

ASX Quarterly Report

For the Period Ended 30 September 2011

HIGHLIGHTS

Pyrolysis Project - Carbon Nanotubes/ Carbon Fibres/ Hydrogen

- First Carbon Nanotubes Production from Commercial Scale Reactor
- Carbon Impregnated Concrete Mixture Testing commencing by both Industry and Academic Research Groups
- High Strength Concrete Tests - compressive strength increased by up to 10%
- Lower Strength Concrete Mixtures (M20 and M30) - testing to investigate transport and ductility properties of concrete to begin.
- Testing of Tyre Rubber Compound containing nano-carbon materials nearing completion.
- Fully Operating Catalyst Production System - can deliver sufficient catalyst to produce 3 to 4 tpa of carbon nanotubes or 20 to 30 tpa of carbon nanofibres.
- Conductive Paint Study - using Eden's carbon nanotubes produced extremely favourable results confirming potential for Electrostatic Discharge (ESD) and possibly Electromagnetic and Radio Frequency Interference (EMI and RFI) applications
- Positive Epoxy Composite Test Results - confirm suitability of Eden's carbon nanotubes for ESD applications utilizing epoxy as a matrix material.
- Carbon Nanotube and Nanofibre Samples - provided or sold for testing in different industries including for batteries, and electronic paper

Optiblend® Dual Fuel Project

- Released Next-Generation OptiBlend® kit offering aesthetic and maintenance improvements that will benefit both Hythane and its end users
- Sales interest in India and USA is increasing

UK Gas Project

- Eden purchased the 45% interest (out of Eden's original 50% farm in interest) in the Coal Bed Methane ("CBM") and Abandoned Mine Methane ("AMM") in the Westphalian Measures in South Wales on Petroleum Exploration and Development Licences ("PEDL") 100, 148, 149 and 218, plus 100% of three other PEDLs for £250,000.
- Eden formed a new 100% subsidiary, Adamo Energy Ltd ("Adamo") which it proposes to use to spin-out its wholly owned UK coal seam methane/shale gas subsidiary when market conditions are suitable.

Corporate

- Eden completed a share placement to sophisticated and professional investors raising A\$0.39 million.
- Subsequent to the end of the quarter the claim made against Eden by Omni Laboratories Inc ("Omni") and Eden's counterclaim was settled.

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CARBON, HYDROGEN, DUAL FUEL and HYTHANE® PROJECTS

1 Pyrolysis Project (Eden 100%)

Production of Carbon Nanotubes/Carbon Fibres/ Hydrogen

Scale-up in the United States

Since July 2010 when staff from Eden's wholly owned subsidiary, Hythane Company visited the University of Queensland (UQ) to complete the procurement of the technology from UQ, Hythane Company has built and successfully operated the first scaled up equipment. It also built a catalyst production laboratory in the US for production of multi-walled carbon nanotubes (MWCNT) and carbon nanofibres (CNF).

This first unit, although still small, had an output capacity approximately 25 times larger than the original laboratory scale unit that was used at UQ. This was successfully trialled and produced hydrogen and either MWCNT or CNF on a batch basis, with stable, production levels for both forms of carbon being achieved.

The quality and quantity of the MWCNT and CNF were measured and tested using high technology techniques including TEM (Transmission Electron Microscope) photography and Raman Spectroscopy and the results to date of both the quality and the quantity of all carbon products, are very encouraging.

First Small-Scale Prototype Production Unit Completed in US in 2010

Following the initial scale up in US, Hythane Company then completed late in 2010, the design and manufacture of its first, larger prototype production unit with a capacity to produce up to 10 tonnes of carbon fibre per annum or up to 3 tonnes per annum of MWCNT. This unit has been successfully operating utilizing catalysts produced by Hythane Company. and the carbon nanofibres and the carbon nanotubes that have been produced have been analysed, samples sent for commercial assessment and testing, and initial sales of both the carbon nanofibres and nanotubes have been made.

Carbon Production Facility

During the last quarter, a fully self-contained carbon clean room with an industrial air handling system has been constructed in Denver to ensure a safe working environment in which all carbon production is carried out in a specially constructed clean room.

Further Optimisation of Catalyst Production and Carbon and Hydrogen Production

During the quarter, the pilot-scale catalyst production system was updated with automated controls and other improvements for collecting the product, and a scaled-up catalyst production system to meet expected future carbon production requirements is nearing completion.

Eden also continued optimization of the carbon nanomaterial production process. Current carbon: catalyst yields being achieved are 35:1 for carbon nanotubes and approximately 300:1 for carbon nanofibres, both of which will deliver the purity of carbon required by the marketplace.

First Commercial Scale Prototype Production Unit

A further upscaling programme was then undertaken and two reactors (a 24" diameter reactor and a 36" diameter reactor) have been assembled. The 24" reactor is in operation, producing far larger quantities of both carbon nanotubes and carbon nanofibres than previously. The 36" reactor is nearing operational status. These reactors can be remotely monitored, and incorporate a range of monitors including a pressure monitor and a flammable gas detector.

The units are modular and several reactors will be integrated to produce large-scale future production models. The present units are anticipated together to be capable of producing up to 100 tonnes of carbon nanofibres and 33 tonnes of hydrogen per year. The actual production capability of each unit will be determined in trials over the next two-three months. These trials produce carbon that can be stockpiled, used for research or sold.

Full Scale Commercial Production Unit Targeted for mid-2012

After the two prototype commercial scale production units have been installed and successfully trialled, and subject to Eden having been able to develop a market capable of absorbing the quantity of carbon that it will be able to produce, a full scale commercial production unit, which will be a scaled up version of the prototypes currently being installed, will be built for trailing. The actual size of this unit has not yet been determined. Hythane Company plans to be able to complete the manufacture of this unit by approximately mid-2012, after which time it is planned to commence commercial deployment provided a suitable market for the carbon that will be produced, is available.

Market progress

Initial progress has been made in establishing markets for the carbon products. Eden's objective is to develop bulk scale markets that can utilise the very large quantities of the nano-carbon products that the Company anticipates that it will be able to produce. Eden's efforts are presently primarily focussed on exploring and developing uses of the carbon as additives in concrete, plastics and composite materials and in rubber. The major challenge with all of these applications is to develop methods to evenly disperse the carbon in the particular matrix.

Concrete

The Company achieved encouraging initial results in trials in the US, showing that the addition of CNF equal to 0.1% (by weight) of the amount of the cement in concrete can increase compressive strength by up to 19% without affecting the flexural strength of the concrete. This potential improvement in compressive strength would be relevant to all grades of concrete.

Several leading Indian concrete manufacturers have expressed interest in testing the Company's CNF as an additive to concrete to increase its performance. This is hoped to open up a significant opportunity for CNF in the enormous Indian concrete market.

The Company is now conducting a wide range of further tests of the CNF-enhanced concrete to further endeavour to achieve repeatable results and to optimise the compressive strength benefits as well as to also test the effect on a number of other properties of the concrete, that are relevant to specific applications such as:

- High strength concrete used in the construction of bridges, flyovers and high rise buildings, and
- Ultra-hard concrete for use in high impact applications.

Further, both a major international concrete company and an Australian university are also testing Eden's CNF and MWCNT in concrete applications.

If suitable, and repeatable results can be achieved with concrete to produce a commercial advantage, a very large quantity of carbon nano-materials is anticipated to be able to be marketed in many countries for this use.

Plastics and Epoxies

Eden has also tested, at the Hythane Company's laboratory in Colorado, USA, the effects of compounding CNT and CNF with various forms of plastics and epoxy materials (epoxy resin, polyester resin, etc) with a view to testing the effect of the addition of CNT and CNF to plastic on the strength, electrical and thermal conductivity of plastic. This work has produced very encouraging results.

Eden is currently able to achieve a volume resistivity in these materials of approximately 10^5 to 10^7 Ohm*m, which puts these materials well within the range of use for electrostatic discharge (ESD) applications. This opens up growing markets for the compound such as for use as a coating on a range of electrical products and components.

Eden worked to optimise the compounding process, as well as the carbon loading amount, to maximise electrical conductivity of these normally insulating materials while maintaining the physical properties as closely as possible to that of the neat resins.

Currently several companies are trialling Eden's carbon products in plastics, epoxies and coatings for various applications.

Rubber

During the Quarter, the Company arranged for the external testing of the effect that the substitution of CNT and CNF for carbon black in rubber, will have on the tensile strength and strain density of the rubber (and its potential to result in lighter, longer life tyres). Carbon black, or amorphous carbon, comprises up to 33% of the weight of rubber tyres and adds strength and aids in the dissipation of heat. CNT and CNF were anticipated to increase the durability of the rubber, increase the heat dissipation and at the same time significantly reduce the weight of the tyres. As at the date of this report, Eden is still awaiting the results from these trials.

Batteries and Electrical Applications

Eden continues to sell its carbon nanomaterial into a range of markets related to electrical applications. In the past quarter, Eden has seen repeat sales for testing in various battery applications. The nanomaterials provide increased capacity for charge and increased power output for the batteries. Battery companies are reporting substantial benefits using the Eden nanomaterials. Eden also recorded sales this quarter for its nanomaterial in conductive applications, such as conductive paper.

As with the concrete applications, Eden is working with plastics companies to demonstrate the advantages of the nanomaterials in plastics. By proving its material with independent companies, the results provide an unbiased confidence in the widespread successful applications of the nanomaterials. Initial results have been very encouraging, with more detailed results expected over the coming months. Eden is also developing similar relationships with a number of battery companies, which will provide the same unbiased feedback of the benefit of the nanomaterials in various types of batteries

Timetable

The commercial scale prototype development is now planned to be completed by early 2012, after which Eden projects that, subject to satisfactory resolution of any technical difficulties that may arise, it will have both a catalyst production capability and a fully developed pyrolysis

production technology that together will enable Eden to produce and market commercial quantities of high quality, low cost hydrogen and carbon nanotubes and/or carbon fibres.

Summary

Eden is well on the way to developing an efficient, commercially competitive process that will enable Eden to produce and market the carbon itself, or else licence others to use its technology.

Additionally, the only other major by-product from Eden's pyrolysis process is hydrogen, the real cost of which will be dependent upon the value of the carbon produced. The quantity of hydrogen produced will be 33.33% (by weight) of the quantity of carbon produced and this hydrogen can be either captured and fed into the various hydrogen/Hythane® applications that Eden has been developing around the world, with the intention of accelerating the commercial rollout of these downstream hydrogen applications based on the prospect of relatively low cost hydrogen, or alternatively it can be used to help fuel the pyrolysis reactor.

The current cost of hydrogen is one of the major factors holding back a broader rollout of hydrogen technology. Of further interest, the hydrogen produced using the Eden pyrolysis process will generate relatively only a very small amount of greenhouse gas as a by-product of the production process compared with most other currently available methods of hydrogen production, and in consequence it is projected that the hydrogen will be both commercially competitive and environmentally preferable.

Pyrolysis Background

Through the pyrolysis process that has been developed, methane (natural gas) is broken down into its atomic constituents of hydrogen gas and solid carbon, without the production of carbon dioxide. In the Eden process, the solid carbon is produced as either carbon fibres or carbon nanotubes that have a tensile strength of up to several hundred times greater than that of steel.

The new process, developed by Eden with the University of Queensland (UQ) and which Eden now owns 100%:

- appears from the results to date to be relatively efficient when compared with other methods of production of carbon nanotubes and fibres and uses only a relatively low level of energy and lower cost capital equipment compared with most other published methods;
- employs relatively low cost catalysts (no precious metals are used in the catalysts);
- has a low carbon footprint; and
- produces only hydrogen together with either carbon nanotubes or solid carbon fibres from natural gas, all of which have significant commercial market potential opening up the possibility of:
 - i. reasonably low-cost, super strong, highly conductive, ultra light carbon nanotubes that can possibly be used in a wide range of composite materials suitable for many types of commercial applications including the domestic automobile industry and construction industries in concrete strengthening and in carbon composite materials;
 - ii. low-cost, high volume production of high strength carbon nanofibres that are likely to also possess significant electrical conductivity opening up potential for use in a wide range of applications in batteries and electrical storage, for electrical conductivity in composite materials, concrete strengthening and also potentially for use in rubber production; and
 - iii. low-cost hydrogen production without the production of carbon dioxide as a by-product that could help facilitate the more rapid spread of both hydrogen as a vehicle fuel and also Eden's Hythane® technology as an ultra-clean, highly efficient premium blend of hydrogen and natural gas that it is marketing in India and USA.

If successfully piloted on a commercial scale, the process could have important implications for the widespread commercialisation of these forms of carbon whilst also producing relatively low cost hydrogen with an extremely low carbon footprint as the only by-product.

2 Optiblend® Dual Fuel Technology (Eden 100%)

Indian Optiblend® Sales

During the quarter, Eden sold a further three Optiblend® kits in India, commissioned a further two from previous orders and at the request of customers, updated three previously installed units with enhanced control systems.

Quotes have been provided to many other potential customers in various cities across northern and western India. The sales price of an installed OptiBlend® kit varies according to the configuration of the engine, but is often in the range of US\$25,000 - \$40,000.

Eden Energy India has now found suitable Indian manufacturers for many of the dual fuel kit components, which will help reduce the cost of the production of future units.

The major limiting factors in India for OptiBlend® are the limited availability of natural gas in many parts of India due to both a limited gas grid and also limited supply, and also the increasing price of natural gas, compared to the price of diesel fuel that is Government regulated and heavily subsidised in the Indian market. However, as the natural gas production from existing fields, and future fields grows and the rapidly expanding gas grid spreads across the country, these problems are expected to progressively reduce, opening up a potentially very significant market throughout much of India.

US Optiblend® Sales

During the quarter Eden, through its US subsidiary, Hythane Co, sold and installed another unit. Two more units sold are planned to be installed in late October or early November. Representatives supporting various engine manufacturers have quoted numerous Optiblend® kits and have received a growing number of encouraging enquiries for the kit. Sales representatives have been appointed in most US states, and also in several South American countries.

Optiblend® Background

Eden has completed the development of an efficient dual fuel kit that is capable of operating on diesel engines and displacing up to 70% of the diesel fuel with natural gas. If Hythane® is used in place of natural gas, the displacement of diesel fuel could be as high as 80%. The use of the natural gas will greatly reduce greenhouse gas emissions and, in places where natural gas is cheaper than diesel, will also reduce fuel costs. In various parts of India, available natural gas is already significantly cheaper than diesel, and accordingly Eden has been targeting a diversified market for this technology, starting with stationary power generators and then locomotives.

Many millions of diesel generators are installed throughout India in industrial, commercial, and residential applications, to provide either base load power or backup power generation, largely due to the unreliability of the Indian power grid in many parts of the country. As natural gas, which is both much cleaner and cheaper than diesel, becomes more widely available, a large market is emerging for the conversion of these diesel engines to operate on a dual-fuel system of both natural gas and diesel. ***Depending upon the size of the engine and the number of hours per day that it operates, payback times for the conversions are often less than 12 months, so the cost is minimal compared to the replacement cost of a natural gas generator.***

3 Hythane®

Indian Hythane® Project

Mumbai Hythane® Bus Demonstration Project

During the quarter, discussions in relation to this project (with GAIL, MGL and BEST, the Mumbai government bus operator) have re-started this project, which is now hoped to be approved and commence in 2012.

GAIL (Gas Authority of India) is the largest distributor of Natural Gas in India. MGL is a joint venture company, jointly owned by GAIL, BG Group and the Government of Maharashtra, which owns and operates pipelines and markets natural gas in the greater Mumbai area to a broad commercial, domestic and industrial customer base of more than 25 million people. GAIL is keen for the planned Hythane® demonstration project to proceed.

The demonstration project in Mumbai will involve Eden establishing a Hythane® refuelling station at a suitable bus depot to fuel buses. The project, provided it proceeds, is now planned to involve firstly a two bus trial of Hythane® fuel, with the initial hydrogen planned to be supplied from bottled hydrogen, followed by a second stage, of up to 35 buses, with the hydrogen planned to be supplied by the Company from one of its new pyrolysis reformers. This reformer is planned to be installed on site, and will produce both the required hydrogen, and also carbon products that the Company hopes to be able to sell into the Indian market.

BEST is the state owned Mumbai bus operator that operates more than 4,000 buses, half of which are already using natural gas and all of which are planned to be operating on natural gas within the next three years. MGL supplies BEST with all its natural gas requirements.

If the project proceeds, then upon successful completion of the demonstration project, the parties will endeavour to negotiate a commercial agreement for the ongoing promotion and marketing of Hythane® by MGL in its area of operation.

If commercial scale hydrogen production, using Eden's new pyrolysis process is available by that time, it may well increase the chances of developing a very large Hythane® market in India if the hydrogen is effectively produced as a by-product to the production of higher value carbon fibres and nanotubes, underpinned by a very low carbon footprint.

Gujarat Hythane® Bus Demonstration Project

Discussions with GSPC Gas in relation to this project (and which is similar in scale and timetable to the Mumbai demonstration) during the quarter have also re-started this project. While it had slowed down considerably, it is hoped to be operational during the first half of 2012.

Whilst these Indian Hythane® projects remain very slow, there are definite signs of increased interest from the Indian Government to proceed with its proposed HCNG programme, and Eden remains hopeful that these projects will proceed during the next 6-12 months.

Background - Hythane® in India

In 2006, India adopted a Hydrogen Roadmap that proposes to have 20% of all vehicles running on a hydrogen based fuel by 2020, and plans to use hydrogen enriched natural gas (Hythane®) as the transitional fuel. At present, there are approximately 12 Indian cities that have established natural gas distribution networks, in which expanding numbers of natural gas fuelled vehicles, particularly buses, are operating. The Indian Government has announced a new target to expand such networks to 200 cities by 2015 – opening up a potentially huge Hythane® market across the country.

During the past two years, various vehicle manufacturers, with funding from the MNRE and assistance from the Society of Indian Automobile Manufacturers ("SIAM") and IOC, have developed the following seven types of vehicles to run on HCNG fuel:

- two models of three-wheel autorickshaws;
- one SUV;
- one passenger car; and
- three models of mini-buses.

The MNRE is now funding an extended field trial of these seven HCNG vehicles in Delhi, with refuelling at either the Dwarka public Hythane station or at IOC's research and design facility near Delhi. SIAM will also participate by testing at regular intervals, the vehicles' emissions and efficiency.

This field trial will add significant national momentum to the overall Indian HCNG programme and Eden is encouraged that its considerable efforts to date to develop Hythane® fuelled buses and to build HCNG refuelling stations will be rewarded in due course as a significant Hythane® vehicle market develops in India. This will see the supply of natural gas spread from the 30 cities where it is currently available, to the more than 300 cities over the next 5-10 years.

As part of this development, Eden plans to promote its pyrolysis technology, by which hydrogen and CNT and CNF are produced from natural gas, as a cost effective means to produce the hydrogen necessary for the rollout of HCNG across India.

Additionally, commercial production of natural gas from the large offshore KG Basin commenced in April 2009, a start-up which is expected in the coming years to significantly increase the amount of available natural gas.. These factors, together with other exploration success and a possible emerging domestic shale gas market in India, make India the primary target market for Eden's hydrogen and Hythane® technology.

US Hythane® Project

San Francisco International Airport (SFO)

During the quarter, negotiations on lease agreements for the site were unsuccessful in reaching reasonable lease terms, with the terms offered being far more onerous than some of those being applied to other similar lessees in the area. As a result, this project has now been terminated by Eden.

ENERGY PROJECTS

UK Gas Project

During the quarter, Eden purchased for £250,000 the 45% interest (out of Eden's original 50% farm in interest) in the Coal Bed Methane ("CBM") and Abandoned Mine Methane ("AMM") in the Westphalian Measures in South Wales on Petroleum Exploration and Development Licences ("PEDL") 100, 148, 149 and 218, which it sold in 2009, plus 100% of three other PEDLs.

Eden also completed the last of its farm-in obligations.

Following the above, Eden will hold a 50% interest in 17 PEDLs in South Wales, Bristol/Somerset and Kent and a 100% interest in 3 other licences, covering a total area of more than 2,100 square kilometres (approximately 510,000 acres) and taking in very large portions of the coal fields and surrounding basins in these three areas of the UK.

Adamo Energy Ltd

During the quarter Eden formed a new 100% subsidiary, Adamo Energy Ltd ("Adamo") which it proposes to use to spin-out its wholly owned UK coal seam methane/shale gas subsidiary. It is proposed that Adamo will seek an ASX listing and plans to raise at least A\$10 million as soon as it is deemed that the market conditions are suitable.

PEDL 100 Permeability re-testing

Permeability retesting at Llangeinor (which was previously unsuccessfully tested in 2008) was completed during the quarter on PEDL 100 and showed low permeability in the three seams that were tested.

Licence Renewals

During the quarter the PEDL 100, 148 & 149 licences were all renewed and a Work Program was approved.

UK Shale Gas Report

As previously reported, an independent expert, RPS, reports the **Unrisked (P90) Resource Volumes of Shale Gas** in the Numurian Measures on 7 Petroleum Exploration and Development Licences (PEDLs) in South Wales in which Eden holds a 50% interest (covering a prospective area of 806 square kilometres) are:

- Volume of Gas Initially in Place (GIIP) – **34.198 TCF** (Eden's share -**17.099 TCF**)
- Recoverable Volume – **12.799 TCF** of gas (Eden's share – **6.349 TCF**)

UK Coal bed Methane Report

Independent expert, RISC, reports that estimated **Gross Contingent Resources of Coal Bed Methane** contained in the 10 PEDLs in South Wales (covering a prospective area of 247 square kilometres) in which Eden holds an interest, are:

- **A 1C to 3C range of 687-1,363 BCF with a 2C estimate of 980 BCF**

RISC reports that the estimated **Gross Unrisked Prospective Resource of Coal Bed Methane** contained in the 17 PEDLs in South Wales, Kent and Bristol Somerset (covering a prospective area of 1068 square kilometres) in which Eden holds an interest are:

A low to high estimate of **1,903-4,990 BCF** with a best estimate of **3,088 BCF**

RISC compiled these resource estimates based on the SPE PRMS definitions and guidelines.

Eden's calculation of its share, based on percentage interests in each PEDL, in the total Coal Bed Methane resources detailed in the RISC report is:

- Gross Contingent Resource, with a 2C estimate - **332 BCF**
- Gross Unrisked Prospective Resource - a low to high estimate of **848-2,271 BCF** with a best estimate of **1,382 BCF**.

Geothermal

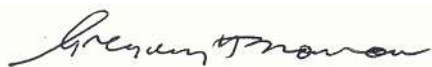
There was no activity undertaken during the quarter on Eden's geothermal project. Work on the project was suspended last year until a more positive environment for geothermal energy emerged. However, with the increased interest in the sector resulting both from the Australian Government's plan to introduce a carbon tax and the recent positive results achieved by Petratherm at its Paralana geothermal project in South Australia, Eden proposes to periodically review this project.

CORPORATE

During the quarter, Eden completed a share placement to sophisticated and professional investors raising A\$0.39 million.

Eden's proceedings against Engenco Ltd are continuing for the recovery of the balance of the monies owed (A\$0.9 million plus interest) in relation to the sale of HyRadix, Eden Cryogenics and CTS that occurred in 2009. The Directors remain confident the proceedings will be successful.

A claim made against Eden by Omni Laboratories Inc ("Omni"), the company that carried out permeability and desorption testing for Eden in 2007-8 in the UK, for the unpaid portion of its bill for this testing plus costs, was settled for US\$1.2 million subsequent to the end of the quarter. Eden completed permeability and desorption re-testing during the quarter which showed some permeability, Ticora claimed there was zero permeability. Even though Eden's lawyers had advised that Eden had good prospects of success based on its case that Omni were negligent in carrying out their test work, if the case went to trial, given the excessively high costs of going to trial and the associated risks, Eden agreed to the settlement. Of the US\$1.2 million, US\$0.5 million was paid immediately and US\$0.7 million is payable in six weeks. The directors had provided \$1.5 million in Eden's 30 June 2011 accounts in relation to this matter.



Gregory H Solomon

Executive Chairman

For further information, please contact Greg Solomon (+61 8 9282 5889) or visit our website (www.edenenergy.com.au).

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

EDEN ENERGY LTD

ABN

58 109 200 900

Quarter ended ("current quarter")

30 September 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to September (3 months) \$A'000
1.1 Receipts from product sales and related debtors	17	17
1.2 Payments for (a) exploration & evaluation	(581)	(581)
(b) development	-	-
(c) production	-	-
(d) administration	(231)	(231)
(e) other	(734)	(734)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	14	14
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	105	105
Net Operating Cash Flows	(1,410)	(1,410)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	(386)	(386)
(b) equity investments	-	-
(c) other fixed assets	(15)	(15)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(401)	(401)
1.13 Total operating and investing cash flows (carried forward)	(1,811)	(1,811)

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 -Relates to R&D Tax Rebates received by the company

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,811)	(1,811)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	380	380
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)	-	-
	Net financing cash flows	380	380
Net increase (decrease) in cash held			
		(1,431)	(1,431)
1.20	Cash at beginning of quarter/year to date	2,002	2,002
1.21	Exchange rate adjustments to item 1.20	13	13
1.22	Cash at end of quarter	584	584

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	130
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 and superannuation 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.
Commissions on placements paid during the quarter to a company of which Mr G T LePage is a director.

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

-

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

-

+ See chapter 19 for defined terms.

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Financing facilities available

Add notes as necessary for an understanding of the position.

	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	200
4.2 Development	-
4.3 Production	-
4.4 Administration	250
4.5 Other	2,000
Total	2,450

4.5 Other – This mainly relates to the settlement payment to Omni Laboratories Inc of US\$1.2 million, associated legal costs and development costs in relation to the Pyrolysis project. A pro-rata non-renounceable rights issue has been announced for during the quarter to raise funds to meet these and future funding requirements.

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	584	2,002
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	584	2,002

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	PEDL 100	Direct	5%	50%
	PEDL 212	Direct	0%	100%
	PEDL 218	Direct	5%	50%
	PEDL 221	Direct	0%	100%
	PEDL 223	Direct	0%	100%

+ See chapter 19 for defined terms.

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Appendix 5B
Mining exploration entity quarterly report

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 Preference + securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	247,153,019	247,153,019		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	6,250,000	6,250,000	6.4 cents	6.4 cents
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	886,764 5,000,000 500,000 310,000 4,000,000 310,000 500,000 331,250 30,093,365	NIL NIL NIL NIL NIL NIL NIL NIL 30,093,365	<i>Exercise price</i> 20 cents 10 cents 58.5 cents 20 cents 10.625 cents 20 cents 38.5 cents 20 cents 20 cents	<i>Expiry date</i> 30 Nov 2011 31 Dec 2011 5 April 2012 14 May 2012 20 Nov 2012 14 May 2013 26 May 2013 14 May 2014 30 June 2014
7.8 Issued during quarter	331,250	NIL	20 cents	14 May 2014
7.9 Exercised during quarter				
7.10 Expired during quarter	50,000 50,000	NIL NIL	\$0.20 \$0.20	14 May 2012 14 Mat 2013
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

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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: 31 October 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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