ACN 109 200 900

ASX Quarterly Report

for Period Ended 30th September 2008

HIGHLIGHTS

Corporate

- **On 11 August 2008 the Company signed a Letter of intent with Zoom Developers Private Ltd whereby Zoom agreed to provide with short-term working capital of A$5 million via a convertible note loan and providing for Zoom to enter into a series of joint development agreements across various Eden projects.**
- **On 24 September 2008, following a default by Zoom, the Company terminated the Letter of Intent with Zoom Developers Private Ltd, due to a breach of the terms of the Letter of Intent as Zoom failed to make the required payment. At that date Eden was placed into voluntary suspension whilst the directors sought alternatives for funding the company by either a capital raising and/or sale of asset/s. Immediately upon a funding arrangement being successfully negotiated, Eden will apply for quotation on the Australian Securities Exchange.**
- **Due to the current difficult economic environment, after assessing the priorities for the various hydrogen projects and their cash flow requirements, the directors on 27 October 2008 Eden entered into a conditional agreement to sell the businesses of HyRadix, Eden Cryogenics and CTS to a listed Australian public company for listed shares having a value of approximately $2 million. This agreement is conditional upon certain matters which must be satisfied by 30 November 2008. A further decision was taken to also seek to sell the South Wales and UK Coal Bed Methane Project. Whilst these businesses have great potential, this decision is intended to enable Eden to retain and focus on its core projects, being its Hythane® project in India and US and be funded for a reasonable period without shareholders having to suffer significant dilution.**

Hydrogen Projects

- **Indian Government committee approves use of Hythane® (20% hydrogen / 80% Natural Gas by volume) as a blend of Natural Gas for motor vehicle operation.**
- **Work on building the first public hydrogen dispensing station in India to supply fuel to motor vehicles running on either hydrogen or Hythane® is underway by Hythane Co and our technicians are currently in India completing the installation of the equipment. The station will be completed by the end of December 2008.**
- **Production, by Eden's manufacturing partner Larsen & Toubro, continued in India of the first five of HyRadix's APTUS 100 hydrogen reformers, that will be used in Indian Hythane® bus demonstration projects and for industrial gas applications. The first reformer is due for completion by early 2009. Under the conditional agreement for the sale of the businesses of HyRadix, Eden Cryogenics and CTS, the purchaser will deliver and install free of charge the first of these units to Eden's selected site.**

- **Despite some delays, further active progress on all Indian Hythane® and hydrogen projects continued, with a target date of mid 2009 now being set for the first Hythane® bus trials in Gujarat.**
- **Eden Hydrogen Inc., a U.S. subsidiary of Eden, was awarded funding to add Hythane® fueling capability to the existing hydrogen station at Los Angeles Airport (LAX) as part of a project to fuel a fleet of GMC pick-up trucks used as utility vehicles at the airport. The total cost of the project is $288,000, which is funded primarily by a grant from the Mobile Source Air Pollution Reduction Review Committee (MSRC), a Southern California agency that awards alternative fuel funding to clean transportation projects**

South Wales – Coal Bed Methane (Eden earning 50%)

- **Independent report estimates prospective recoverable coal seam methane (CSM) resources of between 380 PJ and 670 PJ (approximately 380Bcf to 670 Bcf in volumetric terms) in PEDL 100, with potential additional upside. This is based on initial drilling result from three exploration wells and existing coal borehole data.**
- **Further work to mature this prospective resource to a 3P Reserve level will greatly increase the value of this asset. Eden anticipates the work required will involve a review of existing British Coal data and the drilling and testing of possibly between 6-10 additional drillholes.**

Geothermal Energy

- **Eden, through its wholly owned subsidiary, Terratherma, was awarded 12 new geothermal exploration licences in August - GEL411 to GEL422, covering an area of 5976km^2 between Adelaide and Port Augusta in South Australia. This brings the total number of geothermal exploration licences held by Eden to 23. As a result, Eden currently holds the most geographically and technically diverse geothermal exploration portfolio in Australia. Eden intends to leverage its wide portfolio position by accelerating exploration/appraisal efforts for its most commercially promising plays in a rapidly evolving Australian geothermal industry.**
- **A comprehensive geothermal exploration plan through to end 2010 has been developed to high-grade the most promising geothermal plays and deliver "Inferred Geothermal Resources" under the new Geothermal Resources Code recently adopted by the Australian Geothermal Exploration Association as quickly as practical. Initial plans suggest the possibility of demonstrating up to five separate "Inferred Geothermal Resources" in Eden's Exploration Licence Areas by end 2010.**

DETAILS

Hydrogen and Hythane® (Eden 100%)

Hythane® is a premium blend of 93% Natural Gas and 7% hydrogen by energy (80 Natural Gas / 20% Hydrogen by volume). It increases engine efficiency by up to 10% and reduces emissions of oxides of nitrogen (NOx) and carbon monoxide (CO) by up to 50% compared with pure Natural Gas. NOx is the primary cause of photochemical smog and is a major contributor to lung cancer and respiratory ailments. CO is a highly poisonous gas.

Indian Committee Approves Hythane® as a Blend of Natural Gas for use in Motor Vehicles

The Standing Committee on Emission Regulation, under the Ministry of Shipping, Road Transport & Highways has approved the addition of up to 20% hydrogen to Compressed Natural Gas (CNG) for use in motor vehicles.

This opens the way for all the necessary approvals and licences for the use of Hythane® as a vehicle fuel to be issued, and for the licensing of Hythane® outlets to be approved.

When this new regulation is gazetted, India will become the first country in the world to approve the use of Hythane®, as Natural Gas, thereby taking a major step forward in promoting the use of clean and renewable energy in automobiles.

Eden Energy Ltd ("Eden") has been working with the Indian authorities for the past 15 months to achieve this approval and has been promoting the use of Hythane® in India for the past four years.

In addition to the work which Eden is undertaking, the Automotive Research Association of India, in conjunction with five leading engine manufacturers, is also working on developing a range of engines which will operate on Hythane®, thereby dramatically reducing the emissions of NOx (oxides of nitrogen) which produce photochemical smog and cause lung cancer and serious respiratory problems.

The approval of Hythane® as a vehicle fuel is part of the Indian Hydrogen roadmap, and is an important step in the eventual roll out of hydrogen as a clean fuel.

Natural Gas is anticipated to spread significantly as a motor vehicle fuel during the next few years as Natural Gas becomes far more widely available. There are several cities, including Delhi, Mumbai and Ahmedabad, where Natural Gas is already available as a vehicle fuel, and in the medium term it is planned significantly expand this to as many as 42 cities, and in the longer term to more than 230 cities as the availability of Natural Gas from both imported and domestic sources increases, and the pipeline network is extended across the country.

Hythane® Marketing

During the quarter continuing progress was made in the marketing of Hythane®, with more milestones achieved in India.

Indian Diesel Dual Fuel Generator Project
During the quarter Eden made significant 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 market for dual fuel applications in India.

The Potential Market for Dual Fuel Generators in India
Hundreds of thousands of diesel powered generators operate throughout India in most major commercial industrial and residential complexes. Many tens of thousands of these generators are large units (more than 400kW), many of which are operated for in excess of 6000 hours per year to produce base load power for the facilities. With the Indian price of natural gas being up to 60% cheaper than diesel fuel, very significant annual savings will be able to be obtained as these generators are converted to dual fuel operation as natural gas becomes more widely available throughout India. Natural gas availability is anticipated to rise from 5 million tonnes per annum to 25 million tonnes per annum during the next five years, and at the same time many thousands of kilometres of transnational pipelines and many city gas distribution networks which, are under construction or planned, are scheduled for completion during the same period to facilitate distribution of the natural gas to more than 500 million people.

It is not anticipated that private power production in India will be displaced in the short term, as it has been estimated that to meet projected growth, India will require more than 800 megawatts per week of additional electricity production capacity for the next 15 years, and it is most unlikely that it will be able to meet even a large part of this demand.

Hythane Company has completed its initial development work on the dual fuel generators, and plans are underway trial sites to demonstrate firstly the natural gas/diesel version, and later the Hythane®/

Eden will supply both the dual fuel kits (unless an arrangement with another dual fuel kit manufacturer is concluded) and the Hythane® production equipment and proposes to market the Hythane® dual fuel systems in conjunction with the generator manufacturers to their existing customers. With the substantial saving in the cost of producing electricity, Eden anticipates that its' sales of these products will increase rapidly as natural gas becomes more widely available over the next few years.

Indian Hythane Target Market Projections

Whilst there are still many contingencies and variables that are not yet certain, including the effects of the current market turmoil, Eden's progress enabled the Company to compile its initial target market projections for the Indian Hythane® market. These are now being reviewed. The rate of take up of the Hythane® and dual fuel technologies will depend on how the Indian market responds to the changes in oil and natural gas prices over the next 12 months.

THE KEY DRIVING FACTORS FOR THE INDIAN HYTHANE® MARKET.

Subject to a recession or significant slowdown hitting the Indian economy, there are a number of drivers considered likely for the Indian Hythane® market. These are as follows;

1. Environmental Concerns

As a rapidly industrialising nation, India faces huge environmental challenges, related not only to local air quality in its major cities, but also resulting from global climate change due to both potential increases in ocean levels and to reduction in the Himalayan icepack, which provides the water for many of India's major rivers, and much of its water supplies. The World Bank, in 2007, estimated that presently there are more than 500,000 people dying in India annually, as a result of air pollution.

Concern over the severe public health effects from poor air quality led the **Indian Supreme Court in 2001 to compel all public transport in Delhi to be converted to natural gas operation**, and to also **identify a further 12 cities which are required to develop and implement similar plans**. As a result of this change to natural gas, emission levels in Delhi went down, but now, with a huge increase in the number of vehicles, the high levels of air pollution have returned

2. Huge increase in motor vehicle numbers

India is experiencing a very rapid economic expansion which is accompanied by a huge increase in the number of motor vehicles. This is both **contributing to the increasing levels of air pollution, and also consuming ever larger amounts of expensive imported oil**. In Delhi alone, the number of new car registrations is reportedly currently running at more than 400 per day, and this trend is mirrored in cities all over the country.

3. Indian Hydrogen Roadmap

To address both the local air quality issue and also the longer term issue of global warming, the **Indian Government in 2007 established a hydrogen road map, in which it is targeting to have at least one million vehicles operating on hydrogen based fuels by 2020**. As part of this plan, the Government's initiatives include:-

3.1 Establishing a hydrogen dispensing station demonstration project at a prominent petrol/natural gas outlet in New Delhi. This project is aimed at supplying both pure hydrogen and blended Hythane®. The Hythane® Company, a wholly owned subsidiary of **Eden, has been awarded the tender to build this station, which is expected to be completed during the second half of 2008.**

3.2 The Government has also established the fund to develop Hythane® compatible engines with the automotive sector in the first public/private partnership in this technology area. This project aims at optimising the blends of hydrogen with natural gas for various engine types for optimal vehicle performance and minimal emissions.

3.3 As part of the hydrogen road map, the Indian Government contemplates the use of Hythane® as the transitional fuel, to bridge between hydrocarbons and hydrogen, by providing an immediate benefit by using hydrogen to enrich natural gas to optimise efficiency and minimise emissions from natural gas, whilst at the same time making pure hydrogen available for hydrogen powered fuel vehicles (both fuel cell and internal combustion) as they become available to the market. As India already has developed natural gas refuelling stations in several cities, and this number is anticipated to be expanded significantly with the rollout of natural gas across the country, this provides an economically viable strategy for developing the necessary infrastructure to support a future hydrogen market.

3.4 The appropriate committee has now approve the use of Natural Gas with up to 20% (by volume) hydrogen opening the way for all necessary approvals and licences to be sought to enable the rollout of Hythane® to begin.

4. Significant Increase in Supply of Available Natural Gas

India has a growing domestic supply of gas, particularly from significant offshore natural gas discoveries during the past few years and in addition has established facilities for importation of significant quantities of liquefied natural gas. On the other hand, India has very little domestic oil, and as a consequence is forced to import almost all of its rapidly expanding vehicle fuel requirements.

5. Natural Gas as Vehicle Fuel

Natural gas is already widely used in India as a vehicle fuel, particularly for buses, in the several cities that currently have natural gas available. It sells at approximately **40% cheaper than diesel** and with rapidly rising oil prices, this differential is likely to increase and make natural gas an even cheaper alternative fuel. The **Indian Government proposes to extend the use natural gas as a major fuel for motor vehicle and power generation applications**, and as part of this strategy, already several major cities, including Delhi and Ahmedabad have commenced building extensive Bus Rapid Transit systems, which will operate exclusively on natural gas. It is planned to progressively establish similar systems in over 50 cities.

6. Expansion of Natural Gas Pipeline Network

In order to deliver the gas, the Gas Authority of India, together with Reliance Industries Ltd, has commenced major programs to extend the Indian natural gas pipeline grid.

7. Expansion of City Gas Distribution Networks

As part of the strategy to make natural gas available throughout India, in addition to the expansion of the trans-national pipeline grid, natural gas distribution networks throughout major cities are also being constructed. The Gas Authority of India has itself developed, in conjunction with joint venture partners**, city gas distribution networks in 8 cities and is planning in the medium term a further 20 cities where it proposes to establish city gas distribution networks** and in the long term plans to develop city gas distribution networks in a total of 230 cities.

EDEN'S PROGRESS TO DATE

Within this highly favourable and emerging energy market environment, Eden, on its "first mover basis", has made significant progress during the past 3 years in marketing Hythane® in India. Highlights to date include:-

1. In March 2007, Eden entered into an **agreement with Gujarat State Petroleum** to promote Hythane® and to conduct a Hythane® bus demonstration in the state of Gujarat. This project has the support of the Gujarat State Government and is planned **to start by mid 2009**.

2. For the past 15 months, Eden has been working with **Ashok Leyland** pursuant to an agreement entered into in December 2006, **developing a Hythane® compatible bus engine.**

3. In May 2007, Eden entered into an agreement with **Larsen & Toubro,** a world class Indian engineering company, to **manufacture in India the HyRadix hydrogen reformers** which are produced by Eden's Chicago based wholly owned subsidiary HyRadix Inc. These reformers are now under construction and are **scheduled for delivery for 1Q 2009**.

4. In January 2008, Indian Oil Corporation, which is one of India's largest petroleum marketing groups, selected Hythane Company LLC, the wholly owned subsidiary of Eden Energy to supply and install the first public hydrogen dispensing station in India to supply fuel to motor vehicles running on either hydrogen or Hythane®.

   Work on the US$1.0 million hydrogen/Hythane® retail fuel outlet in the heart of Delhi, the capital of India, has now reached an advanced stage, and the equipment has been shipped to India from the USA, and the station is scheduled to be completed by the end of December 2008.

   The hydrogen dispensing station comprising hydrogen production ($5m^3$ 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®.

   Success with the hydrogen dispensing station will be a further springboard for the progressive commercial rollout across India, commencing in 2009, of what Eden anticipates will ultimately be thousands of hydrogen/Hythane® refuelling stations.

5. Eden has completed the development work on the dual fuel generator kits (see above) and anticipates a large emerging market for this product.

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

This project has identified that in addition to production of hydrogen and carbon powder and fibres (commonly known as Carbon Black), instead of producing carbon dioxide, under certain conditions, multi-walled and single-walled carbon nanotubes were produced together with hydrogen, and under other conditions, instead of causing the methane molecules to separate into carbon and hydrogen, the molecules amalgamated to form more complex liquid hydrocarbons, some of which could potentially be used in the production of plastics.

Carbon nanotubes have enormous tensile strength (several hundred times stronger than steel) as well as being exceptional conductors of electricity, and this process potentially opens up large markets for this carbon in both the structural materials markets and the electronics market.

Eden is exploring alternative ways to continue to develop and promote this new technology.

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

Award of 17 New Blocks

Eden Energy Ltd ("Eden") jointly with Coastal Oil and Gas Ltd and UK Methane Ltd, its Welsh coal seam methane partners, were successful in the recent 13th round of on-shore licensing conducted by the British government. Applications were made by the Joint Venture for 10 additional blocks surrounding their existing South Wales coal seam methane project, and Eden and its joint venture partner were successful in 8 of those applications. In addition, applications by the Joint Venture for five blocks in the South West of England covering an area of approximately 450km^2 of the coal fields, and for four blocks covering approximately 300km^2 of the Kent coal fields in Eastern England were also successful.

Prospective Resource Estimate

Following the recent completion of the first phase of exploration drilling in its South Wales Coal Seam Methane project, Eden Energy commissioned independent consultant, RISC Pty Ltd to provide an initial CSM resource estimate. This resource estimate is based on wellbore data from the 3 holes drilled to date in PEDL 100 (Aberavon-1, Llangeinor-1, Pencoed-1) and available regional data from 33 offset wells previously drilled by British Coal in the area around PEDL 100.

The RISC report indicates promising initial results, with estimated recoverable CSM resources of between 380 and 670 PJ (approximately 380 to 670 Bcf in volumetric terms) in PEDL 100. These resources are classified as Prospective Resources due to the usual uncertainties with limited data at this stage of appraisal. Further, the report concluded that the Westphalian coal characteristics appear comparable to those in some Queensland Permian CSM projects.

Further Potential Upside in CSM Resources in PEDL 100

RISC also notes potential upside to the above resource volumes as follows:

- Pencoed-1 did not reach planned terminal depth and therefore did not sample full potential of the area around this well. Deeper coals which were not reached are likely to have higher gas contents. This possible extra gas has not been included in the resource estimate.
- Permeability measurements are few due to unfavourable hole conditions. Some encouraging results have been obtained.
- Fault/fracture enhanced permeability is likely and this could greatly enhance connectivity of coal seams.

As mentioned above, significant further upside exists in the area around the Pencoed-1 well. The best quality coals are in the deeper coal sections, which were not penetrated in Pencoed-1 due to drilling difficulties. Additional prospective CSM resources in the order of 80PJ to 160 PJ might have been expected if Pencoed-1 was drilled to its planned terminal depth, assuming the equivalent coal seams were encountered as in the lower sections of Aberavon-1 and Llangeinor-1 wells. This will be tested in subsequent appraisal drilling.

Completion of Eden's PEDL 100 CSM Farm-in Obligations

With the completion of the three boreholes in PEDL 100, Eden has now discharged its farm-in obligations under the original farmin agreements with Costal Oil and Gas Limited to earn 50% in the CSM interests in the Westphalian coal seams in PEDL 100. Eden still has further work to complete its farmin obligation on PEDLs 148 and149, the two other licences that were in the subject of the original farmin agreement, shown in Figure 1, and to earn an interest in the deeper conventional natural gas targets in all three PEDLs. In aggregate, these PEDLs cover a combined area of 430 Km2, or more than 20% of the South Wales coal bearing basin.

Other Potential Resources

In addition to coal seam gas, there is a substantial opportunity for other unconventional gas resources, abandoned mine methane in the old mine shafts and conventional hydrocarbons in many of these new areas. Potential exists for Devonian-age shale gas and conventional hydrocarbons in sandstones located beneath the coal beds, similar to those existing in the Appalachian Trend in the United States of America, where major shale gas and Devonian-age sandstone and shale hosted natural gas deposits exist beneath the younger coal measures. It has been interpreted that the United States, the United Kingdom and Western Europe were combined at the time of deposition of both the Devonian-age sandstones and the younger coal measures, and if this interpretation proves correct, significant potential exists for conventional hydrocarbon deposits to be found in these sandstones and shales beneath the coal fields in South Wales and South Western England.

UK Gas Prices

At 30 September 2008 the weighted average of all trades for that day on the OCM platform for the UK Gas Price (NBP) was £0.6393 per therm, based on the weighted average of all trades for that day on the OCM platform (source www.apxgroup.com). Using an exchange rate of 0.3952, this is equivalent to AUD$15.34 per Gigajoule. Coupled with the very limited reserves of gas available in UK, the outlook for gas prices is very strong.

The combination of high UK gas prices, the fourfold increase, to over 1,800 km2, in the area over which Eden and its JV partner hold petroleum and coal seam methane licences in the UK, provides a very strong the base for the potential development of a significant gas company over the next 1 to 2 years. This adds significant potential value to Eden's CSM licences.

Geothermal Exploration, South Australia (Eden 100%)

Eden, through its wholly owned subsidiary, Terratherma, was awarded 12 new geothermal exploration licences in August - GEL411 to GEL422, covering an area of 5976km^2 between Adelaide and Port Augusta in South Australia. Eden holds now holds 23 geothermal exploration licences. The 11 previously held geothermal exploration licences include GELs 166, 167, 168, 169, 175, 176, 177, 185, 329 and 330 and one geothermal exploration licence in NSW, EL7090, located contiguous to GELs 175 and 176.

Geothermal activities during the quarter focussed on consolidating the technical understanding of Eden's permits with surveys and data acquired in the first half of 2008 and developing a robust business plan around Eden's geothermal exploration portfolio. Eden currently holds the most geographically and technically diverse geothermal exploration portfolio in Australia. The exploration portfolio contains a large number of high quality geothermal plays at various stages of maturity. These are grouped in four geographical areas of interest – Moomba (contiguous to Geodynamics' industry leading Habanero Project), Lake Torrens/Olympic Dam, Renmark/Riverland and Port Pirie.

As a result of this geographic spread, Eden is well positioned to take advantage of a variety of emerging commercialisation opportunities and critical future developments in the rapidly evolving Australian geothermal industry. A critical element for success will be expensive new power transmission infrastructure required to connect geothermally generated electricity to the National Electricity market (NEM). This new infrastructure will be driven by the more advanced geothermal projects, such as Geodynamics' Habanero Project or Petratherm's Paralana Project. Eden intends to leverage its wide portfolio position by monitoring industry developments and accelerating exploration/appraisal efforts in the most commercially promising areas, as opportunities evolve.

A comprehensive exploration activity plan through to end 2010 has been developed to high-grade the most promising geothermal plays and deliver "Inferred Geothermal Resources" as quickly as practical under the new Geothermal Resources Code recently adopted by the Australian Geothermal Exploration Association. Demonstrating "Inferred Geothermal Resources" will position Eden to attract quality joint venture partners for the more technically complex and expensive 'proof of concept' phases leading to full commercialisation and will allow it to qualify for Government funding programs to progress to deep drilling. Initial plans suggest up to five separate "Inferred Geothermal Resources" might be demonstrated in Eden's Exploration Licence Areas (three by end 2009 and two by end 2010) if the program can commence in Q4 2008.

A range of funding options are being considered to progress the geothermal exploration program as soon as possible.

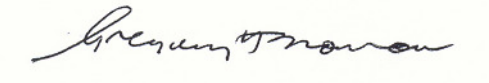
South Australian Gas Play – Mulgaria Sub-basin (Eden 100%)

The gas play area is located in PEL 183, 70km north of Roxby Downs and Olympic Dam.

PEL183 contains the Mulgaria Sub-basin, a geological feature newly recognised on Geoscience Australia (GA) seismic data collected in 2004. Review of gravity data by Eden suggests the sub-basin occupies an area of up to 120km long by up to 10km wide. Anticlinal structures highlighted by the seismic imaging correspond with magnetic units within the sediments, supporting the gravity interpretation – the largest has been named the "Arthur Hill Anticline".

The GA Seismic data was re-processed by Eden. "Bright spot" and "flat spot" anomalies are identified in seismic reflection data at the crest of the anticline and its north-eastern limb. The seismic features at the crest of the anticline could be indicative of potentially large gas accumulations. There is also the possibility that any gas on these structures may contain attractive amounts of helium, given the age and radiogenic character of the basement rocks in the region.

Petroleum Exploration Licence 183 was granted to Eden Energy for 5 years over 3982km^2 on 4 February 2008. No field work was carried out on this prospect during the quarter. However, desk top studies were initiated to scope drilling costs and to mature the gas play concept. 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.



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)

Rule 5.3

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 SEPTEMBER 2008

Consolidated statement of cash flows

		Current quarter $A'000	Year to Date (3 Months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	1,917	1,917
1.2	Payments for (a) exploration and evaluation	(540)	(540)
	(b) development		
	(c) production		
	(d) administration	(335)	(335)
	(e) other (see note below)	(4,463)	(4,463)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	23	23
1.5	Interest and other costs of finance paid	-	
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(3,398)	(3,398)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a)prospects		
	(b)equity investments	-	-
	(c)other fixed assets	(41)	(41)
1.9	Proceeds from sale of: (a) prospects		
	(b)equity investments		
	(c) other fixed assets	27	27
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	(14)	(14)
1.13	Total operating and investing cash flows (carried forward)	(3,412)	(3,412)

Notes

Other relates to payments to suppliers and employees by Eden's wholly owned subsidiaries; Eden Cryogenics and Eden Hydrogen. Eden Cryogenics and Eden Hydrogen are trading companies and these payments mainly consist of payments for cost of goods sold, inventory and overheads.

1.13	Total operating and investing cash flows (brought forward)	(3,412)	(3,412)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	(107)	(107)
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	(14)	(14)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	(121)	(121)
	Net increase (decrease) in cash held	(3,533)	(3,533)
1.20	Cash at beginning of quarter/year to date	4,323	4,323
1.21	Exchange rate adjustments to item 1.20	164	164
1.22	**Cash at end of quarter**	954	954

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	190
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.
Consulting Fees paid during the quarter to a company of which Mr A Leibovitch is a director.
Bona-fide reimbursement of expenses paid during the quarter.
Directors Fees and Superannuation paid during the period.
Commissions on placements paid during the quarter to a company of which Mr G T LePage is a director.

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

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.

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	200
4.2	Development	
	Total	**200**

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	954	4,323
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	954	4,323

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				

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**	87,177,585 950,000 4,000,000 500,000 1,500,000 1,300,000 650,000 1,227,000	87,177,585 NIL NIL NIL NIL NIL NIL NIL	*Exercise price* 20 cents 25 cents 20 cents 58.5 cents 70 cents 68.5 cents 68.5 cents 45 cents	*Expiry date* 30 Sep 2009 30 Aug 2009 5 Jun 2009 5 April 2012 7 May 2010 13 May 2010 15 May 2010 30 June 2011
7.8	Issued during quarter	NIL	NIL		
7.9	Exercised during quarter	NIL	NIL		
7.10	Expired during quarter	NIL	NIL		
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 / JOINT COMPANY SECRETARY
Date: 19 December 2008

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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