
NEWS

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AUSTRALIA'S EDEN WINS MANUFACTURING

BACKING FOR HYDROGEN BUSINESS IN INDIA

An Australian company's ambition to develop a national hydrogen fuel and technology business for India's mainstream public transport and power generation sectors has been enhanced under a manufacturing agreement announced today.

ASX-listed Eden Energy Limited (ASX code "EDE") said today the agreement provided for a stepped process to ensure the Company's range of hydrogen based fuels and technologies were in full production in India by the end of next year.

The endorsement for the manufacturing pathway – Eden's first move into mainstream delivery of a commercial hydrogen product - has been signed with Mumbai-based and Bombay-listed world ranked engineering group, Larsen & Toubro Ltd.

It covers the staged scale-up and move to full production and marketing throughout India of Eden's entire range of hydrogen technologies, systems and Hythane® - a high efficiency, low emission hydrogen-natural gas fuel mixture.

Eden has been actively marketing Hythane® in India for 30 months and has several demonstration projects planned for later in 2007 and early 2008.

The technologies set for manufacture include on-site hydrogen generating systems developed by HyRadix Inc. – a Chicago, US based specialist acquired by Eden just two weeks ago. HyRadix systems have already been installed in California, China and Malaysia for use in transport, oil hydrogenation and metal annealing.

Terms of Agreement

The terms of the Eden-Larsen & Toubro agreement, to operate in the longer term under a 50:50 joint venture, cover:

Stage One: The up-scaling by Larsen & Toubro of the HyRadix range of on-site hydrogen production equipment, completion of a feasibility study and cashflow model and signing of formal JV contracts for all three stages

Stage Two: Anticipated to commence in three months, this stage includes the manufacture by Larsen & Toubro of two hydrogen reformers for use in two Indian Hythane® demonstration projects to be undertaken by Eden and involving both public buses and power generators.

Stage Three: Planned for late in 2008, this will cover the establishment of the formal 50:50 joint venture and the on-going manufacture by Larsen & Toubro of Eden's entire range of hydrogen and Hythane® equipment, as well as marketing initiatives across India.

The agreement is the third and most significant development for Eden in India in recent months. Eden is already working with one of India's largest energy groups to market Hythane® throughout the industrialised state of Gujarat.

The Australian company has also secured a 10-year agreement with India's large bus and heavy transport group, Ashok Leyland, to convert its natural gas bus engines to operate on Hythane®.

"The agreement is the catalyst we needed to convert the potential of our hydrogen technologies into commercial reality in a large-scale, targeted market," Eden's Executive Chairman, Mr Greg Solomon, said today.

"It links Eden and its future product output with a manufacturer of high integrity, world-class capability and capacity," Mr Solomon said.

"We have for the first time, a near-term production and marketing horizon able to deliver the rollout of much needed clean hydrogen technologies across India's heavily populated and industrialised areas and massive public transport fleets," he said.

"It is the last step in the process needed to move Eden from a single lane roadway opportunity into multi-lane freeway growth."

Mr Solomon said India, with a population of more than 1.1 billion people and a current GDP growth rate of more than 8% per annum, was the best market in the world for Eden's hydrogen and Hythane® products and technology.

"The country has a rapidly expanding industrial sector and many of these industries require hydrogen for various processes. Under the commitments covered in today's agreement, Eden can now deliver hydrogen to the door of these customers, regardless of location difficulties."

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