



## Australian Securities Exchange Announcement

24 September 2008

### TERMINATION OF LETTER OF INTENT DUE TO BREACH BY ZOOM DEVELOPERS (PRIVATE) LIMITED

As previously announced, Eden Energy Limited ("Eden") entered into a letter of intent on the 11<sup>th</sup> day of August 2008 ("the Letter of Intent") pursuant to which Zoom Developers (Private) Limited of Mumbai, India ("Zoom") agreed, inter alia, to make a loan to Eden of A\$5 million, to be secured by a Convertible Note, and which was to be paid to Eden within 5 working days of the date of approval by the shareholders of Eden. The Eden shareholders duly approved the terms of the Letter of Intent at a general meeting held on Monday the 15<sup>th</sup> September 2008 and the money was due to be paid by midnight on Monday the 22<sup>nd</sup> September 2008. In breach of the terms of the Letter of Intent, Zoom has failed to make the required payment, and the directors of Eden have consequently today terminated the Letter of Intent due to the breach by Zoom to enable Eden to pursue alternative arrangements.

As Eden was relying upon the funding from Zoom for its ongoing working capital, the directors have now urgently embarked on an exercise to endeavour to secure a suitable alternative transaction to provide the company with the necessary ongoing working capital.

Eden's hydrogen/Hythane® projects in the US and India and its coal seam methane project in Wales remain as very attractive projects, each with very significant potential. However, until alternate funding arrangements have been arranged, the directors have resolved to seek voluntary suspension of the listing of the securities of Eden on the Australian Securities Exchange. As soon as Eden is able to secure such an alternate arrangement it will be announced to the market, and the company will immediately seek the lifting of the voluntary suspension of trading of the securities of Eden.

**Gregory H Solomon**  
*Executive Chairman*