

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")

31 December 2011

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	20	37
1.2 Payments for (a) exploration & evaluation	(114)	(695)
(b) development	-	-
(c) production	-	-
(d) administration	(188)	(419)
(e) other	(2,065)	(2,799)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	18
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	105
Net Operating Cash Flows	(2,343)	(3,753)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	(386)
(b) equity investments	-	-
(c) other fixed assets	(48)	(63)
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	(48)	(449)
1.13 Total operating and investing cash flows (carried forward)	(2,391)	(4,202)

Notes

1.2e Other – Includes payment of US\$1.2 million as settlement of the Omni litigation, 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

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1.13	Total operating and investing cash flows (brought forward)	(2,391)	(4,202)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	1,602	1,982
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	499	499
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	2,101	2,481
	Net increase (decrease) in cash held	(290)	(1,721)
1.20	Cash at beginning of quarter/year to date	584	2,002
1.21	Exchange rate adjustments to item 1.20	(13)	-
1.22	Cash at end of quarter	281	281

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	102
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.

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

-

Financing facilities available

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

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Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	50
4.2	Development	-
4.3	Production	-
4.4	Administration	200
4.5	Other	500
Total		750

4.5 Other – 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 relate to payments for cost of goods sold, research & development, inventory and overheads. These estimated outflows may be partially offset by cash receipts from sales of goods and services (as at 31 December 2011 trade debtors totalled over AUD \$180,000).

The Company has a claim totalling AUD \$880,000 plus interest against Engenco Ltd arising from the sale of hydrogen related assets in 2009, as previously announced, which is the subject of current court proceedings for recovery.

The Company has in place a funding facility with La Jolla Cove Investors Inc (as previously announced) pursuant to which the Company at 31 December 2011 had a capacity to drawdown up to a further US \$2.5 million if required (in accordance with the terms previously announced). US\$250,000 was drawn down against this facility in January 2012.

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	281	584
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	281	584

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 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	281,645,635	281,645,635		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,175,018 33,307,598 10,000	1,175,018 33,307,598 10,000	5.0364 cents 5 cents 20 cents	5.0364 cents 5 cents 20 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>	500,000 310,000 4,000,000 310,000 500,000 331,250 69,640,963	NIL NIL NIL NIL NIL NIL 69,640,963	<i>Exercise price</i> 58.5 cents 20 cents 10.625 cents 20 cents 38.5 cents 20 cents 20 cents	<i>Expiry date</i> 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	39,557,598	NIL	20 cents	30 June 2014
7.9 Exercised during quarter	10,000	NIL	20 cents	30 June 2014
7.10 Expired during quarter	886,764 5,000,000	NIL NIL	20 cents 10 cents	30 Nov 2011 31 Dec 2011
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

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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 January 2012

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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