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AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

1 September 2016

EDENCRETE™ - US UPDATE

HIGHLIGHTS

- **Eden assembling a highly experienced EdenCrete™ concrete admixture sales staff:**
 - **Five full time sales staff, including two managers, already appointed with a collective aggregate of 109 years' high level experience covering more than 18 US states.**
 - **Negotiations are currently underway with six other potential seasoned sales staff to select the remainder of the initial Eden sales team.**
- **A number of US trials of EdenCrete™ in various applications are currently scheduled or being planned**
- **Arrangements are underway to install on-site bulk EdenCrete™ storage and dispensing equipment in a Colorado based ready mix plant**
- **The expansion of Eden's Colorado based production capability of EdenCrete™ to a targeted maximum of 2 million - 2.4 million gallons per year is on schedule to be operational by early in 2017.**
- **Plans are also underway to purchase the existing Colorado plant facility that has previously been occupied by Eden as a lessee.**
- **A survey commissioned by Eden has commenced on the future EdenCrete™ production plant site in Augusta, Georgia. This will enable preparation of topographical study, ahead of clearing and grading which is scheduled for the first half of 2017 after the access road is completed.**

DETAILS

Eden Energy Limited (“Eden”) (ASX: EDE) continues to make encouraging progress in the expansion in the US of its EdenCrete™ concrete admixture project.

EdenCrete Sales Team

Eden is continuing building its specialist US EdenCrete™ sales force, which it is hoping to have in place by the end of 2016.

The full sales team will comprise perhaps 8-10 experienced sales staff who will each have a minimum of approximately 10 years’ experience in successfully selling concrete admixtures in the different areas of the US with top admixture suppliers.

To date 5 very experienced and highly qualified staff, including two sales managers, who collectively have 109 years’ experience successfully selling concrete admixtures in over half of continental USA, have been engaged.

A further six highly experienced sales staff, with similar experience, are also being considered for possibly joining the EdenCrete™ sales force.

Western Region Sales

The western region sales manager, based in California, has commenced marketing and selling EdenCrete™ to potential customers in California, a huge west coast market. Having previously had a successful career as sales manager with a major admixture supplier, responsible for more than 10 states in the western region of the US, he has been appointed by Eden as the western region sales manager.

Three additional western region sales staff have also been appointed, one being based in each of Washington state, Colorado and Texas.

Collectively they have contacts and experience selling in most states in the western half of continental USA and will provide a great platform from which to launch a major marketing effort in the western half of the US.

Further possible appointments are being discussed which should further expand this capability.

Eastern Region Sales

The sales manager for the eastern region of the US, a highly experienced person based in New Jersey, has also been appointed and has commenced work.

Several further possible Eastern Region appointments are being discussed. Similar to the Western Region Sales team, it is intended to build a similar capability to service the very large market in the densely populated eastern half of the US.

Longer Term Plans

The intention is to build the sales team whose collective task will be to cover the US market, with the intention of selling all, or as much as possible, of the EdenCrete™ that Eden will be

able produce from 2017 onwards from its expanded Colorado production facility. This output is targeted at approximately 2-2.4 million gallons of EdenCrete™ per year.

Initially the primary task for the sales team is to arrange trials with potential customers across the US with the intention of converting trials to sales in the next 6-12 months.

In the longer term, it is intended to further expand the sales team both in the US and also into the global arena as the market expands to absorb the production increases that are planned to result from the establishment of Eden's proposed large scale, global production facility in Augusta, Georgia.

Trials of EdenCrete™

A number of strategic trials of EdenCrete™ by potential customers in various parts of the US, and involving a number of different potential applications, including in pre-cast concrete applications, are targeted over the next three – six months. Arranging these trials is the first task for the sales team.

This will include approaching the Departments of Transportation in various states to try and arrange field trials similar to those undertaken and planned in Georgia based upon the results achieved to date with the Georgia Department of Transportation.

Installation of on-site Bulk EdenCrete™ Storage and Dispensing Equipment

Arrangements have been already been made with at least one Denver based ready mix plant for Eden to install on-site bulk EdenCrete™ storage and dispensing equipment at the ready mix plant.

This will enable EdenCrete™ to be seamlessly incorporated into their normal production process when it may be required for future ready mix concrete. One of the first contracts will include supplying Eden with the required EdenCrete™ enriched concrete as part of the current up-scaling of Eden's Denver plant.

Expansion of Eden's Denver-based EdenCrete™ Production Capability

The expansion of the production capability of Eden's Colorado based EdenCrete™ production facility from its present level of approximately 108,000 gallons per annum of EdenCrete™ to a target of between approximately 2 million - 2.4 million gallons (7.6 - 9.1 million litres) per annum is well underway and progressing on schedule.

In order to achieve this scale-up, the entire plant is being expanded. The design of all items is completed, and most of the items have been ordered or are currently under construction. These include the following:

- The equipment to produce the quantity of catalyst required for production of the necessary carbon nanotubes;
- Two new reactors to manufacture the carbon nanotubes;
- All the necessary processing and mixing equipment; and
- Tanks and dispensing equipment for storage and delivery to road tankers of the 40,000 gallons (151,000 litres) of finished product per week.

Additionally alterations to the layout within the building and its surrounds are underway to accommodate the new equipment and to create sufficient area for the EdenCrete™ expansion. The entire up-scaling is presently on schedule to be completed and operational by early in 2017.

Purchase of Eden's Current Denver Facility

As the premises used by Eden in Denver, Colorado have only been occupied by Eden as a lessee, steps are currently underway for Eden to purchase the freehold. A net price of approximately US\$1.2 million has been negotiated with the owner, who has agreed to provide vendor terms, payable progressively over a 5 year period, with the outstanding balance of the purchase price carrying 2% interest per year.

This acquisition will fully secure Eden's long term control over this critically important part of Eden's operation, which is intended to remain Eden's long term technology base, even after the proposed Georgia production facility is established.

Survey Commenced on Future Augusta, Georgia Production Site

A topographical survey, commissioned by Eden, of the 145 acre industrial site in Augusta, Georgia that is to be the future EdenCrete™ production plant site, has commenced.

Once completed, this survey will enable preparation of a detailed topographical study. This study is required before commencement of clearing and grading of the first 50 acres of the site, to accommodate the first stage of the proposed production plant. This work is scheduled to start in first half of 2017 when access is available.

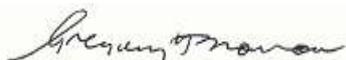
Additionally the contract for the construction of the two-lane access road, to be built by the Augusta Economic Development Authority, is currently being put out for tender. Completion of this road is scheduled during the first half of 2017.

Conclusion

Eden is continuing to make significant progress in the expansion in the US of its EdenCrete™ concrete admixture project, and at present is on schedule to achieve its various targets in relation to expansion of its production capability and sales team.

BACKGROUND

EdenCrete™ is Eden's 100% owned, proprietary carbon-strengthened concrete additive, one of the primary target markets for which is improving the performance of concrete used in the construction and maintenance of concrete roads, bridges and other infrastructure. Additionally, it has potential for use in a range of other applications including high-rise building construction, marine and coastal applications, water storage and pipelines, and pre-fabricated concrete structures and products.



Gregory H. Solomon
Executive Chairman