



ACN 109 200 900

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

15 MAY 2007

AGREEMENT TO PROGRESSIVELY ISSUE EMPLOYEE OPTIONS

The directors of Eden Energy Ltd ("Eden") have resolved to progressively issue 2.15 million options to employees of its wholly owned US subsidiaries, Hythane Company llc and Eden Cryogenics llc and to its two consultants in India. These options will all be issued pursuant to the Eden Energy Employee Share Option Plan ("EEESOP").

150,000 options will be issued immediately to the two Indian consultants in recognition of the tremendous service they have provided to Eden in relation to the marketing of Eden's hydrogen and Hythane(R) products in India.

The remaining 2 million options will be issued in four equal parcels to employees of Hythane Company and Eden Cryogenics, the first tranche to be issued within 14 days, and the remaining three tranches to be issued on 14 May 2008, 14 May 2009 and 14 May 2010. The first tranche of these options will not be able to be exercised until after 3 months after the date they are issued.

All these options will be exercisable at 68.5 cents each. Apart from the first tranche of options to the Hythane Company and Eden Cryogenics employees which will be restricted as detailed above, all of the options will be exercisable at any time within 3 years of the date that the particular option is issued and be subject to the terms of the EEESOP.

As a result, all employees of the Eden Group of companies will now hold options in Eden and be able to share in the future prosperity of the company.

Gregory H. Solomon
Executive Chairman
Telephone + 61 4 0206 0000