EDEN ENERGY LTD

ACN 109 200 900

Level 40, Exchange Plaza
2 The Esplanade, Perth, Western Australia, 6000
Telephone: (08) 9282 5889 Facsimile: (08) 9282 5866

Website: www.edenenergy.com.au

Australian Stock Exchange Announcement

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EDEN ENERGY'S RENMARK GEOTHERMAL PROJECT RECEIVES SA GOVERNMENT FUNDING

Eden Energy is pleased to announce that the SA Government has endorsed its Renmark Geothermal Project concept by approving the funding, up to a level of $100,000, of a new drill hole to assess the geothermal potential of the Renmark-Tararra Trough.

Eden holds Geothermal Exploration Licences 175 and 176, which are located in the Renmark area of South Australia (Figure 1). Access to major powerlines for distribution is over much shorter distances than other projects in more remote locations.

The Renmark-Tararra Trough is a 300km long sedimentary basin running in a north-easterly direction, located just to the north of Renmark. There are significant accumulations of sediments, including good insulating coaly material, in the Renmark Trough that Eden concludes may provide effective thermal insulation, which, associated with major faults on the basin margins, to provide enhanced permeability, combine to make the Renmark area an attractive geothermal target.

The Renmark area stands out as a significant temperature anomaly on the ANU Austherm 2004 image of estimated temperature at 5km depth (see Figure 2). A majority of the weighting for the anomaly is due to data from the Nulla Nulla 1 well located just over the NSW border.

Eden are proposing to drill a new hole to acquire drill core and temperature measurements from within the Renmark Trough to confirm the anomalous heat flow status of the Renmark area as suggested by the Austherm image. The temperature data will enable an estimate of the temperature at depth in the area. Core from the hole will enable thermal conductivities to be directly measured and a robust estimation of heat flow and temperature gradient in the area. The programme will also dovetail with data that will be available from a new Department of Water, Land and Biodiversity Conservation (DWLBC) saline water re-injection test well near Lock 6 on the Murray River, providing a more regional view of the heat flow.

A successful hole and heat flow estimate will establish the presence of a well located, significant, new, geothermal resource at attractive depths for utilisation in South Australia, which is in a location quite close to prospective markets and infrastructure. Success would also confirm a major new style of geothermal target in SA and accelerate exploration of this particular resource as well as highlighting the prospectivity of naturally permeable zones in sedimentary basins with high heat flows.

Gregory H Solomon
Chairman

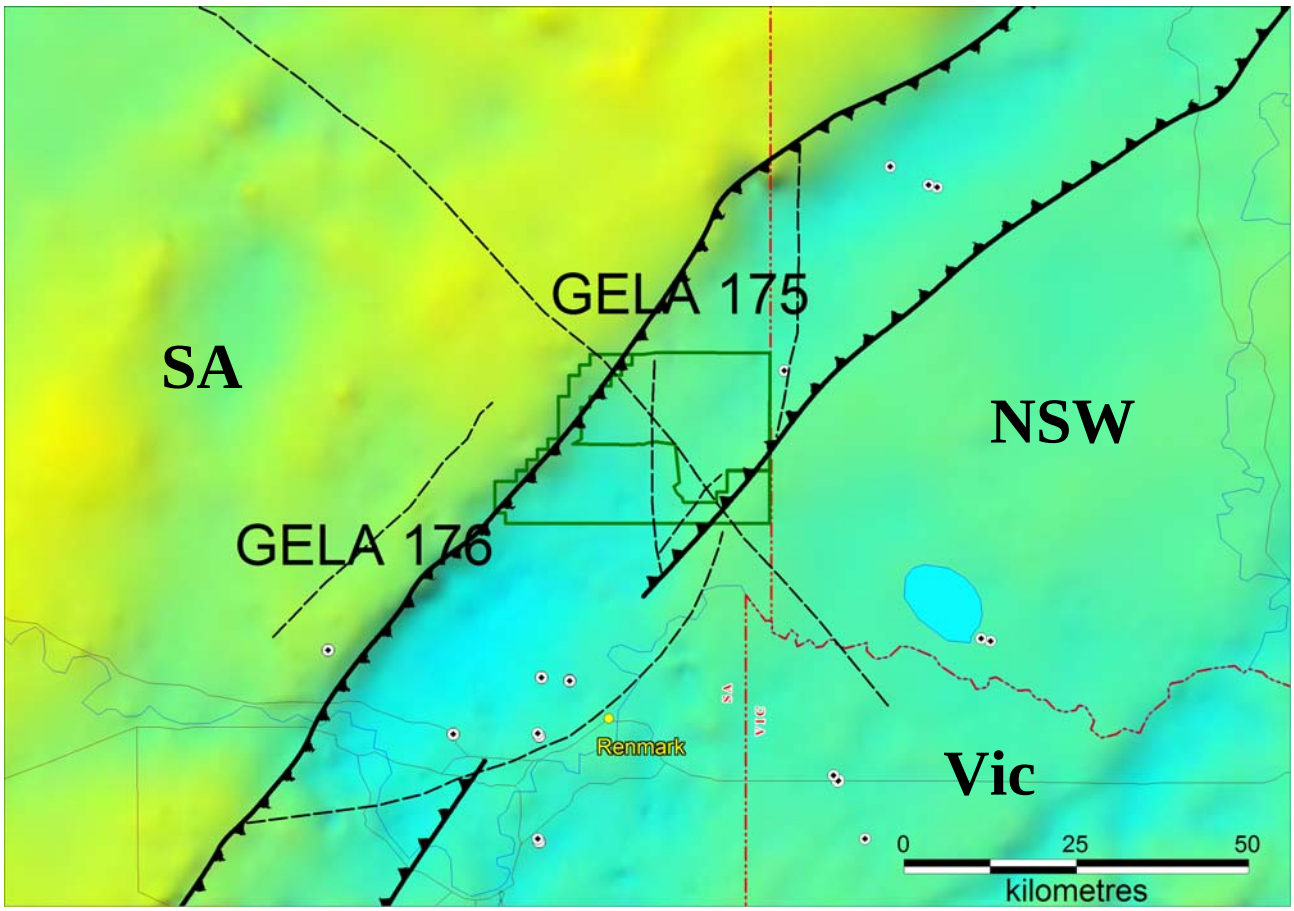

Figure 1: Renmark-Tararra Trough location on gravity image (Bouguer) with deep drill hole locations.

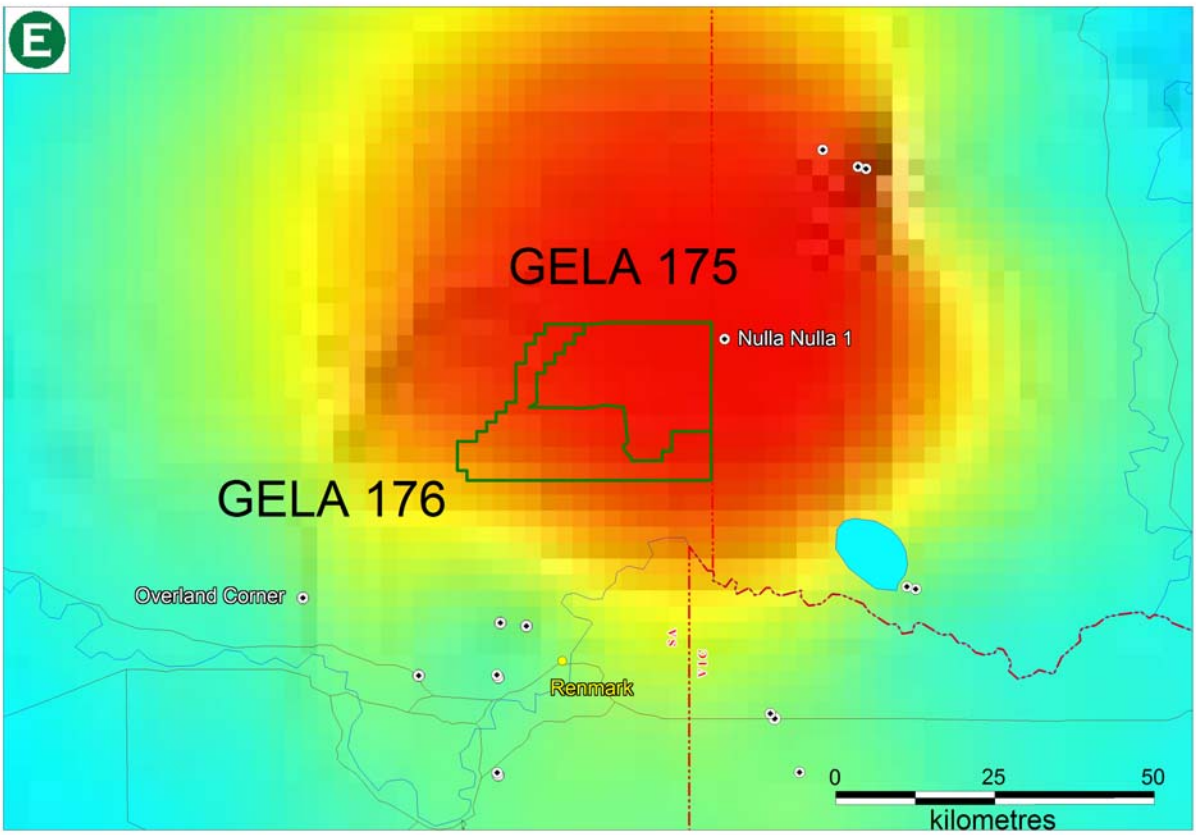

Figure 2: Location of GELs 175 and 176 showing the Austherm "Renmark hotspot