

ASX Quarterly Report for Period Ended 31st March 2009

HIGHLIGHTS

Corporate

- **Cash of A\$7.6m (plus other benefits) raised from sale of selected US hydrogen assets and UK coal seam methane assets.**
- **Relisted 27 February 2009.**

Hydrogen/Hythane Projects

India

- **First Hythane® bus demonstration project scheduled for late 2009 / early 2010 in Gujarat. Letter of Intent received from Gujarat State Petroleum for this project which will utilise the hydrogen reformer to be received as part of the sale of HyRadix.**
- **Hythane Co's OptiBlend low cost, low emissions diesel / Natural Gas dual fuel kit proposed to be trialled on a diesel generator in Mid 2009.**
- **Ashok Leyland formally announced the launch of its new Hythane engine with a press release on 26 March 2009.**
- **In January 2009, Hythane Company completed the building and installation for Indian Oil Corporation of the first public hydrogen/Hythane® station in Delhi, with all equipment having been installed and both hydrogen and Hythane® having been produced.**

USA

- **San Francisco Airport (SFO) Hythane Project**
- **Funding approved for 27 Hythane® fuelled vehicles**
- **Applications have been lodged for additional funding to enable Eden to develop a Hythane® station at San Francisco Airport, but some additional funding is required.**
- **Hythane Engine Certification – Hythane Company, in conjunction with BAF Technologies, anticipates obtaining CARB and EPA certification in April 2009 for the 2009 Ford E-450, which will be used for the SFO Hythane project. This will allow Hythane Co to sell and market a Hythane-fuelled vehicle commercially, and not be limited to use for demonstration projects only.**
- **US Stimulus Package - will provide \$300M for 20 to 30 grants for projects that expand the use of alternative fueled and advanced technology vehicles. Hythane is well positioned to take advantage of this funding.**
- **AB 118 – California Assembly Bill 118 authorizes the Energy Commission to provide approximately \$120 million annually as incentives for alternative and renewable low-carbon fuels projects.**
- **Hythane is specifically identified in this Bill as a technology that is expected as part of this funding.**

- **Negotiations are underway with various parties to secure a suitable site to test Eden's diesel / Natural Gas dual fuel kit on a generator in the United States.**

Australia

- **Eden and The University of Queensland, having taken out a provisional patent application on a new simplified method of producing liquid hydrocarbons and hydrogen from methane (natural gas), and having secured a \$500,000 Australian Research Council Grant to fund a significant portion of the 3 year project, entered into an agreement to develop this project.**
- **Eden has secured an agreement in principle with the University of Queensland ("UQ") for Eden to take a licence from UQ over its 50% interest in the patents and intellectual property developed by the joint projects, to enable Eden to progress its initial discussions with major overseas companies in relation to the up-scaling and commercialisation of this exciting technology.**

South Wales – Coal Bed Methane

- **Eden has completed the sale of a 45% interest (out of its 50% interest) in coal seam methane rights in four licences in South Wales. Eden retains a 5% interest in the CSM rights in these four licences (which contain a estimated resource of between 380- 650 billion cubic feet (bcf) of methane) plus a 50% interest in 14 other such licences in South Wales and UK, and a 50% interest in all deeper conventional oil / Natural Gas rights to all 18 licences.**

Geothermal Energy / Australian Natural Gas

- **Eden is examining strategies for spinning the geothermal / Australian Natural Gas assets out as a separate entity.**

DETAILS

Corporate

On 27 October 2008 Eden entered into a conditional agreement to sell the businesses of HyRadix, Eden Cryogenics and CTS to an Australian company. After some agreed changes, the contract was settled on 6 January 2009.

The final agreed terms are as follows:

1. **Assets Sold:** The assets sold were all the shares in Eden's two US subsidiary companies, Eden Cryogenics LLC, which has two operating businesses (Eden Cryogenics and Cryogenic Technical Services which manufacture cryogenic equipment and supply cryogenic design services) and Eden Hydrogen Inc which operates the business known as HyRadix which manufactures hydrogen reformers.

The Purchaser acquired the two companies including all assets (including intellectual property) of the three businesses of Eden Cryogenics, Cryogenic Technical Services and HyRadix, and assumed liability for the funding of these businesses from 27 October 2008, along with all then existing liabilities of these three businesses.

2. **Assets not Included in Sale:** The sale assets did not include:
 - (i) Any of the assets or liabilities of the Colorado based business known as Hythane Company, which Eden set up in 2004. All the assets and liabilities (including all existing contracts and intellectual property including patents and the Hythane® trademark) of this business have been transferred out of Eden Hydrogen Inc into a new US subsidiary company of Eden that is also called Hythane Company LLC, which Eden will retain.

- (ii) All shares in Eden's wholly owned Indian subsidiary, Eden Energy (India) Private Limited, together with all assets and liabilities of this subsidiary, are retained by Eden, and this company will continue to actively market the Hythane® and dual fuel technology in India.
- 3. **Price:** \$2 million (cash) to be paid by 6 monthly payments of \$150,000, the first of which payable 6 January 2009, with the balance of \$1.1 million to be paid by 31 July 2009.
- 4. **Other Benefits:**
 - (i) The Purchaser also agreed to supply to Eden and install in India, free of charge, the first HyRadix Aptus 100 hydrogen reformer which is currently being built in India and which is hoped to occur before the end of March 2009. This reformer is planned to be used by Hythane Company to supply hydrogen to the first Hythane® bus demonstration project in India which is now planned for some time around mid- 2009.
 - (ii) The Purchaser further agreed to supply to Eden any additional Aptus reformers required by Eden or its subsidiaries for a period of five (5) years (with a right to renew) commencing from Settlement at cost price plus 10%, provided that these reformers cannot be resold for production of hydrogen for industrial gas purposes.

Australian Hythane Licence: Hythane Company will grant to the Purchaser an exclusive non-assignable ten (10) year Australian licence (with a right to renew), on reasonable commercial terms (including reasonable periodic performance targets), to use the trade mark "Hythane" and Hythane Company's proprietary dual fuel and Hythane technology in Australia in consideration of Eden receiving a royalty of one percent (1%) of the gross revenues received by the Purchaser from the use of the technology.

As previously announced, on the 19th of December 2008, Eden entered into a conditional contract to sell portion of its Welsh Coal Bed Methane and Abandoned Mine Methane assets to a large, publicly listed, UK energy utility. The contract was settled on 27 February 2009 with the final settlement figure being \$5.8 million

The details of the transaction are:

- 1. **Assets Sold:** a 45% interest (out of Eden's original 50% farm in interest) in the Coal Bed Methane ("CBM") and Abandoned Mine Methane ("AMM") in the Westphalian Measures in South Wales on Petroleum Exploration and Development Licences ("PEDL") 100, 148, 149 and 218.
- 2. **Assets Retained:** This leaves Eden with a residual 5% interest in the CBM and the AMM on these four PEDLs, plus its full 50% interest all conventional oil, natural gas and shale gas in the older sequences on these four licences together with its full 50% interest (or right to earn a 50% interest) in both all CBM and AMM plus all conventional oil, natural gas and shale gas on the remaining 14 other PEDLs in South Wales, Bristol and Kent.
- 3. **Price:** A\$5.8 million.
- 4. **Additional Benefit:** a free carried interest in respect to the next 500,000 pounds (Sterling) of expenditure to be spent on CBM and AMM exploration on PEDL 100 by the purchaser (being equivalent to 25,000 pounds value in relation to Eden's remaining 5% interest).
- 5. **Conditions:** The contract was conditional upon the following conditions precedent being satisfied by 28 February 2009:
 - (i) Approval by relevant UK authority to sale and to creating a separate PEDL in respect to only CBM and AMM on PEDLs 100, 148, 149 and 218;

- (ii) The execution of Joint Operating Agreement and other associated agreements which have either been executed already or agreed in principle; and
- (iii) Approval by Eden shareholders in EGM. After reconsideration of the ASX listing rules, it is now considered that shareholder approval is not required because the sale asset is not Eden's main undertaking. Accordingly this condition is now likely to be waived.

Settlement Date: 7 days after the contract becomes unconditional. Eden will do what it reasonably can do to accelerate the settlement of this sale.

The outcome of these transactions is that Eden retained a significant part of all of its core assets plus raised approximately \$7.8 million to fund its significantly reduced cash flow requirements, without shareholders suffering any dilution.

Hydrogen and Hythane® (Eden 100%)

Work on building the US\$1.0 million hydrogen/Hythane® retail fuel outlet near Delhi, the capital of India, was completed in early January 2009. The hydrogen dispensing station comprising hydrogen production (5m³ of hydrogen per hour), compression, storage, blending (to make Hythane®) and dispensing equipment will be used to refuel a number of trial vehicles including buses, cars, trucks and three-wheel auto-rickshaws with either hydrogen or Hythane®. A formal opening of the station is planned for the second quarter of 2009.



First Indian Hythane® bus demonstration project

This project, which is intended to be a full commercial scale demonstration is scheduled to be operating by late 2009 / early 2010 in Gujarat. The project is intended to involve the following:

- Installation of a hydrogen reformer capable of producing 100nm³/ hour of hydrogen
- Compression, storage, blending and dispensing equipment for production and delivery of Hythane®
- Approximately 50 buses operating on Hythane®.

In January 2009, Gujarat State petroleum, Eden's proposed partner in this project and with whom a preliminary agreement was signed in 2007, issued to Eden a Letter of Intent to proceed with this project. Work is now underway preparing the engineering drawings in anticipation of the completion in the next month or so of the first Indian manufactured HyRadix reformer which will be supplied to Eden as part of the consideration for the sale of HyRadix, and be used to supply the required hydrogen.

Indian Diesel Dual Fuel Generator Project

During the quarter Eden made further progress with its Diesel Dual Fuel Generator Project. A dual fuel kit has been developed to enable the Indian manufactured 400kW Cummins diesel generator, which was earlier sent to the Hythane® Company's test facility in Colorado, to run on a combination of diesel and Hythane® or diesel and natural gas.

Encouraging preliminary results have been obtained which opens up a large potential market for dual fuel applications in India.

Pyrolysis Project (50/50 Joint Venture with The University of Queensland)

Eden has reached a preliminary agreement in principle with the University of Queensland ("UQ") for Eden to take a licence from UQ over its 50% interest in the patents and intellectual property developed by this project, to enable Eden to progress its initial discussions with major overseas companies in relation to the up-scaling and commercialisation of this exciting technology and has commenced discussions with a foreign corporation for a joint venture to develop this technology and scale it up with a view to then commercialising it.

New Gas to Liquids Research Project – The University of Queensland

Eden and The University of Queensland ("UQ") have taken out a provisional patent application on a new simplified method of producing liquid hydrocarbons and hydrogen from methane (natural gas), and have secured a \$500,000 Australian Research Council Grant to fund a significant portion of the 3year project. Preliminary indications are that the elegant new process has potential for production of both ethylene (which is used in the plastics industry as a major feedstock) and liquid motor vehicle fuel from natural gas, with highly encouraging economic potential particularly related to stranded natural gas fields in remote locations. A formal agreement to proceed with this project was entered into by Eden and UQ during the quarter.

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

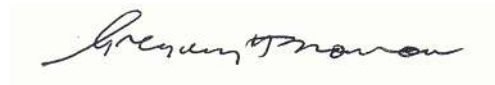
Eden retains a 5% interest in PEDL 100 and the three other licenses in which it sold a 45% interest in the CSM, and 50% in all natural gas and shale gas in all 18 licences and 50% in all CSM rights in the remaining 14 licences in Wales and the UK. Eden is examining alternative ways to make this investment self funding.

Geothermal Exploration, South Australia (Eden 100%)

Eden is examining strategies for spinning the geothermal / Australian Natural Gas assets out as a separate self funded entity.

South Australian Gas Play – Mulgaria Sub-basin (Eden 100%)

Petroleum Exploration Licence 183 was granted to Eden Energy for 5 years over 3982km² on 4 February 2008. No field work was carried out on this prospect during the quarter. Geological investigations to date, based on regional data, have provided positive indications of potential hydrocarbon source rocks in the area and at least one indication of gas in an offset well. These studies are ongoing. Eden is looking to either sell or joint venture this project.



Gregory H Solomon

Executive Chairman

About Eden Energy Limited

Eden Energy Ltd is a diversified clean energy company that listed on the Australian Securities Exchange in June 2006. Eden has interests in hydrogen production, storage & transport fuel systems, including the low emission Hythane hydrogen-methane blend, coal seam & abandoned mine methane in the UK, conventional gas in SA, low temperature pyrolysis research into hydrogen production and geothermal energy production.

All these aspects of Eden's business are part of an integrated strategy to become a major global participant in the alternate energy market, particularly focussing on the clean energy transport market, producing hydrogen without any carbon emissions, transporting the hydrogen to markets & providing the engines to power hydrogen-based transport & energy solutions.

For further information please contact Greg Solomon (+61 8 9282 5889) or visit our website (www.edenenergy.com.au)

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")

31 March 2009

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to Date (9 Months) \$A'000
1.1	Receipts from product sales and related debtors	26	4,142
1.2	Payments for (a) exploration and evaluation (b) development (c) production (d) administration (e) other (see note below)	(452)	(1,251)
1.3	Dividends received	(430)	(875)
1.4	Interest and other items of a similar nature received	(941)	(9,643)
1.5	Interest and other costs of finance paid	11	40
1.6	Income taxes paid		
1.7	Other (provide details if material)		
Net Operating Cash Flows		(1,786)	(7,587)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects (b)equity investments (c)other fixed assets	(8)	-
1.9	Proceeds from sale of: (a) prospects (b)equity investments (c) other fixed assets	5,733	5,733
		436	436
			28
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)	(662)	(662)
Net investing cash flows		5,499	5,394
1.13	Total operating and investing cash flows (carried forward)	3,713	(2,193)

Notes

1.2e Other - relates to payments to suppliers and employees by Eden's wholly owned subsidiaries; Eden Energy India Pvt Ltd and Hythane Co LLC are trading companies and these payments mainly consist of payments for cost of goods sold, inventory and overheads.

1.12 Other – relates to cash within subsidiaries that were sold during the period, Eden Hydrogen Inc and Eden Cryogenics LLC.

1.13	Total operating and investing cash flows (brought forward)	3,713	(2,193)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	(33)	(157)
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	(1,025)	1,452
1.17	Repayment of borrowings		(27)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	(1,058)	1,268
	Net increase (decrease) in cash held	2,655	(925)
1.20	Cash at beginning of quarter/year to date	997	4,323
1.21	Exchange rate adjustments to item 1.20	(4)	250
1.22	Cash at end of quarter	3,648	3,648

**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	345
1.24	Aggregate amount of loans to the parties included in item 1.10	-

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. (Higher than usual as none paid in the prior quarter)
Directors Fees paid during the period. (Higher than usual as none paid in the prior quarter)
Legal Fees were paid during the quarter to a firm of which Mr GH Solomon and Mr DH Solomon are partners.
Bona-fide reimbursement of expenses paid during the quarter.

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

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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.

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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	100
4.2	Development	
Total		100

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	3,648	997
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		3,648	997

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	GEL 177	Direct	100%	0%
6.2	Interests in mining tenements acquired or increased				

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 +Ordinary securities	180,441,339	180,441,339		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)	NOT APPLICABLE			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options	87,177,585 450,000 4,000,000 500,000 1,500,000 1,000,000 650,000 50,000 1,227,000 1,475,000 500,000	87,177,585 NIL NIL NIL NIL 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 31 cents 45 cents 68.5cents 38.5 cents	<i>Expiry date</i> 30 Sep 2009 30 Aug 2009 5 Jun 2009 5 April 2012 7 May 2010 13 May 2010 15 May 2010 25 March 2011 30 June 2011 13 May 2013 26 May 2013
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)	NOT APPLICABLE			
7.12 Unsecured notes (totals only)	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.

AARON PHILIP GATES
CHIEF FINANCIAL OFFICER / COMPANY SECRETARY
Date: 21 April 2009

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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