



## ASX Quarterly Report for Period Ended 30 June 2007

### HIGHLIGHTS

#### Hythane®

- **Eden entered a three-stage agreement with Indian-based Larsen & Toubro Ltd, a world ranked global engineering group, for manufacturing and marketing in India of Eden's entire range of hydrogen and Hythane® technologies.**
- **Research project into biomass-base Hythane production commenced.**

#### HyRadix Inc

- **Acquisition of 100% of leading US hydrogen production equipment manufacturer.**

#### South Wales – Coal Bed Methane (50% farm in joint venture)

- **CBM exploration drilling commenced.**

### Hydrogen and Hythane® (Eden 100%)

#### Hythane® Marketing

During the quarter ended 30<sup>th</sup> June 2007 (“the Quarter”) further significant progress was made in the marketing of Hythane®, with significant advances achieved in India.

#### 1. India - Eden signs with Larsen & Toubro Ltd

Eden Energy Ltd (Eden), through its wholly owned subsidiary, Eden Innovations Ltd, has entered into a three-stage agreement with the Indian based, world-ranked engineering group, Larsen & Toubro Ltd, for manufacturing and marketing in India of Eden's entire range of hydrogen and Hythane® technologies. The agreement covers the manufacturing and marketing in India of not only all the Hythane® equipment and technologies that Eden has been actively marketing in India during the past 30 months, but also the entire range of world-leading on-site hydrogen production equipment owned by HyRadix, the Chicago based company that Eden purchased two weeks ago.

#### *Larsen & Toubro Ltd*

Larsen & Toubro Ltd is a world leading major diversified global engineering group that employs over 22,000 people, operates in more than 25 countries, and has 26 separate plants and offices throughout India. It is listed on the Bombay Stock Exchange, has a market capital of over AUD\$15 Billion, and turns over more than AUD\$4 billion annually. It is globally recognised as having the

highest technical and professional standards, quality, reliability and integrity. As a result, its clients and customers include many of the world's largest and most successful companies.

Its various divisions include engineering and construction, heavy engineering, electrical and electronics manufacturing, machinery and industrial products, and technology services including product and manufacturing design and software.

### *The Agreement*

The agreement, which will result in the establishment of a joint venture in which each of Larsen & Toubro and Eden will hold a 50% interest, will be in three stages.

The first stage, which has commenced, includes the up-scaling by Larsen & Toubro of the HyRadix range of on-site hydrogen production equipment which is being marketed to supply hydrogen to the global industrial gas market and for use in the production of Hythane®, an ultra-low emission, high efficiency blend of Natural Gas and hydrogen, completion of a feasibility study and cashflow model and the finalisation of a formal contract which will incorporate the full terms of three stages. Eden has been marketing Hythane® in India for the past 30 months for use in both the public transport market (particularly Indian bus fleets) and the very large private power generation market.

The second stage, which is anticipated to commence around September 2007, will involve the manufacturing by Larsen & Toubro of two hydrogen reformers for use in two Indian Hythane® demonstration projects which are to be undertaken by Eden involving both public buses and power generators.

The third stage, planned for later in 2008, will result in the establishment of a 50/50 joint venture and will cover the on-going manufacturing by Larsen & Toubro of Eden's entire range of hydrogen and Hythane® equipment, together the marketing of this entire range of equipment into the Indian market.

### *The Indian Market*

India, with a population of more than 1.1 billion people and a current growth rate of more than 8% per annum, is arguably the best market in the world for Eden's expanded range of hydrogen and Hythane® products and technology.

India has a rapidly expanding industrial sector and many of these industries require hydrogen for various processes. These include glass production, food oil hydrogenation and metal annealing. For smaller users, at present the only source of hydrogen is by purchasing bottled hydrogen gas cylinders or tube trailers which are delivered by truck. However, this becomes very expensive if the source of the hydrogen is a long way from the customer, and the HyRadix skid-mounted on-site hydrogen reformers, which produce hydrogen from Natural Gas at the customer's plant, in many cases will be an effective way of securing a competitive, very reliable source of hydrogen. As Natural Gas becomes more widely available in India, this will open up a potentially large market for the HyRadix reformers.

Hythane® is relevant to both transport and power generation markets in India for several reasons.

Firstly, Natural Gas availability is rapidly increasing. The Indian Government recently announced that during the next five years it plans to facilitate the expansion of the Natural Gas pipeline network to make Natural Gas available to up to 50% of the population which will cover 60% of all vehicles in India, and to increase the availability of Natural Gas supplied from 5,000,000 tonnes to 25,000,000 tonnes per annum.

Secondly, the Indian Supreme Court since 2001 has mandated that a growing number of cities where Natural Gas is available must convert their public transport fleets (buses, taxis and autorickshaws) to

Natural Gas operation. This is aimed at reducing the very harmful levels of smog in these cities, up to 70% of which has been estimated to come from motor vehicles.

Thirdly, Natural Gas currently sells at approximately 40% less than the cost of diesel and this provides a great incentive for bus fleet operators and power generator operators to use Natural Gas as a fuel wherever it is available.

Fourthly, as Hythane® is a high efficiency premium blend of Natural Gas which halves emissions of NO<sub>x</sub> ( which causes photochemical smog) and additionally reduces CO and CO<sub>2</sub> compared with Natural Gas, the Indian government, through Indian Oil, has embarked on a programme at developing hydrogen and Hythane® as a fuel for vehicles in the Indian market.

#### *Importance of the Larsen & Toubro Agreement*

The directors of Eden consider that this agreement with Larsen & Toubro is of great significance as it will not only quickly help to produce a comprehensive range of low cost, high quality plant and equipment, but is also anticipated to assist Eden in its marketing of both its hydrogen and Hythane® products and technology into the huge Indian market.

#### *Eden's current Indian Marketing Progress*

Eden is working with Indian Oil to develop Indian Hythane® standards and regulations and is also actively marketing its technology throughout India. During the quarter, Eden conducted a one day seminar on this subject with Indian Oil, which was attended by nearly 70 people from many companies.

Eden has already entered into a 10 year agreement with Ashok Leyland to develop Hythane® versions of its Natural Gas bus engines. Ashok Leyland currently manufactures more than 11,000 buses per year, and provides the major share of all metro state transport buses in India which carry approximately 60 million passengers per day. It is also a major manufacturer of trucks. Two Ashok Leyland engines have already been sent to Colorado and preliminary Hythane® conversion results have produced extremely low levels of emissions. Further work is still underway, and it is hoped that the engines will be ready for return to India within the next 2-3 months. The engines will then be tested and used in various demonstration projects in India.

Eden has also entered into a second major agreement, with Gujarat State Petroleum Corporation (GSPC), to jointly demonstrate and promote Hythane® as a vehicle fuel. GSPC is a major state owned Indian Natural Gas producer, transporter and marketer, which distributes its gas in the state of Gujarat via its 2500 km pipeline network.

Eden has continuing negotiations with a number of other significant companies and bodies targeting not only the vehicle transport market, but also the generator, truck and locomotive markets.

## **2. USA**

### **US Hythane® Demonstration Projects**

Hythane Company LLC ("Hythane Co"), Eden Energy's wholly owned US subsidiary, is still awaiting final confirmation and start of funding from the US Department of Energy for the US\$2 million contract for a 2-3 year test programme involving two identical ICE natural gas engines running on Hythane® or hydrogen.

The company is still awaiting government-funding allocations for several Hythane® demonstration projects for cities in California and in the northeastern USA at least one of which it is hoped will be approved during the next quarter.

### **3. China**

China remains a major target market for Hythane® and Eden plans to re-enter the Chinese market during the next 12 months, after the Indian market is established and the equipment development and manufacture is progressed.

### **4. Europe**

Whilst various European parties have expressed interest for Hythane® demonstration projects, there have been no developments during the Quarter. Negotiations with various parties continue and it is hoped these talks will result in Hythane Co's participation in one or more demonstration projects in Europe during the next 12 months.

## **HyRadix Inc**

### *Acquisition*

During the Quarter, Eden acquired Chicago-based HyRadix Inc.

HyRadix is a world leader in providing proven, on-site hydrogen generation systems and supply solutions. Through their proprietary technology, they are meeting the global demand for lower-cost hydrogen.

The HyRadix product portfolio includes:

- the Aptus® product which is easily applied in industrial applications including float glass production, oils hydrogenation, metals treating, and electronics,
- the Adéo® product for refuelling hydrogen vehicles as well as vehicles using internal combustion engines operating on hydrogen or Hythane®, and
- the Agilon product, which produces a hydrogen rich stream for PEM fuel cells.

### *HyRadix – World Class Technical Team*

The HyRadix team is comprised of world-class scientists and engineers with expertise in the fields of chemical and mechanical engineering, controls and process integration, and gas separations. Together this team, averaging over 15 years of industry experience each, has developed world leading hydrogen generation systems and equipment, which they market globally.

### *Operating Systems*

HyRadix, and its predecessor company, spent more than US\$40 million over the past nine years developing its suite of strategic patents and products, all of which compliment perfectly the allied technologies and patents that Hythane Company, Eden's Colorado based subsidiary, has already developed.

HyRadix currently has its on-site hydrogen generating systems operating with customers in USA (at the SunLine Transit Agency in California, where the Hythane® bus trial was conducted), China and Malaysia for use in transport, oil hydrogenation and metal annealing. These hydrogen generation systems are ideally suited for integration with the Hythane® blender and other technology for on-site production and dispensing of Hythane®.

HyRadix has sales, distribution and service agreements with leading companies for Central Europe, Eastern Europe, and Malaysia. It is also at an advanced stage of negotiations with other companies for marketing its products in various other countries.

The HyRadix acquisition provides Eden with the immediate opportunity to supply a fully developed, complete Hythane® system which will now be marketed in India, US, China, Europe and elsewhere as an ultra-low emission, high efficiency blend of hydrogen and Natural Gas that is the ideal transitional fuel between the hydrocarbon economy and the future hydrogen economy.

When added to the very significant marketing progress that Hythane Company has made in India, US and China, the Eden Group of companies is extremely well placed to be able to rapidly the marketing of its combined range of products around the world.

#### **BioHythane – Research Project into biomass-based Hythane production (Eden 100% interest)**

Eden has entered a research agreement with Henan Agricultural University of Zheng Zhou, in the Henan province in north eastern China, to explore the use of biomass as a base ingredient for production of Hythane®.

The project will focus on researching opportunities to produce a suitable mixture of both hydrogen and methane gas naturally from biomass degradation for use as Hythane®. Methane has been produced for decades around the world from biomass decomposition. In sewage plants particularly, it has been commercially captured for internal electricity generation through a process known as anaerobic digestion. Hydrogen production by the same means has however been compromised by an inability to produce relatively pure hydrogen without significant contamination by the methane.

The research program will be headed by a Henan Associate Professor in biochemistry, Dr You Xi Feng, whose doctoral thesis concentrated on production of hydrogen from biomass.

#### **South Wales – Coalbed Methane/Coalmine Methane/Natural Gas (Eden earning 50%)**

Drilling commenced in late in April in UK Petroleum Exploration and Development Licence 100 (“PEDL100”) in South Wales. This is the first well in a programme of up to six wells (totalling approximately 3,500m) in PEDL100, which is located between the cities of Cardiff and Swansea. Three wells have been pre-collared and coring of Port Talbot 1 continues. The planned depth is 650m, with significant coal seams expected between 350m and 640m.

Eden is earning a 50% interest in Coal Bed Methane in the licence, which is held by Coastal Oil and Gas, a wholly owned subsidiary of UK Onshore Gas Group.

#### *Drilling Programme Objectives*

This program is intended to quantify the gas content and permeability of the coal.

The programme of drilling, gas content analysis and in situ permeability testwork is expected to run until late 2007, with preliminary results available within that period but final reporting not anticipated until towards the end of 2007 or early in 2008.

Drilling is being undertaken by a very experienced Irish drilling contractor, with programme supervision by highly experienced Australian and US consultants.

## *CBM BACKGROUND*

Coal Bed Methane is a clean-burning, low carbon, energy source which occurs naturally in coal and is well suited as fuel for the production of electricity, residential, industrial and commercial heating, and as a vehicle fuel.

CBM has made an enormous impact on gas supply worldwide over the last decade. In the USA, where its impact is probably greatest, it now contributes some 10% or more of total gas production. More locally in Australia, its impact in Queensland is also significant, where it is both replacing gas supply from dwindling conventional sandstone reservoirs, and fuelling new electric power generation plants.

CBM projects require five key parameters for success:

1. sufficient areal extent of the coal seams;
2. sufficient thickness of coal present;
3. abundant methane (and/or other hydrocarbon gases such as ethane) contained in the coals;
4. adequate permeability within the coals to permit the economic extraction of the gas; and,
5. favourable project economics.

### *UK Gas Market and CBM*

The United Kingdom is an attractive market for CBM projects. The region hosts favourable geology with a number of prospective coal basins, of which South Wales is possibly the most attractive. It has well developed infrastructure including gas pipelines already in place and the value of the methane is considerably higher than in countries such as USA or Australia. Recent years have seen natural gas prices in the UK regularly selling at between three to eight times greater than in Australia.

Energy supply security is a major strategic issue in the UK and Europe. The UK only has limited storage capacity for natural gas (only about two weeks worth of demand is stored at any one time) with most gas coming via Europe and potentially subject to international political issues which can affect both supply and price. Domestic gas projects are thus an attractive option in the UK.

### *Advantages of the South Wales CBM Project*

The South Wales Coalfields are a well-developed region of the UK. Natural Gas is a well-established fuel in the UK, which is now a net importer of hydrocarbons. The planned major high-pressure gas pipeline from the LNG terminal at Milford Haven in West Wales runs just to the north of the licence area. There is already an extensive gas pipeline infrastructure within the licence area.

Several large industrial plants (including a major steel works, a Rockwool insulation manufacturer and a paper mill) and a major industrial estate that are all potential customers for any gas or electricity produced are located above the underground coal seams in PEDL 100.

Geologically the South Wales region is very attractive for CBM, with available data pointing to large quantities of gassy coal seams at depths suitable for CBM project development.

### *South Wales Coal Basin Geology*

The South Wales coalfield extends over an area of about 1900km<sup>2</sup>. From 1850 onwards, coal mining expanded rapidly. By the late 1980s most mines had been closed because of excess depth to the seams, unsuitable quality or thickness, excess structural complications or for political reasons. There are very significant amounts of coal remaining in PEDL100, more than sufficient to underpin a number of CBM projects, despite the lengthy coal mining history.

The coal occurs in numerous individual seams of between 0.3m to 9m in thickness.

The Welsh coal rank varies from relatively low to anthracite with considerable variation across the coalfields. Coal is present from outcrop (both folded and faulted seams) and extends to depths of greater than 900m below surface.

The coals of PEDL100 range from Bituminous in the south through to Anthracite in the north. The main target for exploration will be the Bituminous coals. Many economic CBM developments have occurred around the world in Bituminous coals.

### *South Wales Coals – Gas Contents – Historically high gas contents*

Coalmines in South Wales have historically been very gassy mines, with a long record of explosions attesting to the high methane content of the coals. Modern gas content determinations from South Wales are very limited. Studies on mine drainage and from drill holes predict that CBM from virgin wells on PEDL100 is likely to consist of about 95% to 98% methane. The quantity and contents of gas in the coal is being tested in the current program.

### *South Wales Coals – Permeability – Only limited data available*

Permeability of the various coal seams is quite variable and is also being tested in the current drilling program.

Only very limited assessment of CBM potential has been conducted to date, since underground mining avoided high gas areas.

### *Possible Uses for Methane from South Wales*

Eden Energy Ltd is a diversified clean energy company. Eden owns and is marketing Hythane®, a low-emission hydrogen-methane fuel blend. Three possible uses for methane produced from South Wales CBM projects are:

1. sale as Natural Gas (if purity and energy content appropriate);
2. electricity generation; and,
3. conversion into Hythane® for use as low emission, high efficiency fuel.

## **Geothermal Exploration, South Australia (Eden 100%)**

Eden holds eight geothermal exploration licences in South Australia: GELs 166, 167, 168, 169, 175, 176, 177 and 185.

Preparations for drilling at Renmark, which is only approximately 50km to 100km from the nearest power lines, are progressing well and it is planned to drill this target in the last quarter of 2007. Permitting documentation is well advanced and a contractor has been selected and contract discussions are near finalisation.

Drilling at Witchellina has been postponed due to the drill becoming unavailable. A suitable mineral drilling rig to drill a test well at Witchellina to collect thermal gradient data and core for thermal conductivity measurements to enable heat flow estimates for the prospect has been identified. Activity approval paperwork is being prepared. It is hoped to complete the well before the end of the year.

## **South Australian Gas Project (Eden 100%)**

Negotiations with relevant Native Title parties were successfully completed. The agreement is awaiting completion of government review, with grant of the Petroleum Exploration licence is expected shortly thereafter.

It is hoped to drill the already identified Natural Gas target later in 2007, either in conjunction with a joint venture partner or alternatively as a wholly owned project of Eden's.

## **Corporate**

### **Appointment of New Directors**

Two very well credentialed non-executive directors have been appointed to the Board of Eden Energy Ltd - Richard Beresford and Andrew Leibovitch.

The extensive and highly relevant experience of both Richard and Andrew, as detailed in the summaries below, will provide a huge benefit to the Company as it pushes to rapidly expand all of its varied projects. These include the Hydrogen/Hythane® project which is rapidly expanding particularly in India, the Coal Bed Methane project in Wales where drilling will commence this week, the Geothermal Energy Project in Australia and the Natural Gas project in Australia.

A summary of the qualifications and experience of Richard and Andrew are detailed below;

#### *Richard Beresford*

Richard Beresford, an engineer by formal training, has 25 years experience in the international energy business spanning research, technology commercialisation, strategic planning, operations, business development, capital raising, acquisitions, marketing and general management.

This includes developing new business in the gas sector in Asia and Australia and advising the leading Hong Kong power utility on a planned LNG import project.

For five years he was with Woodside developing downstream gas business, including investments in technology innovators such as Ceramic Fuel Cells Limited. He became Director of Downstream Business Development in 1999 and Managing Director of Metasource, Woodside's green energy subsidiary in 2001.

Earlier he worked with British Gas in both the UK and Asia.

*Andrew Leibovitch*

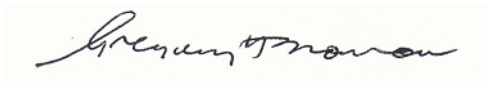
Andrew Leibovitch is a Chartered Accountant from the United Kingdom and has more than 20 years experience in corporate finance and the resources industry. Andrew has substantial experience in strategic planning, business development, acquisitions and mergers, gas commercialisation, project development and general management.

For nine years he was with Woodside performing a number of roles including strategic planning and developing and commercialising major gas projects. Andrew headed Woodside's Browse Gas Project seeking to commercialise over 20 trillion cubic feet of gas as a major LNG development. Andrew also headed Woodside's south eastern Australia gas business developing gas projects in the Otway and Bass Strait basins as well as interests in gas and electricity retailing in Victoria.

**Capital Raising**

Subsequent to the end of the Quarter, Eden completed a share placement to institutions and sophisticated investors of approximately 23,230,334 million ordinary shares to raise a total of A\$13.9382 million. The major institutional investors included Goldman Sachs from the UK and Macquarie Small Cap Fund from Australia.

It took the number of Eden ordinary shares on issue to 158,388,513, giving Eden a market capitalisation of approximately A\$130 million (fully diluted).



**Gregory H Solomon**

*Executive Chairman*

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

EDEN ENERGY LIMITED

ABN

58 109 200 900

Quarter ended ("current quarter")

30 JUNE 2007

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	148	205
1.2 Payments for (a) exploration and evaluation	(51)	(77)
(b) development		
(c) production		
(d) administration	(2,905)	(6,240)
1.3 Dividends received	0	0
1.4 Interest and other items of a similar nature received	53	227
1.5 Interest and other costs of finance paid	(4)	(10)
1.6 Income taxes paid – GST Paid	(14)	(72)
Income Taxes – GST Refunds Received	25	119
1.7 Other (provide details if material)- Research & Development –Hydrogen production	(332)	(457)
<b>Net Operating Cash Flows</b>	<b>(3,080)</b>	<b>(6,305)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	0	0
(b)equity investments	(923)	(1,190)
(c)other fixed assets	(79)	(367)
1.9 Proceeds from sale of: (a) prospects	0	0
(b)equity investments	0	0
(c) other fixed assets	0	0
1.10 Loans to other entities	0	0
1.11 Loans repaid by other entities	0	0
1.12 Other (provide details if material)	0	0
Cash acquired on acquisition of subsidiary	998	998
Loans repaid to associated entities	0	(267)
<b>Net investing cash flows</b>	<b>(4)</b>	<b>(826)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(3,084)</b>	<b>(7,131)</b>

1.13	Total operating and investing cash flows (brought forward)	(3,084)	(7,131)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	20	4,088
1.15	Proceeds from sale of forfeited shares	0	0
1.16	Proceeds from borrowings	0	0
1.17	Repayment of borrowings	(10)	(46)
1.18	Dividends paid	0	0
1.19	Other (provide details if material)		
	Option Agreement Payment	0	(135)
	Share Issue Costs	0	(238)
<b>Net financing cash flows</b>		10	3,669
<b>Net increase (decrease) in cash held</b>		(3,074)	(3,462)
1.20	Cash at beginning of quarter/year to date	6,542	6,930
1.21	Exchange rate adjustments to item 1.20	0	0
1.22	<b>Cash at end of quarter</b>	3,468	3,468

**Payments to directors of the entity and associates of the directors  
Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	185
1.24	Aggregate amount of loans to the parties included in item 1.10	0

1.25 **Explanation necessary for an understanding of the transactions**

Management Fees, as per agreement, were paid during the quarter to a company of which Mr GH Solomon and Mr DH Solomon are directors.  
Professional Fees and commissions were paid during the quarter to a company of which Mr GT Le Page is a director.  
Bona-fide reimbursement of expenses for the period to 30 June 2007  
Directors Fees and Superannuation paid during the period.

**Non-cash financing and investing activities**

2.1 **Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows**

Nil

2.2 **Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest.**

Not applicable

## Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	750
4.2 Development	
<b>Total</b>	<b>750</b>

Subsequent to end of quarter additional capital has been raised to fund part of this expenditure.

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	3,468	4,132
5.2 Deposits at call	0	0
5.3 Bank overdraft	0	0
5.4 Other (provide details)	0	0
<b>Total: cash at end of quarter (item 1.22)</b>	<b>3,468</b>	<b>4,132</b>

## Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			
	Geothermal Licences held in the name of <b>Eden Energy Ltd</b>			
	GEL 166	Licence granted	100%	100%
	GEL 167	Licence granted	100%	100%
	GEL 168	Licence granted	100%	100%
	GEL 169	Licence granted	100%	100%
	GEL 175	Licence granted	100%	100%
	GEL 176	Licence granted	100%	100%
	GEL 177	Licence granted	100%	100%
	GEL 185	Licence granted	100%	100%
	Outstanding Petroleum Exploration Licence Application in the Name of <b>Eden Energy Ltd</b> PELA 183			

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference +securities (description)			
	NOT APPLICABLE			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	135,158,179	84,825,341		
7.4	*Ordinary securities Changes during quarter (a) Increases through issues Options exercised (b) Decreases through returns of capital, buy-backs			
	1,000,000 99,757			

7.5	<b>+Convertible debt securities</b> <i>(description)</i>	NOT APPLICABLE			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b>	86,731,165 950,000 4,000,000 500,000 1,500,000 1,300,000 650,000	36,210,352 NIL NIL NIL NIL NIL NIL	<i>Exercise price</i> 20 cents 25 cents 20 cents 58.5 cents 70 cents 68.5 cents 68.5 cents	<i>Expiry date</i> 30 Sep 2009 30 Aug 2009 5 Jun 2009 5 April 2012 7May 2010 13 May 2010 15 May 2010
7.8	Issued during quarter	NIL	NIL		
7.9	Exercised during quarter	99,757	NIL		
7.10	Expired during quarter	NIL	NIL		
7.11	<b>Debentures</b> <i>(totals only)</i>	NOT APPLICABLE			
7.12	<b>Unsecured notes</b> <i>(totals only)</i>	NOT APPLICABLE			

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

RAYMOND FRANCIS BUSCALL – COMPANY SECRETARY

Date: 31 July 2007

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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