Eden Energy Ltd

(ABN 58 109 200 900)

and Controlled Entities

Interim Financial Report
for the
Half-Year Ended 31 December 2015

CONTENTS

HIGHLIGHTS

EdenCrete™

- **Highly encouraging strength results from the second Georgia Department of Transportation (GDOT) field trial of EdenCrete™ on I-20, with 56 day strength results of the EdenCrete™ enriched concrete from an independent laboratory showing:**
  - **a 45.8% improvement in compressive strength; and**
  - **a 56% reduction in depth of wear from abrasion.**
- **Eden received formal approval from the GDOT New Products Evaluation Committee for use of EdenCrete™ in GDOT 24 hour accelerated concrete applications and Class B concrete applications.**
- **Eden commenced the various tests of EdenCrete™ enriched concrete that are required to be undertaken in order to test EdenCrete™ in accordance with the standards and the procedures for ASTM C494 "S" which are the standards for testing specific performance admixtures.**
- **Eden received the results from the ASTM testing of the EdenCrete™ enriched concrete (measured after 28 days) which showed:**
  - **41% increase in compressive strength at 28 days (ASTM C39);**
  - **32% increase in flexural strength at 28 days (ASTM C78);**
  - **29% increase in split tensile strength at 28 days (ASTM C496);**
  - **61% reduction in ultimate shrinkage at 35 days (ASTM C105); and**
  - **3 minute delay in Time of Set (ASTM C403).**
- **Short term US production scale up underway, purchase order placed for the design and building of the new reactors.**
- **Two alternative industrial properties being reviewed in Augusta area for future large scale production scale-up.**
- **Second repeat commercial order for EdenCrete™ received.**

Optiblend™ Dual Fuel

- **Orders received in the USA during the period for 15 units totalling US$579,000.**
- **Eden (India) won a tender to supply to Oil and Natural Gas Corporation Limited ("ONGC") of India, eight OptiBlend™ dual fuel kits for use on diesel powered generator sets used on drilling rigs it operates in India.**
- **Following a dramatic slump over the last year due to the drop in oil prices and great slow-down in US shale oil and gas exploration, an increased level of market interest in Optiblend™ dual fuel systems in both USA and India has emerged and is translating into increased sales. It is hoped that this will continue into future periods.**

UK Gas Assets

- **Subsequent to the end of the period, Eden sold its 100% owned UK subsidiary that holds all its UK gas assets, to the parent of its UK Joint Venture partners.**

CORPORATE DIRECTORY

DIRECTORS:
Gregory H Solomon **LLB** (Executive Chairman)
Douglas H Solomon **BJuris LLB (Hons)** (Non-Executive)
Guy T Le Page **BA, BSc (Hons), MBA, FFIN, MAusIMM** (Non-Executive)
Richard J Beresford **FAICD FAIE** (Non-Executive)

COMPANY SECRETARY:
Aaron P Gates **B.Com, CA, ACIS**

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Adelaide SA 5000

AUDITORS:
Nexia Perth Audit Services Pty Ltd
Level 3
88 William Street
Perth WA 6000

SHARE REGISTRY:
Advanced Share Registry Services
110 Stirling Highway
Nedlands WA 6009

STOCK EXCHANGE LISTING:
ASX Code: EDE (ordinary shares)

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Stock Exchange Limited.

REVIEW OF OPERATIONS

EDENCRETE™ (EDEN 100%)

GDOT – Laboratory Tests and Field Trials

As previously announced (ASX: 27 August 2015), on 26 August 2015 a second field trial of EdenCrete™ enriched concrete was undertaken on Interstate I-20 in Augusta, Georgia and the data detailed below completes the laboratory test results from this field trial.

This field trial involved the pouring of an additional replacement concrete slab on I-20 abutting the first EdenCrete™ enriched slab poured in the first field trial on 11 August 2015. The concrete used in the slab included EdenCrete™ and this was compared with the results from a second slab that was poured using the same concrete mix but with no added EdenCrete™, giving a basis for comparison of the benefits EdenCrete™ delivers.

Samples of all the concrete from the trial were made on the job-site by an independent, GDOT approved, laboratory, which is conducting the independent comparative compressive strength testing.

GDOT – Results from Field Trial

In the laboratory tests of EdenCrete™ concrete from the field trial, at 56 days, where the accelerant (calcium chloride) was used, EdenCrete™ concrete exceeded the compressive strength of the same control mixture (with the accelerant but without EdenCrete™) by the following percentages:

- **45.8% improvement in the compressive strength over the control mix; and**
- **56% reduction in the depth of wear of the concrete in an accelerated abrasion trial.**

These results were considered by the GDOT New Products Evaluation Committee ("the Committee") at its meeting on 19 November 2015 in Atlanta, and the Committee:

- **Approved the use of EdenCrete™ in GDOT construction and maintenance projects in both GDOT's Class 24-Hour accelerated strength concrete mix applications and also its Class B concrete application; and**
- **GDOT has classified EdenCrete™ as "Field Tests" (i.e. to undertake a further Field Test) in the applications of Portland cement concrete pavements (GDOT Specification Section 430 and/or 439) and concrete white-topping (GDOT Specification Section 453) (replacing the surface of an asphalt pavement with a concrete surface layer).**

GDOT's Class 24-Hour Accelerated Concrete mix for highway repairs was used in the I-20 field trial of EdenCrete™, and represents just under 20% of the total concrete that GDOT uses.

GDOT has advised that this does not obligate GDOT to use or specify the use of EdenCrete™. Eden intends to assist GDOT engineers and designers wherever possible to draft precise specifications to cover the use by GDOT of EdenCrete™ in in its Class 24-Hour accelerated concrete mix applications and also its Class B concrete application. The timing of this process is not certain but the department's estimate is up to three to six months.

The further Field Tests of EdenCrete™ for concrete pavement are now likely to be undertaken with GDOT in Georgia in the second half of 2016.

The detailed results from the Field Trials that were obtained are detailed below.

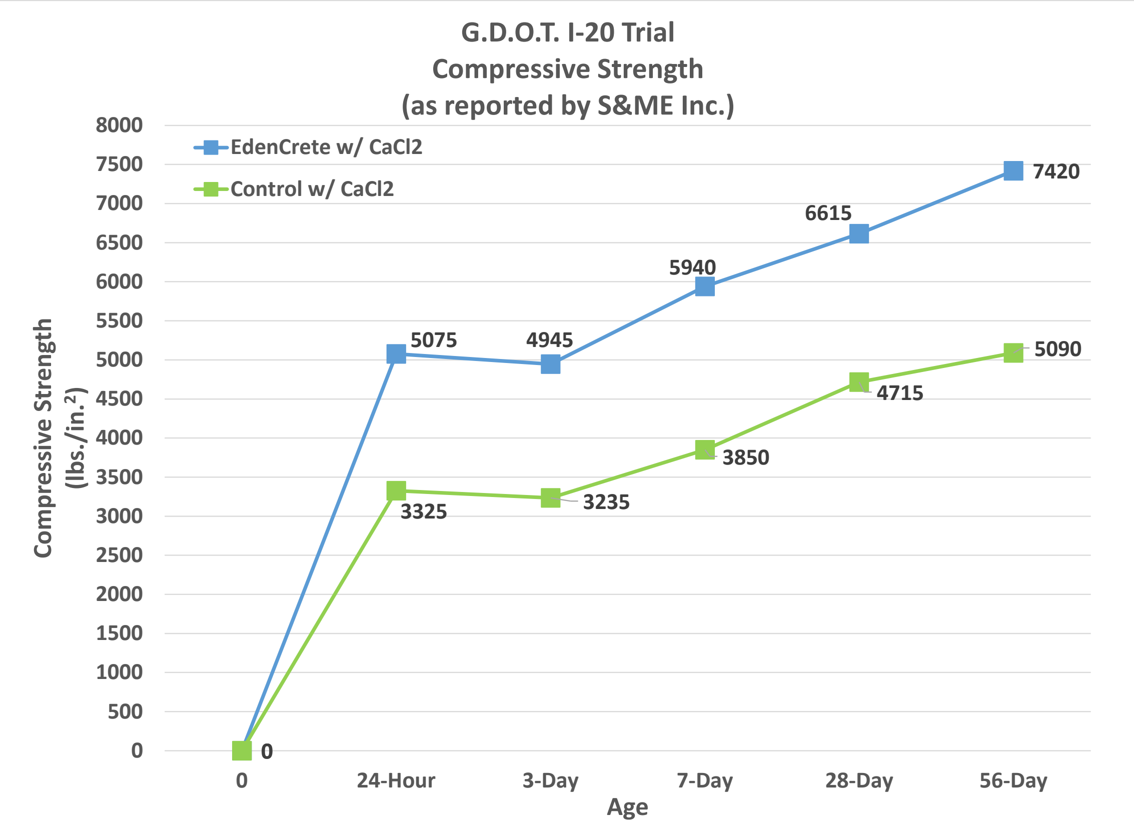

Figure 1: Compressive Strength Results, GDOT I-20 Trial (ASTM C39)

	Fresh Properties		
	EdenCrete	Control	
Amb. Temperature	95	89	
Ambient Cond.	Sunny, Clear	Overcast	
Conc. Temperature	94	92	
Slump	2.50	4.75	
Air Content	2.7	6.0	
Unit Weight	148.1	139.9	
	Compressive Strength (lbs./in.^{2})		
Age	EdenCrete	Control	EdenCrete % Increase
0	0	0	N/A
24-Hour	5075	3325	52.6
3-Day	4945	3235	52.9
7-Day	5940	3850	54.3
28-Day	6615	4715	40.3
56-Day	7420	5090	45.8

Table 1: Tabulated Fresh and Hardened Concrete Properties GDOT I-20 Trial (ASTM C39)

From 24-hours through 7-days, EdenCrete™ increased the compressive strength of the reference concrete by an average of more than 50%, by more than 40% at 28 days and by nearly 46% at 56-days. These strengths achieved by EdenCrete™ are more than double at 28-days, and 41% more at 56-days, than those required in GDOT Section 504 –*Class 24-Hour Accelerated Concrete Specification.*

GDOT- I-20 Field Trial -Abrasion Resistance (ASTM C779)

Test cylinders from the I-20 Field Trial were also tested by Intelligent Concrete, Inc., a laboratory in Colorado with the appropriate test equipment, to evaluate the benefits in abrasion resistance at 56-days that EdenCrete™ enriched concrete delivers. Testing was conducted according to ASTM C779: *Standard Test Method for Abrasion Resistance of Horizontal Concrete Surfaces.* Results of the abrasion testing are shown in Figure 2 below, with the test cylinders showing the wear rings after the tests, shown in Figure 3 below, with the substantial reduction of visible aggregate in the EdenCrete™ test cylinder being clearly evident.

At 56-days, EdenCrete™ had increased the abrasion resistance of the concrete mix by approximately 57%. After the 20 minutes duration of the test, the total magnitude of abrasion measured for the EdenCrete™ sample was actually lower than the level of abrasion the reference cylinder sustained in less than 5 minutes. This can be seen from the graph in Figure 2. It should also be noted that the wear rings on the samples are also showing a significant difference for the EdenCrete™ cylinder relative to the reference. When the test was complete, the reference test cylinder is left with a rough, uneven surface under the wear path of the steel balls, but the EdenCrete™ test cylinder is left with a smoother, more uniform wear path with significantly less visible aggregate as shown in Figure 3.

This difference illustrates the ability of EdenCrete™ to both harden and toughen the concrete surface and increase the capability of enduring a much more abrasive environment than the reference. The increased strength and the pull-out resistance of concrete made with EdenCrete™ can be credited with this characteristic. Because the aggregate in the EdenCrete™ sample does not pull out, the steel balls primarily simply pass over the surface of the EdenCrete™ sample instead of actually abrading as it, as seen with the reference in Figure 3 and the pulling out of aggregate from the cement paste matrix.

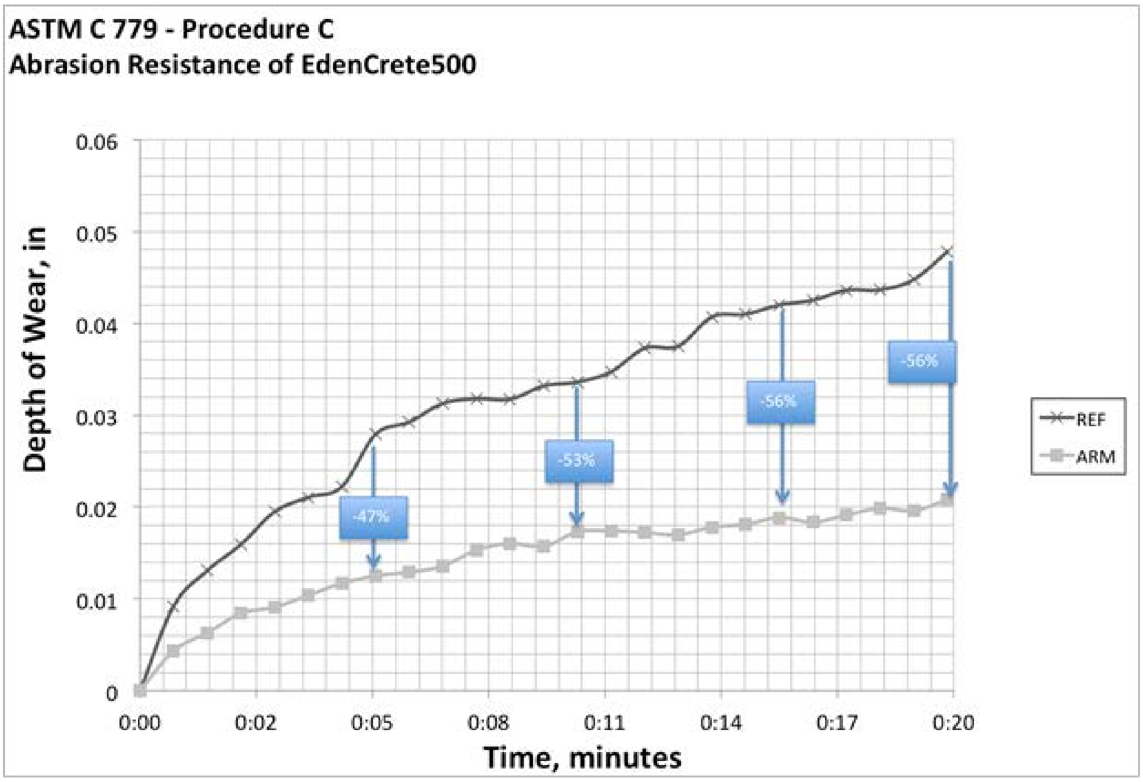

Figure 2: 56-Day Abrasion Resistance Results (ASTM C779), GDOT I-20 Trial

Figure 3: Photograph of test cylinders after abrasion testing- EdenCrete™ cylinder on the right with the shallower wear ring and far less visible aggregate

As a conclusion from these results, Eden considers that, with the addition of EdenCrete™, it may be possible to reduce the cement content of the Class 24-Hour accelerated mix and still achieve the strengths required within the Sect. 504 specification. More testing would need to be conducted to evaluate the strength of such a mix having less cement, its performance during placement and over a longer test period.

ASTM C494 "S" Testing of EdenCrete™

During the period, Eden commenced in Colorado, the various tests of EdenCrete™ enriched concrete that are required to be undertaken to satisfy the standards and the procedures of ASTM C494 "S".

ASTM C494 "S" is the industry standard testing procedure for specific performance concrete admixtures.

Results from the first thirty-five days of the ASTM C494 "S" tests are now available and have produced the following encouraging results:

- 41% increase in compressive strength at 28 days (ASTM C39);
- 32% increase in flexural strength at 28 days (ASTM C78);
- 29% increase in split tensile strength at 28 days (ASTM C496);
- 61% reduction in ultimate shrinkage at 35 days (ASTM C105); and
- 3 minute delay in Time of Set (ASTM C403).

The following tests still remain to be undertaken to complete ASTM C494 "S" EdenCrete™ Tests:

- Compressive strength - at 56 days, 90 days, 180 days and 365 days;
- Split Tensile Strength- at 56 days;
- Abrasion resistance- at 56 days and 90 days;
- Freeze/ Thaw – to be determined; and
- Bulk Electrical Resistivity- to be determined.

Shrinkage is a major problem for all reinforced concrete as it results in cracking, which is particularly important on concrete bridge decks. Whilst all the results are significant, the 61% reduction achieved in the shrinkage tests using EdenCrete™ is a very significant improvement and a highly encouraging result.

The progressive reduction in shrinkage delivered by the EdenCrete™ concrete throughout the 35 day period of the test (being the percentage difference in the change in length of the test beams) is shown in Figure 4.

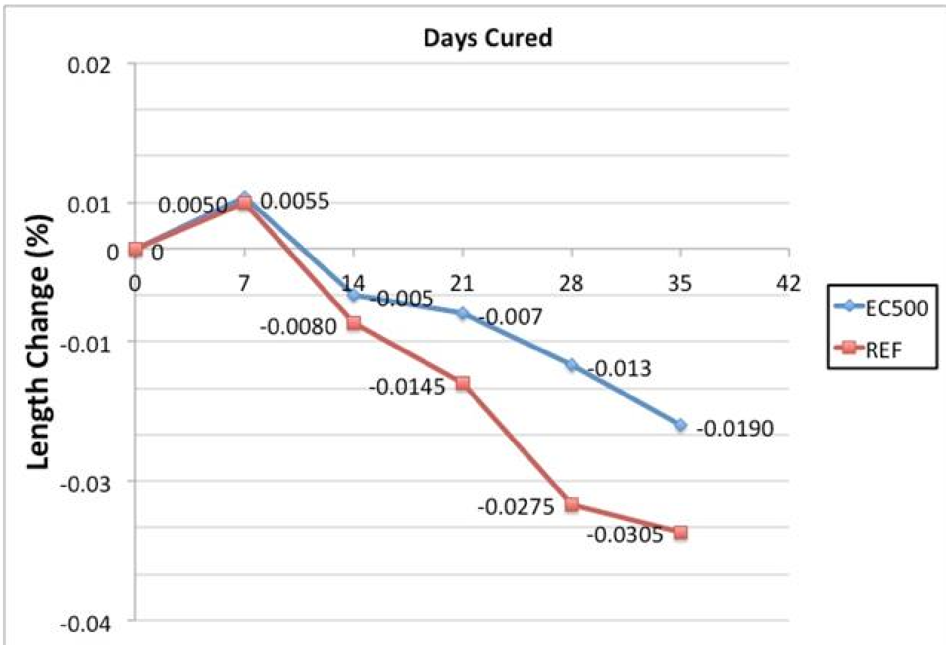

Figure 4. Reduction in Shrinkage (measured as the percentage change in length over time)

The ASTM C494 "S" tests are conducted by ASTM approved laboratories and provide the standardised industry method of assessing and comparing the benefits delivered by any particular admixture.

Short Term US EdenCrete™ Production Scale-Up Underway

Eden Innovations has placed the purchase order for the design and building of the new reactors in Colorado that are intended to enable the production of EdenCreteTM to be increased to approximately 2.4 million gallons (US) of EdenCreteTM per annum and are scheduled to be in production between late 2016 and early in 2017.

Longer Term, Large Scale US EdenCrete™ Production Capacity – Planning Underway

Three alternative industrial properties were being reviewed in the Augusta area in the state of Georgia for future large scale production scale-up, but the alternative properties being considered have since been reduced to two. All are between 65 acres (26 HA) and 100 acres (40HA) in area, all have good interstate highway access, rail access as well as access to the Port of Savannah. Two of the sites are presently under conditional contract and a detailed due diligence review of each has commenced. The third property, which is part of a largely undeveloped industrial park, is still under review, and is dependent upon when it would be available for occupation.

A specialist engineering group continued a preliminary study on proposed production scale-up sufficient to produce an estimated 12.5 million gallons of EdenCrete™ per annum. The anticipated time to design and build this reactor is likely to be between 15-18 months. A further expansion of production capability up to an estimated 50 million gallons of EdenCrete™ per annum is also being planned over the following two years. The size of these reactors may change as possible economies of scale and other relevant issues emerge during the design phase of this project.

First Commercial Orders for EdenCrete™ Received

Eden received its first commercial orders for EdenCrete™ from a fabricated concrete products manufacturer that produces and markets high quality concrete tiles in the US.

High strength CNT enriched concrete requiring little or even no reinforcing steel

In 2015, Eden Energy and Monash University awarded A$300,000 Australian Research Council Linkage Grant for research into use of carbon nanotubes to reduce steel reinforcing in concrete. The award, funded by the Commonwealth of Australia, will provide a total of A$300,000 over the three year life of the research project.

Since the collaborative ARC grant application was initially lodged, the Principal, Dr Frank Collins, who was formerly Associate Professor and Head of Structures Department at the Civil Engineering Department at Monash University, has been appointed as Professor of Infrastructure Engineering, at Deakin University's Institute for Frontier Materials in Victoria. Accordingly Monash University has agreed to transfer the project to Deakin University. The transfer documentation and a suitable agreement between Eden and Deakin University will need to be agreed and completed before the project will commence.

A meeting with Deakin University took place during the period and a draft agreement between Eden and Deakin University is being negotiated.

This new project offers Eden a great opportunity to collaborate in world-leading, high level research into how its EdenCrete^{TM} carbon nanotube enriched concrete admixture affects concrete at a nano-scale in delivering increased flexural and compressive strength, increased abrasion resistance and reduced permeability, amongst other benefits.

This research could potentially lead to both the improvement of EdenCrete^{TM} and the development of a long dreamed of goal of producing ultra-high strength concrete that requires little or no steel re-enforcing. Quite apart from the enormous environmental and financial implications, such an outcome would have far reaching implications for the global construction industry. The significant advances on many fronts that Eden has made with its EdenCrete^{TM} admixture over the past 18 months should considerably assist in accelerating the rate at which the exciting new research project can gain momentum.

CNT Enriched Polymers and Plastics Project in Australia

The CNT enriched polymer and plastics project with the University of Queensland ("UQ") that is being headed by a post-doctoral candidate from the US and which is partly funded by an ARC grant, continued during the period. This project is aiming to develop reinforced polymer composites for potential automotive and aerospace applications.

UQ was awarded a $255,000 grant by the Australian Research Council in 2014 to partially fund this three year project. This collaboration project follows earlier preliminary encouraging results from the addition of Eden's carbon nanotubes into polypropylene.

During the period some encouraging preliminary results were achieved and these will be pursued during the coming year.

Background

Eden has developed an efficient, commercially competitive pyrolysis process to produce carbon nanotube (CNT) and carbon nano-fibres. Eden remains optimistic that it will develop suitable markets for the nano-carbon products that it can produce. Eden currently has small scale commercial production capabilities at its subsidiary in Colorado that enable it to produce nano-carbon from a feedstock of natural gas (methane).

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 25% (by weight) of the quantity of carbon produced.

This hydrogen can be used either re-mixed with natural gas to create Hythane™ to fuel the pyrolysis reactor, generate electricity or captured and fed into the various hydrogen/Hythane™ applications that Eden has been developing, to try and accelerate the commercial rollout of these hydrogen applications based on the relatively low cost hydrogen. The current cost of hydrogen is one of the major limiting factors holding back a broader rollout of hydrogen and Hythane™. Encouragingly, the hydrogen produced using the Eden pyrolysis process will generate only a relatively very small amount of greenhouse gas as a by-product compared with most other currently available methods of hydrogen production, and in consequence it is projected that the hydrogen is likely to be both commercially competitive and environmentally preferable. However, as the quantity of CNT currently required is relatively small, in the early stages at least it is most likely that the hydrogen by-product will be used as fuel in the CNT production process thereby reducing both the CNT production costs and the CNT production Greenhouse Gas footprint.

OPTIBLEND™ (EDEN 100%)

US OptiBlend™ Progress

Eden Innovations (formerly Hythane Company), a wholly owned US subsidiary of Eden, received purchase orders for fifteen OptiBlend^{TM} dual fuel systems during the period.

Two orders, for a total of twelve (of the fourteen) OptiBlend^{TM} systems in the US for a combined value of US$490,000, were received from a division of Cummins Inc. and with whom Eden has collaborated over the past several years to adapt the OptiBlend^{TM} systems for use in Cummins power modules for the drilling industry.

The global market for dual fuel systems has been at a virtual standstill for the past 12 months as a result of the steep drop in world oil prices, the consequential drastic slowdown in oil and gas exploration in and the greatly reduced difference in price between diesel fuel and natural gas. Although the global price of oil remains low, which from market reports appears likely to continue at least for the short to medium term, nevertheless these sales indicate some level of renewed interest from the sector and may signal a slight upturn in the level of exploration activity.

However, whilst it is not possible to reliably predict the future OptiBlend™ sales level based on this limited number of sales, Eden is still encouraged at this renewed the level of interest in the market.

Eden Innovations is continuing to work on trying to establish a number of partnerships to increase its bi/dual fuel offerings. These proposed partnerships include work with various OEMs to become their default supplier and/or supplier of private labelled OptiBlend™ technology.

India Optiblend™ Progress

During the period, Eden Energy (India) Pvt Ltd ("Eden (India)"), Eden's wholly owned Indian subsidiary, won a tender to supply to Oil and Natural Gas Corporation Limited ("ONGC") of India, eight OptiBlend™ dual fuel kits for use on diesel powered generator sets ("gensets") used on drilling rigs it operates in India.

The value of the contract is for the Australian dollar equivalent of over A$240,000. This is the first time that Eden (India) has secured a contract to supply ONGC, and is an encouraging development.

India is presently expanding its early stage domestic exploration for shale oil and gas, and ONGC is a significant participant in this exploration programme. Sales of OptiBlend™ kits in the US and India have greatly slowed over the past year as a result of low oil prices and a reduction in US exploration, and Eden (India) is hopeful of further success in this emerging Indian market.

Optiblend™ Background

Eden has developed an efficient dual fuel system that is capable of operating on diesel engines and displacing up to 70% of the diesel fuel with natural gas. If Hythane™ fuel (hydrogen enriched natural gas) 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. It has significant market potential particularly in the diesel powered generator set ("genset") market.

As a result of the increase in shale gas recovery in USA, the lower priced natural gas has resulted in a large market in USA for the conversion of these diesel engines to operate on a dual-fuel system of both natural gas and diesel is anticipated. Depending upon the size of the engine and the number of hours per day that it operates, payback times for the conversions are mostly a lot less than 12 months, so the cost is minimal compared to the replacement cost of a natural gas generator.

Hythane™ Fuel Projects

Indian Hythane Bus Demonstration Projects

No progress was made during the period on any potential Indian Hythane™ projects. Whilst it may be possible for one such project to ultimately proceed, particularly if in the longer term Eden can generate sufficient low cost hydrogen produced as a by-product from its pyrolysis project to produce carbon nanotubes, at present these projects are looking unlikely to occur.

UK GAS PROJECT

Subsequent to the end of the period, on 24 February 2016, Eden sold its 100% owned UK subsidiary that holds all its UK gas assets, to the parent of its UK Joint Venture partners. Consideration is an earn-out (commencing at 1% of gross sale proceeds from all hydrocarbon sales from the UK licences (PEDLs) in which Eden's subsidiary held a 50% interest, and reducing to 0.5%), in connection with any hydrocarbon sales made in the period expiring on the 20th anniversary of completion. There is no cap placed on the maximum value of the amount that Eden can receive under the earn-out.

Eden has no further financial commitments on this project, but can still share in the potential upside from hydrocarbon sales, and focus its efforts on its EdenCrete™ and OptiBlend™ projects.

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2015.

Directors

The names of directors who held office during or since the end of the half-year:

Mr Gregory H Solomon

Mr Douglas H Solomon

Mr Guy T Le Page

Richard J Beresford

Review of Operations

The net loss after income tax for the half year was $1,425,933 (2014: $630,462).

A review of the operations of the Group during the half-year ended 31 December 2015 is set out in the Review of Operations on Page 5.

Subsequent Events

Subsequent to the end of the period the Company completed a non-renounceable pro-rata rights issue raising $4,866,237 and completed the sale of its subsidiary Adamo Energy (UK) Ltd in consideration for an earn out arrangement.

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 13 for the half-year ended 31 December 2015.

This report is signed in accordance with a resolution of the Board of Directors.

Director ____________________
Gregory H Solomon

Dated this 11th day of March 2016

nexia australia

chartered accountants and business advisors

Auditor's independence declaration under section 307C of the Corporations Act 2001

To the directors of Eden Energy Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the period ended 31 December 2015, there have been:

(i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

Nexia Perth Audit Services Pty Ltd

TJ Spooner
Director

Perth
11 March 2016

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Note	Consolidated Group	
		31 Dec 2015	31 Dec 2014
		$	$
Revenue		344,347	1,448,844
Other income		912	1,046
Raw materials and consumables used		(216,323)	(468,385)
Accounting and audit expense		(33,533)	(25,579)
Advertising and marketing expense		(12,131)	(131,714)
Depreciation and amortisation expense		(60,174)	(46,585)
Employee benefits expense		(777,280)	(918,618)
Finance costs		(52,717)	(18,722)
Foreign exchange gain/(loss)		-	13,463
Impairment expense		-	(8,467)
Legal and other consultants expense		(290,852)	(33,425)
Management fees		(97,335)	(97,335)
Rent expense		(54,199)	(43,293)
Travel and accommodation expense		(103,487)	(75,728)
Other expenses		(120,630)	(147,786)
Loss before income tax		(1,473,402)	(552,284)
Income tax (expense)/benefit		68,886	-
Loss from continuing operations		(1,404,516)	(552,284)
Loss after tax from discontinuing operations		(21,417)	(78,178)
Loss for the year		(1,425,933)	(630,462)
Other Comprehensive Income / (Loss)			
Items that may be reclassified subsequently to profit or loss			
Exchanges differences on translating foreign operations		(89,131)	310,897
Income tax relating to other comprehensive income		-	-
Total other comprehensive income / (loss), after tax		(89,131)	310,897
Total Comprehensive Income / (Loss) attributable to members of the parent		(1,515,064)	(319,565)
Basic/Diluted loss per share (cents per share)		(0.145)	(0.083)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	Consolidated Group	
		31 Dec 2015	**30 Jun 2015**
		$	**$**
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		610,367	507,504
Trade and other receivables		328,268	71,857
Inventories		610,120	552,797
Other current assets		94,974	67,050
		1,643,729	1,199,208
Assets held for sale		966,841	647,131
TOTAL CURRENT ASSETS		2,610,570	1,846,339
NON-CURRENT ASSETS			
Property, plant and equipment		587,122	184,875
Intangible assets		2,183,012	1,804,923
TOTAL NON-CURRENT ASSETS		2,770,134	1,989,798
TOTAL ASSETS		5,380,704	3,836,137
CURRENT LIABILITIES			
Trade and other payables		473,246	688,500
Interest bearing liabilities		1,931,074	250,000
Provisions		142,719	140,512
		2,547,039	1,079,012
Liabilities directly associated with the assets held for sale		916,072	595,818
TOTAL CURRENT LIABILITIES		3,463,111	1,674,830
TOTAL LIABILITIES		3,463,111	1,674,830
NET ASSETS		1,917,593	2,161,307
EQUITY			
Issued capital	2	56,585,833	55,567,452
Reserves		2,663,062	2,499,224
Accumulated losses		(57,331,302)	(55,905,369)
TOTAL EQUITY		1,917,593	2,161,307

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Ordinary Share Capital	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	$	$	$	$	$
Balance at 1 July 2014	53,584,609	2,046,258	158,746	(50,405,873)	5,383,740
Shares issued during the period	-	-	-	-	-
Loss for the period	-	-	-	(630,462)	(630,462)
Other comprehensive income	-	-	310,897	-	310,897
Balance at 31 December 2014	53,584,609	2,046,258	469,643	(51,036,335)	5,064,175
Balance at 1 July 2015	55,567,452	2,046,258	452,966	(55,905,369)	2,161,307
Shares issued during the period	1,018,381	-	-	-	1,018,381
Options issued during the period	-	252,969	-	-	252,969
Loss for the period	-	-	-	(1,425,933)	(1,425,933)
Other comprehensive income	-	-	(89,131)	-	(89,131)
Balance at 31 December 2015	56,585,833	2,299,227	363,835	(57,331,302)	1,917,593

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Consolidated Group	
	31 Dec 2015	**31 Dec 2014**
	$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	124,468	1,750,965
Payments to suppliers and employees	(1,782,332)	(1,823,378)
Interest received	912	1,012
Other receipts	68,886	-
Net cash provided by (used in) operating activities	(1,588,066)	(71,401)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration expenditure	(25,210)	(140,442)
Payment for development of intangibles	(406,575)	(168,681)
Purchase of property, plant and equipment	(410,778)	(14,142)
Net cash (used in) provided by investing activities	(842,563)	(323,265)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from shares issued	848,028	-
Proceeds from borrowings	1,710,000	550,000
Net cash provided by (used in) financing activities	2,558,028	550,000
Net increase in cash held	127,399	155,334
Net increase/(decrease) due to foreign exchange movements	(24,536)	36,688
Cash at beginning of period	507,504	164,891
Cash at end of period	610,367	356,913

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 1: BASIS OF PREPARATION

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134: Interim Financial Reporting ensures compliance with IAS 34: Interim Financial Reporting.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made by Eden Energy Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the *ASX Listing Rules*. The half-year report does not include full disclosures of the type normally included in an annual financial report.

a) Going Concern

These financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The Group has reported a net loss for the period of $1,425,933 (2014: $630,462) and a cash outflow from operating activities of $1,588,066 (2014: $71,401). The Group also reported a working capital deficit of $852,541 (2014: positive working capital of $171,509)

Included in current liabilities are amounts owed to related parties of $2,153,905 which do not become payable until the Company has raised sufficient funds. Subsequent to the end of the period additional funds were raised and these liabilities were paid in full.

The directors are confident that the Group, subject to being able to raise further capital, will be able to continue its operations as a going concern, Without such capital, the net loss for the period and the cash outflow from operating activities indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The directors also carefully manage discretionary expenditure in line with the Group's cash flow.

The continuing applicability of the going concern basis of accounting is dependent upon the Group's ability to source additional finance. Unless additional finance is received the Group may need to realise assets and settle liabilities other than in the normal course of business and at amounts, which could differ from the amounts at which they are stated in these financial statements.

b) Accounting Policies

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the June 2015 financial report except for the adoption of new and revised Accounting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

The new and revised Standards and amendments thereof and Interpretations do not have any material impact on the disclosures or on the amounts recognised in the Group's condensed consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	31 Dec 2015	30 June 2015
	$	$
NOTE 2: ISSUED CAPITAL		
1,000,153,948 (30 June 2015: 945,861,754) fully paid ordinary shares	56,585,833	55,567,452
	56,585,833	55,567,452

a. Ordinary shares	No.	No.
At the beginning of reporting period	945,861,754	759,201,038
Shares issued – prior year	-	186,660,716
Shares issued – 10 August 2015	30,061,627	-
Shares issued – 17 December 2015	7,676,364	-
Shares issued - Options Exercised	16,554,203	-
At reporting date	1,000,153,948	945,861,754

b. Options	No.	No.
At the beginning of reporting period	190,035,716	3,375,000
Options issued – prior year	-	186,660,716
Options issued - 10 August 2015	30,061,627	-
Options issued – 17 December 2015	3,838,182	-
Options Lapsed	(75,000)	-
Options Exercised	(16,554,203)	-
At reporting date	207,306,322	190,035,716

On 10 August 2015 the Company issued 30,061,627 ordinary shares and 30,061,627 free attaching options at $0.014 per share in satisfaction of debts owed.

On 17 December 2015 the Company placed 7,676,364 ordinary shares and 3,838,182 free attaching options to investors at $0.055 per share.

NOTE 3: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are not aware of any contingent assets or contingent liabilities as at 31 December 2015.

NOTE 4: EVENTS SUBSEQUENT TO BALANCE DATE

On 5 February 2016, the Company completed a non-renounceable pro-rata rights issue raising $4,866,237.

On 25 February 2016 the Company completed the sale of its subsidiary Adamo Energy (UK) Ltd in consideration for an earn out arrangement.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

NOTE 5: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

Key Management Personnel

	2015 $	**2014 $**
Management fees and administration fees paid / payable to Princebrook Pty Ltd, a company in which Mr GH Solomon and Mr DH Solomon have an interest.	97,335	97,335
Legal and professional fees paid to Solomon Brothers, a firm in which Mr GH Solomon and Mr DH Solomon are partners.	32,775	27,545
Capital raising fees paid to RM Corporate Finance Pty Ltd, a company of which Mr GT Le Page has an interest.	24,610	-
Consulting fees paid to Orequest Pty Ltd, a company in which Mr G T Le Page has an interest.	3,400	-

	31 Dec 2015 $	**30 June 2015 $**
Amount included in Trade and Other Payables as owing to Mr Gregory H Solomon for unpaid directors fees and superannuation.	67,059	204,628
Amount included in Trade and Other Payables as owing to Mr Douglas H Solomon for unpaid directors fees and superannuation.	13,995	42,705
Amount included in Trade and Other Payables as owing to Mr Guy T Le Page for unpaid directors fees and superannuation.	13,995	42,705
Amount included in Trade and Other Payables as owing to Mr Richard J Beresford for unpaid directors fees and superannuation.	4,140	5,280
Amount included in Trade and Other Payables as owing to Princebrook Pty Ltd for unpaid management and administration fees.	64,890	174,529

	2015 $	**2014 $**
Associated Companies		
Issue of shares and free attaching options to Noble Energy Pty Ltd, a company which has a 44% (2014: 46%) interest in Eden, in part satisfaction of loaned funds.	28,926	-
Noble Energy Pty Ltd, a company which has a 44% (2014: 46%) fully diluted interest in Eden, loaned Eden funds with interest payable at 10%pa.	1,710,000	550,000
Interest accrued on loan from Noble Energy Pty Ltd, a company which has a 44% (2014: 46%) fully diluted interest in Eden.	58,750	18,616

NOTE 6: COMMITMENTS

Joint Ventures

Adamo Energy (UK) Ltd is committed to fund 50% of exploration expenditure and PEDL rents in South Wales pursuant to joint venture agreements in respect of conventional hydrocarbons on Petroleum Exploration and Development licences. Subsequent to 31 December 2015 Eden sold its interest in Adamo Energy (UK) Ltd.

NOTE 7: SEGMENT INFORMATION

The Group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining allocation of resources. Activities of the Group are managed on Group structure basis and operating segments are therefore determined on the same basis. In this regard the following list of reportable segments has been identified.

- Eden Innovations LLC – EdenCrete™ sales and development and Optiblend™ sales, service and manufacturing in USA.
- Eden Energy (India) Pvt Ltd – Hythane™ and Optiblend™ sales, service and manufacturing in India.

	Eden Innovations LLC	Eden Energy India Pvt Ltd	Eliminations	Economic Entity (continuing operations)	Discontinued Operations
	$	$	$	$	$
2015					
External sales	344,333	14	-	344,347	-
Internal sales	594,756	-	(594,756)	-	-
Total segment revenue	939,089	14	(594,756)	344,347	-
Segment Result	(834,916)	(55,758)	184,207	(706,467)	(21,417)
Unallocated expenses				(714,218)	-
Result from operating activities				(1,420,685)	(21,417)
Finance costs				(52,717)	-
Loss before income tax				(1,473,402)	(21,417)
Income tax benefit				68,886	-
Loss after income tax				(1,404,516)	(21,417)
Segment assets	1,552,775	143,976	(28,875)	1,667,876	966,841
Unallocated assets				2,745,987	-
Total assets				4,413,863	966,841
Segment liabilities	20,707,095	723,623	(21,096,098)	334,620	916,072
Unallocated liabilities				2,212,419	-
Total liabilities				2,547,039	916,072
Capital expenditure	410,778	-	406,575	817,353	171,196
Depreciation and amortisation	31,687	-	28,487	60,174	-
2014					
External sales	1,448,844	-	-	1,448,844	-
Internal sales	131,310	-	(131,310)	-	-
Total segment revenue	1,580,154	-	(131,310)	1,448,844	-
Segment Result	(37,587)	(69,352)	(56,536)	(163,475)	(78,178)
Unallocated expenses				(370,087)	-
Result from operating activities				(533,562)	(78,178)
Finance costs				(18,722)	-
Loss before income tax				(552,284)	(78,178)
Income tax expense				-	-
Loss after income tax				(552,284)	(78,178)
Segment assets	893,298	92,618	-	985,916	4,160,495
Unallocated assets				1,634,696	-
Total assets				2,620,612	4,160,495
Segment liabilities	16,278,452	571,513	(16,562,626)	287,339	547,166
Unallocated liabilities				882,427	-
Total liabilities				1,169,766	547,166
Capital expenditure	15,346	-	168,681	184,027	125,215
Depreciation and amortisation	22,700	354	23,531	46,585	-

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 13 to 21:
   a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
   b. give a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director

Gregory H Solomon

Dated this 11th day of March 2016

Independent Auditor's Review Report to the members of Eden Energy Limited

Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of Eden Energy Limited and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2015, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period ended on that date, other selected explanatory notes and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the period.

Directors' Responsibility for the Interim Financial Report

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations, and the *Corporations Act 2001.* This responsibility includes: establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2015 and its performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Eden Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.* We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Eden Energy Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Eden Energy Limited and its controlled entities is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001.*

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1 in the financial report, which indicates that the Group will require further equity funding within the next twelve months from the date of this report to fund its operations as a going concern. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Nexia Perth Audit Services Pty Ltd

TJ Spooner
Director

Perth
11 March 2016