



AUSTRALIAN SECURITIES EXCHANGE

ANNOUNCEMENT

7 December 2011

Eden to Secure First Large US OptiBlend[®] Order

Hythane Company, the wholly-owned US subsidiary of Eden Energy, has been advised by an international drilling company that operates a large fleet of drill rigs in a number of counties including Australia, that it should receive within the next week an initial order for 12 OptiBlend[®] dual fuel units for use in land-based drilling operations, particularly in the oil and gas industry and including the large US shale gas market. Follow-up orders are planned once the initial 12 units are installed.

This order, which will be worth approximately US\$300,000, will be the first order for multiple units to be received by Hythane Company, although Eden India has previously received multiple-unit orders.

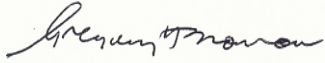
A typical drilling rig has 4 engines, and therefore requires 4 OptiBlend[®] units per drilling rig. Given the thousands of operational and yet-to-be-deployed rigs, Hythane Company is only now starting to realise its potential in this market. Most importantly, Hythane Company considers it to be better positioned than the competition to take advantage of this market due to the superior performance of the OptiBlend[®] as compared to the other dual fuel systems.

OptiBlend[®], developed for Eden Energy by Hythane Company, is considered to offer superior performance in dual fuel technology. Based on feedback from multiple oilfield and drilling customers, the OptiBlend[®] system outperforms competitors' dual fuel systems by providing faster response times through more accurate computer control and superior componentry. In fact, in dedicated performance tests, on at least one occasion the OptiBlend[®] system actually improved the response time over that of the engine running 100% diesel.

Engine performance is especially crucial in the oilfields because of the large variances in load demand, as well as the criticality of continuous drilling. Given the large revenue generated by drilling companies, high reliability and superior performance are essential from the drilling equipment. These requirements make oilfield drill rigs an excellent application for the OptiBlend[®], which is underscored by recent demand. Most importantly, where lower cost natural gas can be sourced, using dual fuel greatly reduces operating expenses for drilling companies, adding to the appeal of OptiBlend[®].

The recent dramatic increase in North American drilling, particularly for shale gas drilling, has opened up a very large market for dual fuel. Research has recently estimated the 2011 worth of the global shale gas market as \$26 billion. Having now proven itself in this competitive market, OptiBlend[®] has opened the way for many further opportunities for this product in the drilling markets in both North America as well as elsewhere around the world.

As a result, Eden is further encouraged that the increasing OptiBlend[®] sales in the US, together with the growing demand for its nano-carbon products, will enable Hythane Company to achieve financial self-sufficiency during the next 12 months, in the same way that Eden India has been largely able to through its Indian OptiBlend[®] sales over the past 12 months.

A handwritten signature in black ink, appearing to read "Gregory H. Solomon", is centered on a light yellow rectangular background.

Gregory H Solomon
Executive Chairman