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# NEWS

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## **AUSTRALIAN COMPANY PAVES THE WAY FOR AN ENERGY REVOLUTION IN WALES**

Diversified Australian explorer, Eden Energy Limited (ASX: "EDE"), has opened the door for a new energy supply industry in the coal-rich valleys of South Wales (UK), with the announcement of the first-ever resource estimate from drilling for coal seam methane.

Perth-based Eden today announced a prospective recoverable resource estimate of 380-670 petajoules (equivalent to approximately 380 to 670 Bcf) of coal seam methane (CSM) from the Company's maiden drilling on its PEDL 100 licence area.

Eden has earned a 50% interest in PEDL 100 - a 237km<sup>2</sup> licence area representing less than a quarter of the highly prospective gas blocks held by the Company in South Wales.

The dedicated CSM drilling is the first by any company on the historic South Wales coal field that created one of Europe's richest historic coal supplies, powering Britain's industrial and maritime expansion through much of the 19<sup>th</sup> and 20<sup>th</sup> centuries.

"This initial estimate confirms what we have always suspected, that we are sitting on a major resource of coal seam methane at a time when prices for this commodity have never been so high," Eden Energy's Executive Chairman, Mr Greg Solomon, said today.

"The area is also exceptionally well located, with easy access to natural gas pipelines and an unprecedented appetite for natural gas in both the British and European markets."

The prospective resource estimate was produced by independent consultants, RISC Pty Ltd, based upon wellbore data from the three holes drilled by Eden to date, together with data from 33 offset wells previously drilled by British Coal in the same area.

"There is a lot of knowledge from previous data compiled by British Gas which suggests that the gas contained in coal deposits in South Wales is up to more than twice as gassy as that from any other coal fields in the UK," Mr Solomon said.

“We are immediately commencing a further review of the joint venture’s existing data from the vast British Coal mining database.

“This will be followed by drilling and testing of between six and 10 further drillholes, which should be completed within the next 6-12 months subject to rig availability. We expect this to bring the prospective resource up to a 1P/2P reserve, which will greatly increase its value.”

Mr Solomon noted that the prospective resource estimate announced today does not include potential gas from a deeper section of one of the three wells, where drilling issues had prevented access to prospective CSM resources estimated by analogy with other wells in the licence area at about 80-160 petajoules.

In May, Eden and its CSM partners, Coastal Oil and Gas Limited and UK Methane Limited, were jointly awarded 17 new licences covering approximately 1,400 km<sup>2</sup> – giving Eden a 50% interest in a more than 1,800 km<sup>2</sup> of UK licence areas containing CSM, conventional and unconventional gas targets.

Approximately 1,000 km<sup>2</sup> of Eden’s licence holdings are in the South Wales coal field – representing approximately 80% of the total awarded Petroleum Exploration and Development Licence area in this highly prospective CSM region.

Mr Solomon noted that the Eden resources outlined by the independent RISC Report are classified as Prospective Resources due to uncertainties with limited data at this early stage of appraisal.

The RISC Report also concluded that the coal characteristics appear comparable to those in some Queensland Permian CSM projects. The South Wales CSM also has a composition very similar to Australian pipeline gas, which suggests that only minimal processing will be required to produce a saleable product.

Mr Solomon said the potential for coal seam gas production from South Wales had seen several other companies apply for drilling leases in recent times with some of them expected to begin exploration this year.

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