

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

27TH FEBRUARY 2008

Eden Energy Ltd (“Eden”) - Corporate Restructuring Update

Eden Energy Limited is pleased to provide an update on previous market announcements concerning the future corporate plans for the Company, and in particular, its proposed arrangements to achieve full value via securitising all the non-hydrogen assets of Eden through the following steps:-

AUSTRALIAN GEOTHERMAL ASSETS

- **To be housed in new A\$12-20m IPO – Terratherma Ltd**

It is proposed to transfer all of Eden’s Australian geothermal assets to a wholly owned subsidiary company, Terratherma Ltd (“Terratherma”), which in turn will seek an ASX listing as soon as stock market conditions permit and subject to obtaining any necessary shareholder approval if required by the ASX pursuant to its listing rules.

It is proposed that Eden will initially hold shares having a value of approximately \$15 million (i.e. 75 million shares at a valuation of 20 cents each), together with a similar number of five year 20 cent options, in the wholly owned subsidiary.

Terratherma will then proceed with an Initial Public Offering (IPO) anticipated currently to be between \$12-20 million. It is proposed that a Priority allocation be made available to shareholders and option holders in both Tasman Resources NL and Eden Energy Ltd to take up shares in the Terratherma IPO.

As a result, Eden would retain a majority shareholding in Terratherma. It is contemplated that where appropriate, Eden and Terratherma may collaborate on renewable energy projects using geothermal power generated by Terratherma to produce hydrogen which could be stored and transported to market using Eden’s hydrogen technology.

UNITED KINGDOM AND SOUTH AUSTRALIA GAS ASSETS

- **To be housed in a new Joint Venture ahead of an AIM listing**

Eden’s gas assets consist of a 50% farm-in interest in 430km² of coalbed methane (CBM) and conventional gas licences in South Wales in the UK. These are currently being drilled to evaluate their CBM potential).

Eden also wholly owns a South Australian natural gas project.

Preliminary agreement has been reached with Eden's joint venture partner in Wales to transfer 100% of the entire South Wales project, the South Australian licence and a modest natural gas resource near Chester in the UK, together with a small drilling rig, both owned by Eden's Welsh joint venture partner, into a new joint venture (JV) company.

Eden would hold 45% of the JV company's issued shares and would also contribute ongoing working capital of £1.0 million. If required by the ASX listing rules, this agreement will be subject to approval by Eden shareholders.

It is proposed that this JV company would itself look for a joint venture for the South Wales CBM Project from a major international gas or petroleum company, and would also seek to list on the Alternative Investment Market (AIM) in London. To the extent that Eden may have the right to nominate who can subscribe for shares in the AIM listing of the JV company after meeting the requirements of any underwriter and our joint venture partner, Eden's shareholders at that time will be afforded a priority entitlement to apply for these shares.

This process is expected to occur over the next six to twelve months, depending upon stock market conditions.

EDEN ENERGY'S ONGOING FUTURE

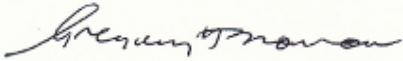
As a result of the changes proposed above, Eden Energy would retain a significant shareholding in two strategic, world-class, listed, alternative energy companies.

Eden in addition, will then have the ability to focus 100% of its energy and resources to fully developing its world-leading hydrogen technologies, particularly into the huge emerging Indian clean fuel market where the Company has already secured strategic alliances and development agreements with sector-leading Indian engineering, energy, marketing, manufacturing and distribution conglomerates.

TIMETABLE FOR RESTRUCTURING

Eden anticipates that, subject to market conditions, and any necessary ASX required shareholder approval being obtained, Eden's full restructuring program should be completed sometime during the second half of calendar 2008.

Further specific details of the corporate restructuring plan will be released to the market as they become available or as objectives are achieved.



Gregory H. Solomon
Executive Chairman