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Australian Stock Exchange Announcement

Eden Energy Ltd/Brehon Energy plc – Major Chinese Hydrogen Project

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Brehon Energy plc (Brehon) has entered into a Memorandum of Understanding (MOU) with four leading Chinese groups to establish in China a Project to replace 10,000 diesel buses in Beijing with very low emission Hythane® powered buses. These buses will burn Hythane®, a US patented mixture of hydrogen in natural gas, which Brehon acquired from Hydrogen Components Inc. in April 2004.

Tasman Resources NL (Tasman), through its subsidiary **Eden Energy Ltd** (Eden) is currently acquiring a 20% interest in Brehon and a 49% interest in Brehon Far East Pty Ltd, through which the Project will be under taken.

The Hythane® technology was developed by Frank Lynch, owner of Hydrogen Components Inc, starting in the 1980s. Since then it has been successfully demonstrated in Denver (Colorado) in 1991, Erie (Pennsylvania) in 1993, in Montreal (Quebec) in 1995, and Coachella Valley California in 2003. Hythane® involves the addition of a small percentage of hydrogen (usually about 7% by energy) to natural gas to create a highly efficient very low emission vehicle fuel. Hythane® reduces NOx emissions by 95%, relative to diesel and significantly reduces CO2. Hythane® technology builds upon existing Natural Gas (CNG) infrastructure and equipment, is fully developed, and available for immediate rollout.

The Project, which anticipates to be the first in a series to be undertaken in many major cities in China, will dramatically reduce atmospheric pollution and greenhouse gas emissions in Beijing. It will be the world's first rollout of hydrogen as a vehicle fuel on a major scale.

The other parties to the MOU comprise the following:

1. **China Association for Hydrogen Energy** (CAHE)
2. **China Electronic Engineering Design Institute** (CEEDI)
3. **Tsinghua University**, a leading Chinese university (Tsinghua)
4. **Shougang Technology Research Institute** (STRI). STRI is part of the giant Shougang Group of companies which includes Capital Steel Company, a major Chinese steel manufacturer which produces 8 million tonnes of steel per year and has

available as a by-product a large quantity of hydrogen. This hydrogen will be used in the blending of Hythane® for the bus Project.

The first stage, which is targeted to commence in three months, will be a pilot project to develop and test 25 buses using a variety of engines and developing the necessary infrastructure for the Project. Upon successful completion of the first stage which is expected to take approximately six months, the rest of the Project will be progressively undertaken on a timetable to be completed before the 2008 Olympic Games in Beijing, commencing with the second stage of 2000 buses.

The Project has the preliminary approval of the Energy and Transportation Division of the Chinese Ministry of Science and Technology and will seek certification under the Clean Development Mechanism (CDM) under the Kyoto Protocol. It is expected to generate substantial tradeable carbon credits from the huge reduction in greenhouse gas emissions by replacing 10,000 diesel buses with Hythane® buses operating seven days per week in Beijing. These carbon credits are anticipated to form a significant part of the funding package for the project which is aimed to be secured within the next three months. During this time the parties intend to finalize the full details of the Project and execute a formal contract.

This Project will represent the first major use of hydrogen as a vehicle fuel and heralds the start of the much trumpeted global transition to a hydrogen economy.

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