

## Appendix 5B

### Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

EDEN ENERGY LTD

ABN

58 109 200 900

Quarter ended ("current quarter")

31 December 2010

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to December (6 months) \$A'000
1.1 Receipts from product sales and related debtors	18	25
1.2 Payments for (a) exploration & evaluation	(69)	(169)
(b) development	-	-
(c) production	-	-
(d) administration	(189)	(409)
(e) other (see note below)	(710)	(1,339)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	17	25
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (see note below)	-	212
<b>Net Operating Cash Flows</b>	<b>(933)</b>	<b>(1,655)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(1)	(6)
1.9 Proceeds from sale of: (a) prospects	700	700
(b) equity investments	-	200
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>699</b>	<b>894</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(234)</b>	<b>(761)</b>

#### Notes

1.2e Other - mainly relates to payments to suppliers and employees by Eden's wholly owned subsidiaries; Eden Energy India Pvt Ltd and Hythane Co LLC which are trading companies and these payments mainly consist of payments for cost of goods sold, research & development, inventory and overheads. It also includes non-administrative legal fees.

1.7 - Mainly relates to R&D Tax Rebates received by the company

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1.13	Total operating and investing cash flows (brought forward)	(234)	(761)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	(21)	1,275
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
<b>Net financing cash flows</b>		(21)	1,275
<b>Net increase (decrease) in cash held</b>		(255)	514
1.20	Cash at beginning of quarter/year to date	1,775	1,046
1.21	Exchange rate adjustments to item 1.20	(15)	(55)
1.22	<b>Cash at end of quarter</b>	<b>1,505</b>	<b>1,505</b>

**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	183
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.  
Directors Fees paid during the period.  
Reimbursement of bona-fide expenses.  
Legal Fees were paid during the quarter to a firm of which Mr GH Solomon and Mr DH Solomon are partners.

**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

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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

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### Financing facilities available

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	70
4.2 Development	-
4.3 Production	-
4.4 Administration	180
4.5 Other (see note below)	450
<b>Total</b>	<b>700</b>

#### Notes

4.5 Other - mainly relates to payments to suppliers and employees by Eden's wholly owned subsidiaries; Eden Energy India Pvt Ltd and Hythane Co LLC which are trading companies and these payments mainly consist of payments for cost of goods sold, research & development, inventory and overheads.

### 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	1,505	1,775
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,505</b>	<b>1,775</b>

### 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			

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**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 <b>Preference + securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	213,989,654	213,989,654		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	25,930,000 770,000	25,930,000 770,000	5 cents 5 cents	5 cents 5 cents
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	NOT APPLICABLE			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	50,000 1,425,000 1,227,000 886,764 5,000,000 500,000 310,000 4,000,000 310,000 500,000	NIL NIL NIL NIL NIL NIL NIL NIL NIL NIL	<i>Exercise price</i> 31 cents 68.5 cents 45 cents 20 cents 10 cents 58.5 cents 20 cents 10.625 cents 20 cents 38.5 cents	<i>Expiry date</i> 15 March 2011 15 May 2011 30 June 2011 30 Nov 2011 31 Dec 2011 5 April 2012 14 May 2012 20 Nov 2012 14 May 2013 26 May 2013
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>	NOT APPLICABLE			
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	NOT APPLICABLE			

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## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

  
(Company secretary)

Date: 27 January 2011

Print name: Aaron Gates

## 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.

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