



Eden Energy Ltd

ACN 109 200 900

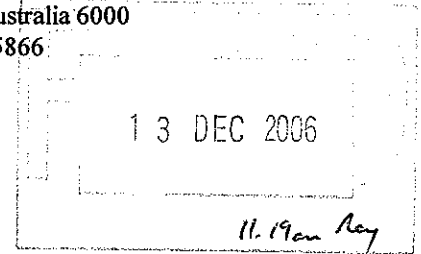
Level 40, Exchange Plaza, 2 The Esplanade, Perth, Western Australia 6000

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13 December 2006

Ms Jill Hewitt
Adviser Issuer, Perth
Australian Stock Exchange
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000



By facsimile: 9221 2020

Dear Ms Hewitt

EDEN ENERGY LTD ("the Company") – PRICE QUERY

We refer to your letter of 13 December 2006 and in relation to each of the questions respond as follows:-

1. **Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?**

The Company is in the final stages of concluding a technical and marketing agreement with a major Indian bus manufacturer, as previously foreshadowed in announcements on 31 October 2006 (Quarterly Report) and also on 27 November 2006, in relation to both demonstrating and marketing Hythane® powered buses in what is anticipated to be a very large and rapidly expanding Natural Gas bus market in India. However, to date no agreement has yet been finally concluded.

2. **If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?**

No announcement can be made unless and until the agreement under negotiation is concluded. Whilst we cannot be certain, we are hopeful that this will occur within the next 1-2 days.

3. **Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?**

The Chairman of the Company made a series of presentations to various stock brokers and institutions in Sydney on the 6th and 7th of December 2006 detailing all of the assets in the Company's asset portfolio, including the Indian Hythane Project as previously reported, and it is anticipated that a broader market awareness of the potential value of the Company's assets and projects has contributed to the increase in both the price and volume in the securities of the Company.

4. The Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Yours faithfully

Raymond F. Buscall
Company Secretary



13 December 2006

Mr R Buscall
Company Secretary
Eden Energy Limited
Level 40, 2 The Esplanade
PERTH WA 6000

Facsimile: 9282 5866

Dear Raymond

PRICE AND VOLUME QUERY

We have noted a change in the price of the Company's securities from 27.5 cents on 8 December 2006 to an intra day high of 42 cents today. ASX also notes the higher volumes of securities being traded.

In light of the price and volume change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?
2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 12.30pm WDST on Wednesday 13 December 2006.

The response must be in a form suitable for release to the market. If you have any concern about release of a response, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and the guidance note titled "Trading halts" we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours faithfully,



Jill Hewitt
Issuers Adviser (Perth)