will be a strong, strategic partner with its broad affiliations, particularly in India, where Eden is focusing its efforts to market Hythane® as an ultra low emission, high efficiency fuel.”

Diversified global group

Zoom, a diversified international development group based in India, has successfully developed projects in infrastructure, energy, real estate, engineering, metals, mining, telecommunications and financial services. It was incorporated in 1991 and has grown significantly both in India and overseas. Today, it has a multibillion dollar project bank, and undertakes numerous projects around the world. Zoom’s worldwide operating businesses include oil and gas engineering and construction, marketing of chemicals, production of steel and aluminium billets, mining of industrial minerals, manufacturing of automotive components, processing of cotton and a cluster of “smart card” solutions companies. Zoom has offices throughout India and across Europe, the Middle East, Far East, China and the US. Further details can be found at Zoom’s website at www.zoomdevelopers.com.

Terms of Convertible Notes

Under the terms announced today for the convertible note loan of A\$5 million;

1. The full amount of the loan will be convertible into fully paid ordinary shares in Eden at a price of \$0.20 per share (i.e. 25 million shares) at the election of Zoom at any time on or before November 7 this year, or, automatically, if Zoom executes a Heads of Agreement in relation to one or more joint development agreements applying to a current Eden project.
2. The convertible note will carry interest at the rate of 15% per annum.
3. In addition, in the event that any of the joint venture agreements are entered into, Zoom will be issued the following additional options:-
 - 3.1 10 million options exercisable at any time from and including 8 November 2008 until 7 January 2009, each to acquire 1 share in Eden for each option at an issue price of \$0.25 per share (i.e. total consideration \$2.5 million) (“the First Options”); and
 - 3.2 10 million options exercisable at any time from and including 8 January 2009 up to and including 7 April 2009 (subject to and conditional upon Zoom having duly

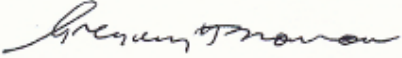
exercised all of the First Options), each to acquire 1 share in Eden for each option at an issue of price of \$0.30 per share.

4. In the event that the joint development agreements are not concluded, and Zoom does not elect to convert the \$5 million loan to shares, the loan will be repayable on or before 28 February 2009 and will, from 7 November 2008, rank as a senior debt and be secured by a fixed and floating charge over the assets of Eden.

The Letter of Intent is subject to approval by shareholders of Eden at a general meeting convened in Perth for Monday, 15 September 2008.

Taylor Collison, stockbrokers of Adelaide, which introduced Zoom to Eden, will be paid a commission of 5% in relation to any shares that are issued to Zoom pursuant to this arrangement.

The agreement with Zoom adds to a growing portfolio of major contractual and collaborative associations which Eden is developing in India, including with Indian Oil Corporation, Gujarat State Petroleum Corporation, Larsen & Toubro, Ashok Leyland, the Automotive Research Association of India and Cummins India.



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).