Annual Report

for the Year Ended 30 June 2010

Eden Energy Ltd
& Controlled Entities

ABN 58 109 200 900

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HIGHLIGHTS

Hydrogen / Hythane® Projects

India

- **Eden completed the successful testing of a production ready 6-litre bus engine, achieving a 6.5% increase in efficiency and significant emissions reductions, that will enable India's largest bus manufacturer, Ashok Leyland, to power buses with Eden's low-emission Hythane® blend of hydrogen enriched natural gas.**
- **Eden signed co-operation agreement with GAIL (India) Ltd and Mahanagar Gas Ltd to jointly undertake the first commercial size Indian Hythane® demonstration project in Mumbai.**
- **Indian authorities adopt 18% hydrogen / 82% natural gas (by volume) as the national standard for Hythane® (HCNG).**
- **Eden completed the first three sales of its Optiblend® dual fuel system in Assam in north-eastern India, where low cost natural gas is readily available. Installation of these three systems has been completed and they are now operational.**

USA

- **First US Hythane calibrated engine receives Californian Air Resources Board certification allowing commercial sales to commence.**
- **San Francisco Airport Hythane® Project is progressing, with key negotiations having been completed during the year. It is now projected that the hydrogen and Hythane station will become operational early 2011, subject to final funding being approved.**
- **Eden has increased its interest in the Pyrolysis technology to 100% and the scale-up to be completed in-house at Eden's subsidiary in the US.**
- **Interest in US in OptiBlend Dual Fuel Kits gradually emerging.**

United Kingdom Coal Bed Methane / Natural Gas

- **UK Coal Bed Methane joint venture has completed a budget and drilling program for the drilling and testing of two well sites 2011.**
- **A non-binding term sheet has been signed with Eden's UK/Wales gas joint venture partner, Coastal Oil & Gas, to merge and publically list their UK/Wales coal bed methane, conventional gas and shale gas interests which cover a total area of approximately 500,000 acres.**

Geothermal Energy / Australian Natural Gas Target

- **Farm-out Agreement concluded with Origin Energy Ltd to farm into 70% Eden's Cooper Basin Geothermal Licence No. 185 in SA.**

CORPORATE DIRECTORY

DIRECTORS:
Gregory H Solomon **LLB** (Executive)
Douglas H Solomon **BJuris LLB (Hons)** (Non-Executive)
Guy T Le Page **B.A., B.Sc. (Hons).,M.B.A., F.FIN., MAusIMM** (Non-Executive)
Richard J Beresford **FAICD FAIE** (Non-Executive)

COMPANY SECRETARY:
Aaron P Gates **BCom CA**

REGISTERED OFFICE:
Level 40, Exchange Plaza
2 The Esplanade
Perth
Western Australia 6000
Tel +61 8 9282 5889
Fax +61 8 9282 5866
Email: mailroom@edenenergy.com.au
Website: www.edenenergy.com.au

SOLICITORS:
Solomon Brothers
Level 40, Exchange Plaza
2 The Esplanade
Perth WA 6000

AUDITORS:
Grant Thornton Audit Pty Ltd
Chartered Accountants
Level 1
10 Kings Park Road
West Perth WA 6005

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

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

Quotation has been granted for all the ordinary shares and all issued options of the company on all Member Exchanges of the Australian Securities Exchange Limited.

REVIEW OF OPERATIONS

HYDROGEN / HYTHANE® PROJECTS

Hythane® and Dual Fuel (Eden 100%)

Hythane® is a premium blend of 93% Natural Gas and 7% hydrogen by energy (80 Natural Gas / 20% Hydrogen by volume). It increases engine efficiency by up to 10% and reduces emissions of oxides of nitrogen (NOx) and carbon monoxide (CO) by up to 50% compared with pure Natural Gas. NOx is the primary cause of photochemical smog and is a major contributor to lung cancer and respiratory ailments. CO is a highly poisonous gas.

First Indian Hythane® bus demonstration project

Hythane® Engine Development

Eden completed the successful testing of a production-ready 6-litre engine that will enable India's largest bus manufacturer, Ashok Leyland, to power buses with Eden's low-emission Hythane® blend of hydrogen-enriched natural gas.

The revolutionary 2010 H06B CNG engine - developed by Eden's wholly-owned US subsidiary, Hythane Company, at Ashok Leyland's Hosur laboratory in India - was initially designed to meet the country's current Bharat IV (Euro IV) mandatory emissions targets.

Significantly, the results from the naturally-aspirated engine revealed it will ultimately enable India's buses to operate at a level of emissions that meet the most stringent standards of future.

The results would comply with the next generation of Bharat V (Euro V) requirements, ensuring a long production life for the HO6 engine.

Over the "European Transient Cycle" (ETC), an engine dynamometer test that simulates real-world driving conditions for heavy-duty vehicles, the Hythane® engine tests yielded the following improvements relative to the natural gas baseline:

- Oxides of nitrogen (NOx) emissions reduced by 16.6%
- Total hydrocarbon (THC) emissions reduced by 15.1%, including a non-methane hydrocarbon (NMHC) reduction of 66.6%
- Carbon dioxide (CO_2) emissions reduced by 6.2%
- Fuel efficiency improvement of 6.5% based on fuel combustion energy.

Eden Energy will receive royalties from both Ashok Leyland and the engine control system provider for all these Hythane®-fuelled-engine sales.

In the near future, Ashok Leyland also plan to release turbo-charged versions of the H06 engine, and the control system strategies used for these engines will allow them to take advantage of hydrogen's unique combustion properties above and beyond the improvements seen in the base CNG/Hythane® engine.

Preliminary investigations on the new engines began in April after the base engine production calibration work, and production-intent optimisation by Hythane Company and Ashok Leyland will continue this year.

The release of India's first production Hythane® engine will precede the country's first large-scale refuelling station for hydrogen-enriched natural gas, as discussed below. This station will refuel 50 to 70 buses in Mumbai.

Mumbai Hythane® Bus Demonstration Project

During the year the applications for the necessary government approvals for the proposed Mumbai Hythane® bus demonstration project with GAIL (India) Ltd ("GAIL") and Mahanagar Gas Ltd ("MGL") were prepared. These will be lodged once agreement with the bus company on the project details is reached.

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 and around the Mumbai area to a broad commercial, domestic and industrial customer base of more than 25 million people.

The demonstration project in Mumbai will involve Eden establishing a Hythane® refuelling station at a suitable bus depot to fuel buses, progressively increasing to 50-70 buses. The proposed bus depot in Mumbai is operated by BEST, the state owned Mumbai bus operator that operates more than 4000 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. However, following recent changes in management personnel at BEST, renewed negotiations with BEST on the project details are still underway

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.

San Francisco International Airport (SFO)

During the year, negotiation of the contractual arrangements for the Hythane® station at San Francisco International Airport, which had been holding up the project, were completed but further funding for additional electricity supply is still being sought. Subject to this funding being available it is now expected that construction may begin next quarter. Both the hydrogen and Hythane® stations are projected to be completed and operational early 2011.

For this project, Hythane Company has received funding for station infrastructure as well as the conversion of 27 Ford E-450 airport shuttles to run on Hythane®. The project will demonstrate the practicality of Hythane® vehicles for large-scale projects across the US.

Funding is being supplied by the Bay Area Air Quality Management District (BAAQMD) and the San Mateo County Government, with additional funding anticipated through two separate grants from the Department of Energy (DOE). Recently, the major merchant gas company with which Hythane Company is working on this project, received grant funding for its hydrogen fueling station adjacent to the Hythane® station. This award is a significant boost to the Hythane® project as it makes low-cost hydrogen readily available at the site

BAF Hythane® Engine Calibration

Hythane Company, in conjunction with BAF Technologies, has developed a Hythane® calibration for Ford 6.8L V10 engines used in E-450 vehicles. This calibration, which demonstrates the dramatic emissions reductions that can be achieved through the use of Hythane®, was granted certification during July 2009 by the California Air Resources Board (CARB). CARB certification allows commercial sale and use of this engine, no longer limiting it to use in demonstration projects.

The Hythane® calibration provides dramatic emissions reductions over the natural gas version of the engine, which already provides substantial emissions benefits as compared to the gasoline version of the engine. Specifically, the Hythane® calibration achieves a 10.5% reduction in CO_2, a 40% reduction in non-methane hydrocarbons, a 49% reduction in CH_4 emissions, and a 70% reduction in particulate matter over the natural gas version of this engine.

Non-methane hydrocarbon emissions contribute to the formation of photochemical smog, a significant problem in many urban areas. In addition to causing local air pollution, these emissions are also powerful greenhouse gases.

In addition to emissions reductions, the use of Hythane® fuel provides a 3.9% efficiency gain over the natural gas version of the particular engine. When spread over a large fleet, efficiency gains provide considerable economic benefit. With other types of engines, even greater efficiency gains of up to 15% are anticipated in the future.

The Hythane® engine calibration was designed for the Hythane project in progress at San Francisco International Airport (SFO) referred to above, and Hythane Co will receive a royalty for the sale of each Hythane engine sold by BAF.

OptiBlend Diesel / Natural Gas/ Hythane® Dual Fuel Project

Eden continues to progress its Diesel Dual Fuel Project. A dual fuel kit was developed to enable the Indian manufactured 400kW Cummins diesel generator, which was earlier sent to the Hythane® Company's test facility in Colorado, to run on a combination of diesel and Hythane® or diesel and natural gas. 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, 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.

This kit is capable of being adapted to any suitable diesel engine.

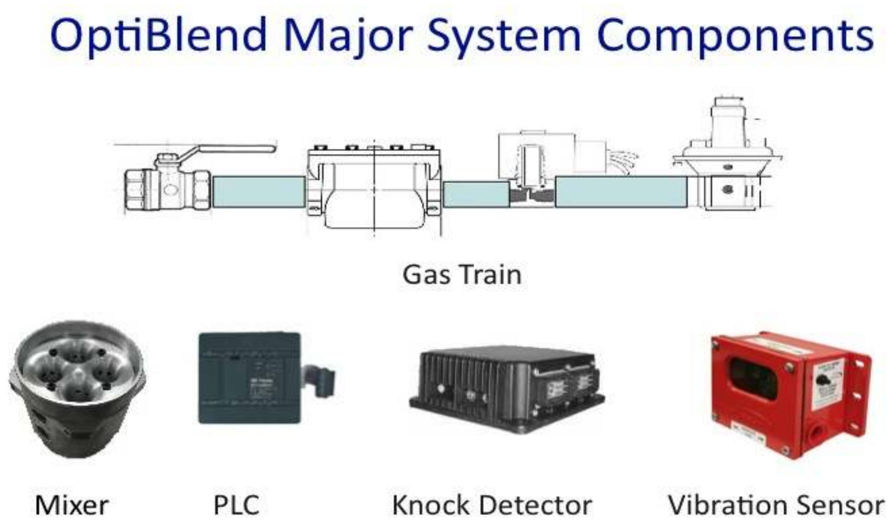
During the year Eden made it first sales of OptiBlend® dual fuel systems, these went to in Assam in north-eastern India. These systems successfully completed their trial period and Eden has received payment in full. The final results from the trial period show the Optiblend® dual fuel systems were displacing above expected amounts of diesel (up to 75% under certain operating conditions), resulting in short capital cost payback periods. These first sales were to one of the world's largest tea plantations, and were trialled on diesel generators with a power output of between 400 kVA and 1,250 kVA. Due to recent, likely temporary, restrictions on the availability of natural gas in Assam, Eden has not so far received any further orders from Assam tea plantations, although future orders are expected.

In India there are many hundreds of thousands of medium and large sized diesel-powered generators that are used to provide either back-up power or base-load power to commercial, industrial, residential and institutional complexes throughout the country. Apart from greatly reducing local air pollution resulting from NOx, carbon monoxide and particulate matter emissions, the new dual fuel kits are projected to have a pay-back period of between 6-24 months, depending upon the size of the engine and the amount of usage.

Eden has, since the end of the year, received its first order for an Optiblend® kit for a 1,250KVA generator based in Mumbai, which will help open up a very large potential market in Western and Northern India where natural gas is now becoming available.

REVIEW OF OPERATIONS

Eden is pursuing many other possible customers in India (and then planning to expand into other suitable territories). The recent appointment by Eden Energy India of two additional engineers in India will enable Eden to significantly reduce the cost of Indian installations, both Hythane® and Optiblend®.



UNIVERSITY OF QUEENSLAND ("UQ") – PYROLYSIS PROJECT (EDEN 100%)

This project has identified that in addition to production of hydrogen and carbon powder and fibres, instead of producing carbon dioxide, under certain conditions, multi-walled and single-walled carbon nanotubes were produced together with hydrogen, and under other conditions, instead of causing the methane molecules to separate into carbon and hydrogen, the molecules amalgamated to form more complex liquid hydrocarbons, some of which could potentially be used in the production of plastics.

Carbon nanotubes have enormous tensile strength (several hundred times stronger than steel) as well as being exceptional conductors of electricity, and this process potentially opens up large markets for this carbon in both the structural materials markets and the electronics market.

During the year, Eden secured an agreement with Indian Oil Corporation Limited (IOCL) on the terms of a detailed non-binding terms sheet for IOCL to farm-in to the new pyrolysis technology. However IOCL delayed coming to Australia to complete the due diligence review as required under the terms of the detailed non-binding terms sheet

Subsequent to year end Eden completed a detailed review of the project and the options, and has:

1 elected to terminate the discussions with IOCL;

2 completed the previously announced purchase by Eden of the 50% interest in the technology owned by the UQ (for a consideration of 3,750,000 shares in Eden, escrowed for 24 months) thereby taking Eden's interest to 100%; and

3 decided that the quickest and cheapest way to progress this exciting technology is to undertake the initial up-scaling in-house at the Hythane Company's laboratory in Denver, Colorado, USA, with the on-going support and involvement of the engineers from UQ.

UNIVERSITY OF QUEENSLAND ("UQ") – NEW GAS TO LIQUIDS RESEARCH PROJECT (EDEN 100%)

Eden and The University of Queensland ("UQ") have taken out a provisional patent application on a new simplified method of producing liquid hydrocarbons and hydrogen from methane (natural gas), and have secured a $500,000 Australian Research Council Grant to fund a significant portion of the 3 year project. Preliminary indications are that the new process has potential for production of both ethylene (which is used in the plastics industry as a major feedstock) and liquid motor vehicle fuel from natural gas, with highly encouraging economic potential particularly related to stranded natural gas fields in remote locations.

During the year work commenced and initial encouraging results were achieved.

REVIEW OF OPERATIONS

UK COAL BED METHANE, CONVENTIONAL NATURAL GAS AND SHALE GAS PROJECT

During the year, Centrica, the major UK gas company that acquired 90% of Eden's interest in the coal bed methane in four of its 18 licences and which is meeting all the costs of the next £500,000 of expenses, completed their review of all past work in the area and submitted a proposed budget and program which includes the drilling and testing of two joint venture well sites in 2011. In this program site preparation works are to start in late 2010 or early 2011 to enable spudding in the first half of 2011. Testing will necessarily overlap into 2012. It is planned to drill 2 or 3 wells at each well-site.

The total area over which the joint venture holds exploration licences is approximately 500,000 acres. Work is also progressing on the 14 other exploration licences in which Eden holds a 50% interest in Wales, Kent and Bristol/Somerset and which are all considered prospective for coal bed methane, conventional natural gas and also shale gas.

Discussions have also continued with our joint venture partner Coastal Oil & Gas ("Coastal") with a view to possibly establishing a joint company as a highly resourced UK-based gas producer and these discussions resulted in a non-binding term sheet being signed. It is proposed that new joint company will in due course proceed to a public listing.

Other Potential UK Hydrocarbon Resources

In addition to coal seam gas, there is a substantial opportunity for other unconventional gas resources, abandoned mine methane in the old mine shafts and conventional hydrocarbons in many of these new areas. Potential exists for Devonian-age shale gas and conventional hydrocarbons in sandstones located beneath the coal beds, similar to those existing in the Appalachian Trend in the United States of America, where major shale gas and Devonian-age sandstone and shale hosted natural gas deposits exist beneath the younger coal measures. It has been interpreted that the United States, the United Kingdom and Western Europe were combined at the time of deposition of both the Devonian-age sandstones and the younger coal measures, and if this interpretation proves correct, significant potential exists for conventional hydrocarbon deposits to be found in these sandstones and shales beneath the coal fields in South Wales and South Western England.

GEOTHERMAL

Eden entered into an agreement with Origin Energy Ltd ("Origin"), a major Australian energy utility, for Origin to farm-in to Eden's Cooper Basin Geothermal Licence No. 185 in South Australia. The agreement is conditional upon approval by the South Australian Government. Origin will pay to Eden $1 million cash and will bear the first $500,000 of expenditure on the licence, to earn a 70% interest in GEL 185. Each party will then contribute proportionally to further expenditure. Origin will be operator of the project.

Apart from providing additional working capital to Eden, the farm-in by Origin provides a significant boost to Eden's plans to develop its geothermal interests by enabling Eden to progress the development of GEL 185 with a significant joint venture partner, and still retain a strategic interest in the broader Cooper Basin geothermal licence area, and is a welcome step in Eden's plans to develop a significant geothermal base in South Australia. Eden, directly and through its wholly owned subsidiary Terratherma Ltd, retains 100% interest in all of its remaining geothermal licences in South Australia.

GEL 185 adjoins the geothermal licences of Geodynamics Ltd in the Cooper Basin where Geodynamics has undertaken a considerable amount of drilling and other work and identified a significant geothermal energy resource. In 2007, Origin entered into an agreement with Geodynamics to farm-in to a 30% interest in Geodynamics' geothermal licences. Origin is also a substantial shareholder in Geodynamics.

The location and relative size of GEL 185 relative to Geodynamics' geothermal licences in the Cooper Basin, and the location of Eden's other South Australian geothermal licences are shown on the following plan.

Because of the uncertain prospects facing the geothermal industry and the difficulty raising capital arising out of the global financial crisis and the failure of the Copenhagen Conference to agree on greenhouse gas reduction targets, Eden has secured a 12 month suspension of all of its geothermal licence obligations (other than GEL 185), during which time it is hoped that the market for raising funds for this very worthwhile project will have improved.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors

The Company's constitution provides that the number of directors shall not be less than three and not more than ten. There is no requirement for any share holding qualification.

As and if the Company's activities increase in size, nature and scope the size of the board will be reviewed periodically, and as circumstances demand.

The membership of the Board, its activities and composition, is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the board shall include quality of the individual, background of experience and achievement, compatibility with other board members, credibility within the Company's scope of activities, intellectual ability to contribute to board's duties and physical ability to undertake board's duties and responsibilities.

Directors are initially appointed by the full board subject to election by shareholders at the next general meeting. Under the Company's constitution the tenure of a director (other than managing director, and only one managing director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his or her last appointment. Subject to the requirements of the Corporation Act 2001, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a director. A managing director may be appointed for any period and on any terms the directors think fit and, subject to the terms of any agreement entered into, may revoke the appointment.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees at this time. The board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

Role of the Board

The Board's primary role is the protection and enhancement of long-term shareholder value.

To fulfil this role, the Board is responsible for oversight of management and the overall corporate governance statement of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

Appointments to Other Boards

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other boards.

Independent Professional Advice

The board has determined that individual directors have the right in connection with their duties and responsibilities as directors, to seek independent professional advice at the Company's expense. With the exception of expenses for legal advice in relation to director's rights and duties, the engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably.

Continuous Review of Corporate Governance

Directors consider, on an ongoing basis, how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as directors of the Company. Such information must be sufficient to enable the directors to determine appropriate operating and financial strategies for time to time in light of changing circumstances and economic conditions. The directors recognise that mineral exploration is an inherently risky business and that operational strategies adopted should, notwithstanding, be directed towards improving or maintaining the net worth of the Company.

ASX Principles of Good Corporate Governance

The board has reviewed its current practices in light of the ASX Principles of Good Corporate Governance and Best Practice Guidelines with a view to making amendments where applicable after considering the Company's size and the resources it has available.

As the Company's activities develop in size, nature and scope, the size of the board and the implementation of any additional formal corporate governance committees will be given further consideration.

The following table sets out the Company's present position with regard to adoption of these Principles.

	ASX Principle	Reference/comment

Principle 1: Lay solid foundations for management and oversight

1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	The Company has not adopted this recommendation to formalise and disclose the functions reserved to the board and those delegated to management. The roles and functions within the Company must remain flexible in order for it to best function within its level of available resources.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	The performance of senior executives is regularly reviewed and this has occurred during the year.
1.3	Companies should provide the information indicated in the Guide to Reporting on Principle 1.	See above.

Principle 2: Structure the board to add value

2.1	A majority of board should be independent directors.	Due to the Company's size, nature and extent of operations, the company has departed from this principle
2.2	The chair should be an independent director.	Due to the Company's size, nature and extent of operations, the company has departed from this principle
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	The Company does not have a Chief Executive Officer.
2.4	The board should establish a nomination committee.	Acting in its ordinary capacity as required, the Board carries out the process of determining the need for screening and appointing new directors. In view of the size and resources available to the Company, it is not considered that a nomination committee is warranted.
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Acting in its ordinary capacity, the Board from time to time carries out the process of considering and determining performance issues. Whenever relevant, any such matters are reported to the ASX.
2.6	Companies should provide the information indicated in Guide to Reporting on Principle 2.	The skills and experience of directors are set out in the Company's Annual Report and on its website.

Principle 3: Promote ethical and responsible decision-making

3.1	Companies should establish a code of conduct and disclose the code or summary of the code as to: • the practices necessary to maintain confidence in the Company's integrity • the practices necessary to take into account their legal obligations and the responsible expectations of their stakeholders • the responsibility and accountability of individuals reporting or investigating reports of unethical practices.	The Company has a Code of Conduct which can be viewed on the Company's website.
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	Due to the Company's size, nature and extent of operations, the company has departed from this principle.

3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	Due to the Company's size, nature and extent of operations, the company has departed from this principle.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Eden has two women employees in the organisation, but does not has any women in senior executive positions or women on the board.
3.5	Companies should provide the information indicated in Guide to Reporting on Principle 3.	The Code of Conduct can be viewed on the Company's website.

Principle 4: Safeguard integrity in financial reporting

4.1	The board should establish an audit committee.	Due to the Company's size, nature and extent of operations, the company has departed from this principle. The Board itself is the forum that deals with this function.
4.2	The audit committee should be structured so that it: • consists only non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not the chair of the board • At least three members	See 4.1
4.3	The audit committee should have a formal charter.	See 4.1
4.4	Companies should provide the information indicated in Guide to Reporting on Principle 4.	See 4.1

Principle 5: Make timely and balanced disclosure

5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance and disclose those policies or a summary of those policies.	The Company has a Continuous Disclosure Policy which can be viewed on the Company's website.
5.2	Companies should provide the information indicated in Guide to Reporting on Principle 5	See above.

Principle 6: Respect the rights of shareholders

6.1	Companies should design and disclose a communications policy for promoting effective communication with shareholders and encourage their participation at general meetings and disclose their policy or a summary of that policy.	The Company has a Communications Policy which can be viewed on the Company's website.
6.2	Companies should provide the information indicated in Guide to Reporting on Principle 6.	See above

Principle 7: Recognise and manage risk

7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Due to the size and nature of the Company, the Company does not have formalised policies on risk management. The Board recognises its responsibility for identifying areas of material business risk and for ensuring that arrangements are in place for adequately managing these risks. This issue is regularly reviewed at board meetings and risk management culture is encouraged amongst employees and contractors.
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	See 7.1
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	The Executive Chairman and the Chief Financial Officer make this assurance to the Board.
7.4	Provide information indicated in Guide to Reporting on Principle 7.	See above.

Principle 8: Remunerate fairly and responsibly

8.1	The board should establish a remuneration committee.	Due to the size and nature of the Company, the Company does not have a remuneration committee. The Company's Constitution allows for a maximum amount per annum to be paid to non-executive directors, to be allocated at the discretion of the directors. Any changed to the annual amount must be approved at a General Meeting of members of the Company.
8.2	The remuneration committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent chair has at least three members.	See 8.1
8.3	Companies should clearly distinguish the structure of non-executive directors remuneration from that of executives.	See 8.1
8.4	Companies should provide information indicated in ASX Guide to Reporting on Principle 8.	No schemes exist for retirement benefits for non-executive directors other than statutory superannuation.

DIRECTORS' REPORT

Your directors present their report on the Company and its controlled entities for the financial year ended 30 June 2010.

Directors

The names of directors in office at any time during or since the end of the year are:

Gregory H Solomon	**Guy T Le Page**
Douglas H Solomon	**Richard J Beresford**

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Mr Aaron P Gates has worked for Eden Energy Ltd for the past 2 years. He is a Chartered Accountant and Chartered Secretary. He has completed a Bachelor of Commerce (Curtin University) with majors in accounting and business law and completed a Diploma of Corporate Governance. Prior to joining Eden he worked in public practice in audit and corporate finance roles.

Principal Activities

Eden Energy Ltd ("Eden") is a diversified energy company created to provide access to range of exciting new, clean green energy opportunities. Eden holds or is acquiring interests in:

- hydrogen fuels;
- coal bed/coal mine methane;
- a conventional gas play; and
- geothermal (deep heat mining) energy.

There were no other significant changes in the nature of the consolidated group's principal activities during the financial year.

Operating Results

The consolidated loss of the group after providing for income tax amounted to $2,659,530 (2009: $8,858,390)

Dividends Paid or Recommended

No dividends were paid or declared for payment during the year.

Review of Operations

A review of the operations of the Group during the year ended 30 June 2010 is set out in the Review of Operations on Page 5.

Financial Position

The net assets of the consolidated group have decreased by $2,540,690 from 30 June 2009 to $12,604,653 in 2010. This decrease has largely resulted from the loss recorded for the year:

The group's working capital, being current assets less current liabilities, has decreased from $1,446,167 in 2009 to $1,277,454 in 2010.

Significant Changes in State of Affairs

There have been no significant changes in the state of affairs occurred during the financial year:

After Balance Date Events

On 18 August 2010 Eden announced a Share Purchase Plan ("SPP") allowing for the issue of up to 40,000,000 fully paid ordinary shares at $0.05 each to raise up to $2,000,000. The issue of shares under this SPP had not occurred at the time this annual report was signed

On 24 August 2010 Eden acquired the 50% interest of the University of Queensland ("UQ") in the Pyrolysis / Gas to Liquids project by the issue of 3.75 million fully paid ordinary shares (escrowed for 24 months) to interests associated with UQ.

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 group, the results of those operations, or the state of affairs of the group in future financial years.

Future Developments, Prospects and Business Strategies

The Group proposes to continue with its exploration programme on the South Wales, Geothermal and natural gas projects and continue the marketing of Hythane® and hydrogen technologies as detailed in the Review of Operations.

Environmental Issues

The company is the subject of environmental regulation with respect to mining exploration and will comply fully with all requirements with respect to rehabilitation of exploration sites.

DIRECTORS' REPORT

Information on Directors

Gregory H Solomon	Executive Chairman
Qualifications	**LLB**
Experience	Appointed chairman 2004. Board member since 2004. A solicitor with more than 30 years Australian and international experience in a wide range of areas including mining law, commercial negotiation (including numerous mining and exploration joint ventures) and corporate law. He is a partner in the Western Australian legal firm, Solomon Brothers and has previously held directorships of various public companies since 1984 including two mining/exploration companies.
Interest in Shares and Options	3,231,302 Ordinary Shares 1,000,000 Options
Directorships held in other listed entities	Tasman Resources Limited (ASX:TAS) Fission Energy Limited (ASX:FIS)
Douglas H Solomon	Non-Executive
Qualifications	**BJuris LLB (Hons)**
Experience	Board member since May 2004. A Barrister and Solicitor with more than 20 years experience in the areas of mining, corporate, commercial and property law. He is a partner in the legal firm, Solomon Brothers.
Interest in Shares and Options	3,051,302 Ordinary Shares 1,000,000 Options
Directorships held in other listed entities	Tasman Resources Limited (ASX:TAS) Fission Energy Limited (ASX:FIS)
Guy T Le Page	Non-Executive
Qualifications	**B.A., B.Sc. (Hons).,M.B.A., F.FIN., MAusIMM**
Experience	Board member since May 2004. Currently a corporate adviser specialising in resources. He is actively involved in a range of corporate initiatives from mergers and acquisitions, initial public offerings to valuations, consulting and corporate advisory roles. He previously spent 10 years as an exploration and mining geologist in Australia, Canada and the United States. His experience spans gold and base metal exploration and mining geology and he has acted as a consultant to private and public companies. This professional experience included the production of both technical and valuation reports for resource companies.
Interest in Shares and Options	1,000,000 Options
Directorships held in other listed entities	Tasman Resources Limited (ASX:TAS) Fission Energy Limited (ASX:FIS) Red Sky Energy Limited (ASX:ROG) Palace Resources Limited (ASX:PXR) Enerji Limited (AX:ERJ) 3D Resources Ltd (ASX: DDD) Soil Sub Technologies Ltd (ASX: SOI)

DIRECTORS' REPORT

Richard J Beresford	Non-Executive
Qualifications	**FAICD FAIE**
Experience	Mr Beresford began his career in engineering and has since gained 25 years experience in the international energy business spanning research, technology commercialisation, strategic planning, operations, business development, capital raising, acquisitions, marketing and general management. He is currently Managing Director of ASX-listed geothermal developer Green Rock Energy Limited. He has led or played a key role in the development and commercialisation of energy technologies including fuel cells, natural gas vehicles and cryogenic natural gas sweetening processes and in several renewable energy businesses. From 1996 to 2001 he was with Woodside developing downstream gas business. He became Director of Downstream Business Development in 1999 and Managing Director of Metasource, Woodside's green energy subsidiary in 2001. From 1982 to 1992 he worked with British Gas in the UK. In 1990 he joined its Global Gas business with responsibility for Asia. This included negotiations in India leading to the formation of the Mahanagar Gas distribution joint venture with the Gas Authority of India Limited (GAIL).
Interest in Shares and Options	1,000,000 Ordinary Shares 1,750,000 Options
Directorships held in other listed entities	Liquefied Natural Gas Limited (ASX:LNG) Green Rock Energy Limited (ASX:GRK)

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director of Eden Energy Limited, and for the executives receiving the highest remuneration.

Remuneration policy

The remuneration policy of Eden Energy Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the consolidated group's financial results. The board of Eden Energy Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the consolidated group, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the economic entity is as follows:

- All executives receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and options.

Executives are also entitled to participate in the employee share and option arrangements.

The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology.

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the consolidated group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in the employee option plan.

Performance-based remuneration

No performance based remuneration was paid during the year.

DIRECTORS' REPORT

Key Management Personnel Remuneration Policy

The Board's policy for determining the nature and amount of remuneration of management for the group is as follows:

The remuneration structure for key management personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the company. The contracts for service between the company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement key management personnel are paid employee benefit entitlements accrued to date of retirement. Any options not exercised before or on the date of termination lapse.

Key Management Personnel Remuneration

Key Management Person	Short-term Benefits				Post-Employment Benefits	Other Long Term Benefits	Share- based Payment		Total	Performance Related
	Salary and Fees	Cash profit share	Non-cash benefit	Other	Superannuation	Other	Equity	Options		
	$	$	$	$	$	$	$	$	$	%
2010										
Gregory H Solomon	150,000	-	-	-	13,500	-	45,600	-	209,100	-
Douglas H Solomon	24,000	-	-	-	2,160	-	45,600	-	71,760	-
Guy T Le Page	24,000	-	-	-	2,160	-	45,600	-	71,760	-
Richard J Beresford	24,000	-	-	-	2,160	-	45,600	-	71,760	-
Roger W Marmaro	288,059	-	34,964	-	13,432	-	45,826	6,165	388,446	-
Aaron P Gates	(a)	-	-	-	-	-	-	-	-	-
	510,059	-	34,964	-	33,412	-	228,226	6,165	812,826	-
2009										
Gregory H Solomon	150,000	-	-	-	13,500	-	-	-	163,500	-
Douglas H Solomon	24,000	-	-	-	2,160	-	-	-	26,160	-
Gregory J Egan	151,935	-	15,279	-	6,543	-	-	-	173,757	-
Guy T Le Page	24,000	-	-	-	2,160	-	-	-	26,160	-
Andrew Leibovitch	8,733	-	-	-	786	-	-	-	9,519	-
Richard J Beresford	24,000	-	-	-	2,160	-	-	-	26,160	-
Roger W Marmaro	328,525	-	60,016	-	16,455	-	47,831	4,789	457,616	-
Aaron P Gates	(a)	-	-	-	-	-	-	-	-	-
	711,193	-	75,295	-	43,764	-	47,831	4,789	882,872	-

(a) This officer is provided by Princebrook Pty Ltd under the Management services Agreement with the Company.

Options issued as part of remuneration for the year ended 30 June 20010

Options are issued to directors and employees as part of their remuneration. The options are not issued on performance criteria, but are issued to the majority of directors and employees of Eden Energy Ltd to increase goal congruence between executives, directors and shareholders.

Shares Issued on Exercise of Compensation Options

No options were exercised during the year that were granted as compensation in prior periods.

DIRECTORS' REPORT

Options Granted as Remuneration

Key Management Person	Vested	No. Granted No.	Grant Date	Value per option at grant date $	Exercise Price $	First Exercise date	Last Exercise Date
Gregory H Solomon	1,000,000	1,000,000	20/11/2009	0.046	0.10625	20/11/2009	20/11/2012
Douglas H Solomon	1,000,000	1,000,000	20/11/2009	0.046	0.10625	20/11/2009	20/11/2012
Guy T Le Page	1,000,000	1,000,000	20/11/2009	0.046	0.10625	20/11/2009	20/11/2012
Richard J Beresford	1,000,000	1,000,000	20/11/2009	0.046	0.10625	20/11/2009	20/11/2012
Roger W Marmaro	532,058	532,058	01/06/2010	0.012	0.200	01/06/2010	30/11/2011
	4,532,058	4,532,058					

All options were granted for nil consideration.

Meetings of Directors

During the financial year, 4 meetings of directors were held. Attendances by each director during the year were as follows:

	Number eligible to attend	Number attended
Gregory H Solomon	4	4
Douglas H Solomon	4	4
Guy T Le Page	4	4
Richard J Beresford	4	4

Options

At the date of this report, the unissued ordinary shares of Eden Energy Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
19 March 2007	5 March 2012	$0.585	500,000
23 December 2008	26 May 2013	$0.385	500,000
23 December 2008	25 March 2011	$0.31	50,000
23 December 2008	15 May 2011	$0.685	1,425,000
25 June 2008	30 June 2011	$0.45	1,227,000
17 March 2009	31 December 2011	$0.10	5,000,000
22 May 2009	14 May 2012	$0.20	310,000
20 November 2009	20 November 2012	$0.10625	4,000,000
14 May 2010	14 May 2013	$0.20	310,000
1 June 2010	30 November 2011	$0.20	886,764
			14,208,764

No person entitled to exercise the option has any right by virtue of the option to participate in any share issue of any other body corporate.

Indemnifying Officers or Auditor

The Company has arranged for an insurance policy to insure the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the Company. The total premium payable was approximately $25,000.

DIRECTORS' REPORT

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Non-audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

No fees for non-audit services were paid / payable to the external auditors during the year ended 30 June 2010.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2010 has been received and can be found on page 19.

Signed in accordance with a resolution of the Board of Directors.

Gregory H Solomon
Chairman

Dated this 30th day of September 2010

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Auditor's Independence Declaration
To the Directors of Eden Energy Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Eden Energy Limited for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M J Hillgrove
Director - Audit & Assurance

Perth, 30 September 2010

STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2010

	Note	Consolidated Group	
		2010	**2009**
		$	**$**
Revenue	2a	278,296	197,828
Other income		173,060	612,915
Raw materials and consumables used		(122,122)	(333,062)
Accounting and audit expense		(78,537)	(140,443)
Advertising and marketing expense		(20,908)	(11,355)
Depreciation and amortisation expense		(56,643)	(50,656)
Employee benefits expense		(1,794,996)	(2,508,324)
Exploration expenditure written off		(120,077)	-
Finance costs		(71)	(229,399)
Foreign exchange gain / (loss)		61,935	(152,158)
Gain on sale of non current assets		844,010	1,271,885
Impairment of receivables		(400,000)	(60,603)
Impairment of exploration costs		(275,930)	(545,337)
Legal and other consultants expense		(484,168)	(439,367)
Loss on sale of subsidiaries		-	(794,412)
Research and development expenditure		(97,250)	(87,000)
Rent expense		(94,558)	(117,886)
Travel and accommodation expense		(198,932)	(336,526)
Other expenses		(272,639)	(389,302)
Loss before income tax	3	(2,659,530)	(4,113,202)
Income tax (expense)/benefit	4	-	-
Loss from continuing operations		(2,659,530)	(4,113,202)
Loss from discontinuing operations	30	-	(4,745,188)
Loss for the year	3	(2,659,530)	(8,858,390)
Other Comprehensive Income			
Foreign currency translation reserve		(234,596)	913,157
Income tax relating to comprehensive income		-	-
Loss attributable to members of the parent entity		(234,596)	913,157
Total Comprehensive Income / (Loss) attributable to members of the parent		(2,894,126)	(7,945,233)
Basic overall earnings per share (cents per share)	6	(1.4636)	(4.9039)
Continuing Operations			
Basic earnings per share (cents per share)	6	(1.4636)	(2.2770)
Discontinuing Operations			
Basic earnings per share (cents per share)	6	-	(2.6269)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	Consolidated Group	
		2010	2009
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	1,050,288	3,059,628
Trade and other receivables	10	1,118,404	2,404,559
Inventories	11	369,913	454,400
Other current assets	12	74,696	18,129
TOTAL CURRENT ASSETS		2,613,301	5,936,716
NON-CURRENT ASSETS			
Trade and other receivables	10	718,878	118,878
Financial assets	13	701,521	579,501
Property, plant and equipment	15	178,786	236,596
Intangible assets	17	9,583,118	9,168,119
Exploration and evaluation	18	144,896	536,453
TOTAL NON-CURRENT ASSETS		11,327,199	10,639,547
TOTAL ASSETS		13,940,500	16,576,263
CURRENT LIABILITIES			
Trade and other payables	19	305,237	1,230,927
Provisions	20	1,030,610	199,993
TOTAL CURRENT LIABILITIES		1,335,847	1,430,920
TOTAL LIABILITIES		1,335,847	1,430,920
NET ASSETS		12,604,653	15,145,343
EQUITY			
Issued capital	21	42,345,754	42,192,124
Reserves	22	2,056,798	2,091,588
Retained earnings		(31,797,899)	(29,138,369)
TOTAL EQUITY		12,604,653	15,145,343

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2010

Consolidated Group

	Note	Share Capital Ordinary	Share Capital Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
		$	$	$	$	$
Balance at 30 June 2008		42,123,647	1,595,158	(657,544)	(20,279,979)	22,781,282
Shares issued during the year		68,477	-	-	-	68,477
Options issued during the year		-	240,817	-	-	240,817
Total other comprehensive income		-	-	913,157	(8,858,390)	(7,945,233)
Balance at 30 June 2009		42,192,124	1,835,975	255,613	(29,138,369)	15,145,343
Shares issued during the year		153,630	-	-	-	153,630
Options issued during the year		-	199,806	-	-	199,806
Total other comprehensive income		-	-	(234,596)	(2,659,530)	(2,894,126)
Balance at 30 June 2010		42,345,754	2,035,781	21,017	(31,797,899)	12,604,653

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2010

	Note	Consolidated Group	
		2010	2009
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		298,265	4,494,030
Payments to suppliers and employees		(2,989,779)	(11,090,329)
Interest received		80,947	62,250
Net cash provided by (used in) operating activities	23	(2,610,567)	(6,534,049)
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration expenditure		(135,312)	(232,058)
Purchase of property, plant and equipment		(11,975)	(142,207)
Development of intangible assets		(366,153)	(590,039)
Investment in joint venture		(223,217)	(1,041,693)
Proceeds from sale of investments		1,000,000	5,759,758
Proceeds from sale of subsidiary (net of cash disposed)		370,000	87,591
Net cash provided by (used in) investing activities		633,343	3,841,352
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	(158,040)
Proceeds from borrowings		-	2,477,407
Repayment of borrowings		-	(1,049,792)
Net cash provided by (used in) financing activities		-	1,269,575
Net increase (decrease) in cash held		(1,977,224)	(1,423,122)
Net increase(decrease) due to foreign exchange movements		(32,116)	159,777
Cash at beginning of financial year		3,059,628	4,322,973
Cash at end of financial year	9	1,050,288	3,059,628

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers the consolidated group of Eden Energy Ltd and controlled entities, and Eden Energy Ltd as an individual parent entity. Eden Energy Ltd is a listed public company, incorporated and domiciled in Australia.

The financial report of Eden Energy Limited and controlled entities, and Eden Energy Ltd as an individual parent entity complies with all International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

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 financial report was authorised for issue on 30 September 2010 by the Board of Directors.

Accounting Policies

a. **Principles of Consolidation**

A controlled entity is any entity Eden Energy Ltd has the power to control the financial and operating policies of so as to obtain benefits from its activities. A list of controlled entities is contained in Note 16 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

b. **Income Tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. **Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average costs.

d. **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	15 – 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each year end.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

e. **Exploration and Evaluation Expenditure**

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

f. **Financial Instruments**

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. **Financial Instruments continued**

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an asset is impaired. Impairment losses are recognised in the income statement.

g. **Impairment of Assets**

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

h. **Interests in Joint Ventures**

The consolidated group's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated financial statements. Details of the consolidated group's interests are shown at Note 13.

The consolidated group's interests in joint venture entities are brought to account using the equity method of accounting in the consolidated financial statements. The parent entity's interests in joint venture entities are brought to account using the cost method.

i. **Intangibles**

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

Intellectual Property

Intellectual property, which includes trademarks and engineering knowledge, is included in the financial statements at cost, being their fair value on acquisition.

Intellectual property and trademarks are only amortised or written down where the useful lives are limited or impaired by specific circumstances, in such cases amortisation is charged on a straight line basis over their useful lives and write downs are charged fully when incurred. The directors have assessed the useful life of the intellectual property and have determined that it has a finite useful life. The intellectual property will be amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. **Foreign Currency Transactions and Balances**

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

— assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;

— income and expenses are translated at average exchange rates for the period; and

— retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed. Intercompany loans are treated as investments for foreign currency translation purposes.

k. **Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Equity-settled compensation

The group operates a number of share-based compensation plans. These include both a share option arrangement and an employee share scheme. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in the income statement. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted.

l. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

m. **Revenue**

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

n. **Borrowing Costs**

All borrowing costs are recognised as an expense in the income statement in the period in which they are incurred.

o. **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p. **New accounting standards and interpretations**

As a result of the revised AASB 101, there have been changes to the presentation and disclosure of the financial statements. Key changes include:

- statement of comprehensive income — a new statement, the statement of comprehensive income in which all income and expenses to be presented;
- terminology changes — including the amendment of the names of the primary financial statements;
- changes in equity —changes in equity arising from transactions with owners, as owners, to be presented separately from non-owner changes in equity. Owner changes are to be presented in the statement of changes in equity, with non-owner changes presented in the statement of comprehensive income;
- Other comprehensive income — introduction the concept of ‘other comprehensive income’ which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Other comprehensive income is to be disclosed in the statement of comprehensive income.

The directors have assessed the new accounting standards issued but not yet effective at 30 June 2010 and noted no impact on the entity’s financial statements.

q. **Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates — Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

- Value-in-use is calculated based on the present value of cash flow projections.
- The forecast provides for the number of installed stations increasing in the first years until expected capacity is reached and there after remaining constant, based on projected market penetration.
- Costs have been based on historical amounts adjusted for CPI increase and improvements in margins based on internal efficiencies.
- A 30% discount rate was utilised to recognise inherent risk in the forecasts.
- That the Company will be able to secure suitable funding to complete the project as forecasted.

No impairment has been recognised in respect of intellectual property for the year ended 30 June 2010.

There is a significant risk of actual outcomes being different from those forecasted due to changes in economic or market conditions and events.

NOTE 2: REVENUE

	Note	2010 $	2009 $
a. Operating activities			
— sale of goods or services		278,296	197,828
Total Revenue		278,296	197,828

NOTE 3: LOSS FOR THE YEAR

a. **Significant Revenue and Expenses**

Significant expense items relevant in explaining the financial performance:

	2010	2009
Gain on sale of non-current asset	844,009	1,271,885
Impairment of exploration costs	(275,930)	(545,337)
Impairment of receivables	(400,000)	(60,603)
Exploration expenditure written off	(120,077)	-
Loss of sale of subsidiaries	-	(794,412)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 $	2009 $
NOTE 4: INCOME TAX EXPENSE			
a. The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:			
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2009: 30%)		(797,859)	(1,233,961)
		(797,859)	(1,233,961)
Add tax effect of:			
— shares and options expensed during year		88,185	96,349
— deferred tax assets not brought to account		709,674	1,137,612
Income tax attributable to entity		-	-
The applicable weighted average effective tax rates are as follows:		Nil%	Nil%
b. Deferred tax assets not brought to account, the benefits of which will only be realised if conditions for deductibility occur			
— Net deferred tax assets/(liabilities)		(1,242,142)	(1,172,255)
— tax losses:		5,660,719	5,834,982
		4,418,577	4,662,727
NOTE 5: AUDITORS' REMUNERATION			
Remuneration of the auditor of the parent entity for:			
— auditing or reviewing the financial report		48,544	41,570
— Other		-	9,872
Remuneration of other auditors of subsidiaries for:			
— auditing or reviewing the financial report		25,810	74,568
— Other		-	-
NOTE 6: EARNINGS PER SHARE			
a. Reconciliation of earnings to profit or loss			
Profit/(loss)		(2,659,530)	(8,858,390)
Earnings used to calculate basic EPS		(2,659,530)	(8,858,390)
b. Reconciliation of earnings to profit or loss from continuing operations			
Loss from continuing operations		(2,659,530)	(4,113,202)
Earnings used to calculate basic EPS		(2,659,530)	(4,113,202)
c. Reconciliation of earnings to profit or loss from discontinuing operations			
Loss from discontinuing operations		-	(4,745,188)
Earnings used to calculate basic EPS		-	(4,745,188)
d. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS		181,714,373	180,639,202

The effect of share options on issue are not potentially dilutive shares.

NOTE 7: 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

	2010 $	2009 $
Management fees and administration fees paid to Princebrook Pty Ltd, a company in which Mr GH Solomon and Mr DH Solomon have an interest.	194,670	194,670
Legal fees paid to Solomon Brothers, a firm of which Mr GH Solomon and Mr DH Solomon are partners.	32,217	32,174

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 8: KEY MANAGEMENT PERSONNEL COMPENSATION

a. Names and positions held of economic and parent entity key management personnel in office at any time during the financial year are:

Key Management Person	Position
Gregory H Solomon	Executive Chairman
Douglas H Solomon	Non-Executive Director
Guy T Le Page	Non-Executive Director
Richard J Beresford	Non-Executive Director
Roger W Marmaro	President Hythane
Aaron P Gates	Company Secretary / Chief Financial Officer

Key management personnel remuneration is included in the Remuneration Report of the Directors Report

b. Options and Rights Holdings

Number of Options Held by Key Management Personnel

	Balance 1.7.2009	Granted as Compen-sation	Options Exer-cised	Net Change* Other	Balance 30.6.2010	Total Vested 30.6.2010	Total Exercisable 30.6.2010	Total Unexer-cisable 30.6.2010
Gregory H Solomon	3,163,675	1,000,000	-	(3,163,675)	1,000,000	1,000,000	1,000,000	-
Douglas H Solomon	3,163,675	1,000,000	-	(3,163,675)	1,000,000	1,000,000	1,000,000	-
Guy T Le Page	821,809	1,000,000	-	(821,809)	1,000,000	1,000,000	1,000,000	-
Richard J Beresford	750,000	1,000,000	-	-	1,750,000	1,750,000	1,750,000	-
Roger W Marmaro	2,160,733	532,058	-	(2,160,733)	532,058	532,058	532,058	-
Aaron Gates	500,000	-	-	-	500,000	300,000	300,000	200,000
Total	10,559,892	4,532,058	-	(9,309,892)	5,782,058	5,582,058	5,582,058	200,000

* Net Change Other refers to options that have been purchased, sold, lapsed or issued during the year.

c. Shareholdings

Number of Shares held by Key Management Personnel

	Balance 30.6.2009	Received as Compen-sation	Options Exercised	Net Change* Other	Balance 30.6.2010
Gregory H Solomon	3,231,302	-	-	-	3,231,302
Douglas H Solomon	3,051,302	-	-	-	3,051,302
Guy T Le Page	-	-	-	-	-
Richard J Beresford	1,000,000	-	-	-	1,000,000
Roger W Marmaro	2,501,601	611,450	-	(100,000)	3,013,051
Aaron P Gates	5,000	-	-	-	5,000
Total	9,789,205	611,450	-	(100,000)	10,300,655

* Net Change Other refers to shares purchased or sold during the financial year.

	Note	2010 $	2009 $
NOTE 9: CASH AND CASH EQUIVALENTS			
Cash at bank and in hand		1,050,288	3,059,628
		1,050,288	3,059,628
Reconciliation of cash			
Cash at the end of the financial year as shown in the cash flow statement is reconciled to the balance sheet as follows:			
Cash and cash equivalents		1,050,288	3,059,628
		1,050,288	3,059,628

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 $	2009 $
NOTE 10: TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade receivables		238,404	136,716
Other un-secured receivables	10(a)	880,000	2,267,843
		1,118,404	2,404,559
NON-CURRENT			
Other receivables		1,118,878	118,878
Less provision for impairment		(400,000)	-
	10(b)	718,878	118,878

(a) – In July 2010 $220,000 was received in relation to this receivable.

(b) – $600,000 relates to an Aptus 100 reformer owed to Eden Energy from the sale of HyRadix Inc in 2009.

	2010 $	2009 $
NOTE 11: INVENTORIES		
CURRENT		
At cost	369,913	454,400
	369,913	454,400

	2010 $	2009 $
NOTE 12: OTHER CURRENT ASSETS		
Prepayments	74,696	18,129
	74,696	18,129

NOTE 13: OTHER FINANCIAL ASSETS

a. **Available-for-sale Financial Assets Comprise**

	Note	2010 $	2009 $
Unlisted investments, at cost			
— interest in joint venture operations	14	701,521	579,501
Total available-for-sale financial assets		701,521	579,501

Available-for-sale financial assets comprise investments in the equity of various entities. There are no fixed returns or fixed maturity date attached to these investments.

The fair value of unlisted available-for-sale financial assets cannot be reliably measured as variability in the range of reasonable fair value estimates is significant. As a result, unlisted investments are reflected at cost.

NOTE 14: JOINT VENTURE

a. **Interest in Joint Venture Operations**

The Consolidated Group's share of costs incurred in respect of the joint venture is:

	2010 $	2009 $
NON-CURRENT ASSETS		
Exploration expenditure	701,521	579,501
Total non-current assets	701,521	579,501
Net interest in joint venture operations	701,521	579,501

Eden Energy (UK) Ltd has a 5% interest in a joint venture with two other parties in relation to four licences in South Wales in the Westphalian Measures, and is earning a 50% interest in three of those licences in the other measures. In addition, Eden has a 50% interest in 13 other licences. See page 46 for a list of all tenement interests.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 15: PROPERTY, PLANT AND EQUIPMENT

	Note	2010 $	2009 $
Plant and equipment:			
At cost		496,087	508,745
Accumulated depreciation		(317,301)	(272,149)
Total plant and equipment		178,786	236,596
Total property, plant & equipment		178,786	236,596

Movements in Carrying Amounts

Plant & Equipment		
Balance at the beginning of year	236,596	1,490,936
Additions	11,886	8,211
Disposals	(1,203)	(1,211,895)
Net foreign exchange differences on translation	(11,850)	-
Depreciation expense	(56,643)	(50,656)
Carrying amount at the end of year	178,786	236,596

NOTE 16: CONTROLLED ENTITIES

a. Controlled Entities

Controlled Entities	Country of Incorporation	Percentage Owned (%)* 2010	2009
Parent Entity:			
Eden Energy Limited	Australia		
Subsidiaries of Eden Energy Limited:			
Eden Innovations Limited	Ireland	100	100
Eden Energy (UK) Limited	United Kingdom	100	100
Eden Energy (India) Pvt Ltd	India	100	100
Hythane Company LLC	United States of America	100	100
Terratherma Ltd	Australia	100	100

** Percentage of voting power is in proportion to ownership*

b. Acquisition of Controlled Entities

No entities were acquired during the year.

c. Disposal of Controlled Entities

No entities were disposed during the year.

	Note	2010 $	2009 $
NOTE 17: INTANGIBLE ASSETS			
Intellectual property		9,583,118	9,168,119
Accumulated impaired losses		-	-
Net carrying value		9,583,118	9,168,119
Balance at the beginning of the year		9,168,119	8,578,080
Additions		414,999	590,039
Carrying amount at the end of the year		9,583,118	9,168,119

Intellectual property relates mainly to Hythane® trademarks and engineering knowledge. Hythane® is a registered trademark of Eden Innovations Ltd, a controlled entity of Eden Energy Ltd. Refer to Note 1(i) and Note 1(q) for further information on accounting policies and critical estimates / assumptions in relation to IP.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 $	2009 $
NOTE 18: EXPLORATION AND EVALUATION			
Balance at the beginning of the year		536,453	848,895
Exploration expenditure incurred during the year		4,450	232,895
Exploration expenditure written-off during the year		(120,077)	-
Impairment		(275,930)	(545,337)
Balance at the end of the year		144,896	536,453

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and sale of geothermal energy. Capitalised costs amounting to $223,217 (2009: $232,058) have been included in cash flows from investing activities in the cash flow statement for the Consolidated Group.

	2010 $	2009 $
NOTE 19: TRADE AND OTHER PAYABLES		
Trade payables	305,237	1,230,927
	305,237	1,230,927
NOTE 20: PROVISIONS		
Other	1,030,610	199,933
	1,030,610	199,933
NOTE 21: ISSUED CAPITAL		
183,539,654 (2009: 181,458,422) fully paid ordinary shares	42,345,754	42,192,124
	42,345,754	42,192,124

	2010 No.	2009 No.
a. Ordinary shares		
At the beginning of reporting period	181,458,422	180,441,339
Shares issued – prior year	-	1,017,083
Shares issued during the year		
— 24 March 2010	247,251	-
— 11 May 2010	810,898	-
— 2 June 2010	1,023,083	-
At reporting date	183,539,654	181,458,422

i. The ordinary shares on issue have no par value and there is no limited amount of authorised share capital.

ii. On 24 March 2010 the company issued 247,251 ordinary shares to a consultant.

iii. On 11 May 2010 the company issued 810,898 ordinary shares to a consultant.

iv. On 2 June 2010 the company issued 1,023,083 ordinary shares to employees as part of an incentive scheme under employment contracts.

v. Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

c. Capital Management

Management controls the working capital of the Company in order to maximise the return to shareholders and ensure that the Company can fund its operations and continue as a going concern. Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in responses to changes in these risks and in the market. These responses include the management of expenditure and debt levels, distributions to shareholders and share and option issues. There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 21: ISSUED CAPITAL CONTINUED

b. Options

At the beginning of reporting period	100,751,348	97,304,585
Options issued – prior year	-	8,246,763
Options lapsed – prior year	-	(4,800,000)
Options lapsed	(91,664,348)	-
Options issued during the year		
— 20 November 2009	4,000,000	-
— 14 May 2010	310,000	-
— 1 June 2010	886,764	-
At reporting date	14,283,764	100,751,348

i. For information relating to the Eden Energy Limited employee option plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end, refer to Note 29 Share-based Payments.

ii. For information relating to share options issued to key management personnel during the financial year, refer to Note 29 Share-based Payments.

NOTE 22: RESERVES

a. Option Reserve

The option reserve records items recognised as expenses on valuation of employee share options.

b. Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on the translation of foreign controlled subsidiaries.

NOTE 23: CASH FLOW INFORMATION

	Note	2010 $	2009 $
Reconciliation of Cash Flow from Operations with Loss after Income Tax			
Loss after income tax		(2,659,930)	(8,858,390)
Cash flows excluded from loss attributable to operating activities			
Non-cash flows in loss			
Depreciation and amortisation		56,643	50,656
Impairment of receivables		400,000	60,603
Employee benefits		276,541	123,064
Foreign exchange loss		(61,935)	152,158
Gain on sale of non-current assets		(844,010)	(1,271,885)
Impairment expense		275,930	545,337
Shares/options expense		76,895	240,814
Loss on sale of subsidiaries		-	794,412
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries			
(Increase)/decrease in trade and other receivables*		(101,688)	201,268
(Increase)/decrease in inventories		84,487	(16,207)
Increase/(decrease) in trade payables and accruals*		(113,500)	1,444,121
Cash flow from operations		(2,610,567)	(6,534,049)

* - Net of non operating movements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 24: CAPITAL AND LEASING COMMITMENTS

	Note	2010 $	2009 $
a. Capital Expenditure Commitments			
Payable:			
— not later than 12 months		-	-
— greater than 12 months		-	-
		-	-

b. Exploration commitments

Eden Energy Ltd has certain obligations to perform work for the Geothermal Licences. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the company subject to the company being able to raise sufficient additional capital.

c. Joint Ventures

Eden Energy Ltd is committed to fund exploration expenditure in South Wales pursuant to a joint venture agreement in respect of conventional hydrocarbons on Petroleum Exploration and Development Licences.

NOTE 25: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are not aware of any other contingent assets or contingent liabilities as at 30 June 2010.

NOTE 26: PARENT COMPANY INFORMATION

	2010 $	2009 $
a. Parent Entity		
Assets		
Current assets	1,711,333	4,933,352
Non-current assets (a)	12,116,891	9,571,950
Total Assets	13,828,224	14,505,302

(a) – Included in the non-current assets balance of $12,116,891 is an amount of $5,742,824 receivable from Eden's subsidiary Eden Innovations Ltd which holds the rights to Eden's IP.

	2010 $	2009 $
Liabilities		
Current liabilities	1,022,608	1,076,229
Total liabilities	1,022,608	1,076,229
Equity		
Issued Capital	42,345,754	42,192,124
Retained Earnings	(31,575,919)	(30,599,023)
Reserves		
Option reserve	2,035,781	1,835,972
Total reserves	2,035,781	1,835,972
Financial performance		
Profit for the year	(976,897)	(1,721,404)
Other comprehensive income	-	-
Total comprehensive income	(976,897)	(1,721,404)

Contingent Liabilities

The Directors are not aware of any contingent liabilities as at 30 June 2010.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 27: SEGMENT REPORTING

Accounting Policies

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of payables, employee benefits, accrued expenses, provisions and borrowings. Segment assets and liabilities do not include deferred income taxes.

Intersegment Transfers

Segment revenues, expenses and results include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the Consolidated Group at an arm's length. These transfers are eliminated on consolidation.

Business and Geographical Segments

Business segments

The consolidated group operates in the energy sector and does not have distinguishable business segments.

Geographical segments

The consolidated group's business segments are located in Australia, United States of America, Europe and India.

Primary reporting — Geographical segments

	Australia	United States	Europe	India	Eliminations	Economic Entity (Continuing Operations)	Discontinued Operations
	$	$	$	$	$	$	
2010							
External sales	-	246,320	-	31,976	-	278,296	-
Other segments	-	338,513	-	-	(338,513)	-	-
Total segment revenue	-	584,833	-	31,976	(338,513)	278,296	-
Segment Result	(465,694)	(1,550,752)	(29,370)	(170,963)	(42,681)	(2,259,460)	-
Finance costs						(71)	-
Loss before income tax						(2,259,531)	
Income tax expense						-	-
Loss after income tax						(2,259,531)	-
Segment Assets	13,829,305	949,494	9,188,040	47,605	(9,673,944)	14,340,500	-
Segment Liabilities	(1,022,608)	(9,808,602)	(24,033,147)	(292,466)	33,820,975	(1,335,848)	-
Net Assets	12,806,697	(8,859,108)	(14,845,107)	(244,861)	24,147,032	13,004,653	-
Purchase of non-current assets	1,001,597	7,391	-	2,898	-	1,011,886	-
Depreciation and amortisation	690	44,392	9,448	2,113	-	56,643	-
Impairment of investments and receivables	-	-	-	-	-	-	-
2009							
External sales	-	696,810	-	40,236	-	737,046	854,432
Other segments	-	292,548	-	-	(292,548)	-	-
Total segment revenue	-	989,358	-	40,236	(292,548)	737,046	854,432
Segment Result	(1,471,199)	(2,197,081)	(15,665,174)	(168,599)	15,618,250	(3,883,803)	(6,136,134)
Finance costs						(229,399)	-
Loss before income tax						(4,113,202)	(6,136,134)
Income tax expense						-	-
Loss after income tax						(4,113,202)	(6,136,134)
Segment Assets	14,690,143	1,087,492	9,252,084	46,824	(8,500,280)	16,576,263	-
Segment Liabilities	(1,546,641)	(8,923,998)	(23,680,691)	(66,565)	32,786,975	(1,430,920)	-
Net Assets	13,143,502	(7,836,506)	(14,428,607)	(19,741)	24,286,695	15,145,343	-
Purchase of non-current assets	-	-	-	-			-
Depreciation and amortisation	645	35,173	12,060	2,579	-	50,457	132,974
Impairment of investments and receivables	-	-	15,007,646	-	(15,007,646)	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 28: DISCONTINUED OPERATIONS

During the 2009 year, the Company disposed of the businesses of Eden Hydrogen, Cryogenic Technical Services and Eden Cryogenics, with effective control passing on 1 January 2009.

During the 2009 year Brehon Far East Pte Ltd, Brehon Australasia Pty Ltd and Hydrogen China BVI Ltd were wound up as they were dormant.

The financial information relating to the discontinued operations to the date of sale is set out below and at Note 26.

The financial performance of the discontinued operations to the date of sale which is included in the loss from discontinued operations per the income statement is as follow:

	2009
	$
Revenue	854,432
Expenses	(5,599,620)
Loss before income tax	(4,745,188)
Income tax expense	-
Loss from discontinuing operations	(4,745,188)
The net cash flows of the discontinuing operations which have been incorporated into the statement of cashflows are as follows:	
Net cash outflow from operating activities	(3,598,168)
Net cash outflow from investing activities	(129,841)
Net cash outflow from financing activities	-
Net cash inflow/(outflow) by the discontinuing operations	(3,728,009)

NOTE 29: SHARE-BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2010:

On 19 March 2007, 500,000 share options were issued, exercisable at $0.585 at any before 5 April 2012 were granted for nil consideration to employees under the Eden Employee Share Option Plan (“ESOP”).

On 23 December 2008, 1,475,000 share options were issued, exercisable at $0.685 at any before 15 May 2011 were granted for nil consideration to employees under the Eden Employee Share Option Plan (“ESOP”).

On 23 December 2008, 500,000 share options were issued, exercisable at $0.385 at any before 26 May 2013 were granted for nil consideration to employees under the Eden Employee Share Option Plan (“ESOP”).

On 23 December 2008, 50,000 share options were issued, exercisable at $0.31 at any before 25 March 2011 were granted for nil consideration to employees under the Eden Employee Share Option Plan (“ESOP”).

On 22 May 2009, 335,000 share options were issued, exercisable at $0.20 at any before 14 May 2012 were granted for nil consideration to employees under the Eden Employee Share Option Plan (“ESOP”).

On 20 November 2009, 4,000,000 share options were issued, exercisable at $0.10625 at any before 20 November 2012 were granted for nil consideration to directors pursuant to AGM approval.

On 24 March 2010 the company issued 247,251 ordinary shares to a consultant as payment for services rendered.

On 11 May 2010 the company issued 810,898 ordinary shares to a consultant as payment for services rendered.

On 14 May 2010, 310,000 share options were issued, exercisable at $0.20 at any before 14 May 2013 were granted for nil consideration to employees under the Eden Employee Share Option Plan (“ESOP”).

On 1 June 2010, 886,764 share options were issued, exercisable at $0.20 at any before 20 November 2011 were granted for nil consideration to employees under the Eden Employee Share Option Plan (“ESOP”).

On 2 June 2010 the company issued 1,023,083 ordinary shares to employees as part of an incentive scheme under employment contracts.

All options granted to key management personnel are ordinary shares in Eden Energy Limited, which confer a right of one ordinary share for every option held. When issued, the shares carry full dividend and voting rights.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 29: SHARE-BASED PAYMENTS CONTINUED

	2010		2009	
	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $
Outstanding at the beginning of the year	10,398,953	0.45	8,252,190	0.43
Granted	5,196,764	0.13	3,246,763	0.45
Lapsed	(7,613,953)	0.41	(1,100,000)	0.37
Outstanding at year-end	7,981,764	0.28	10,398,953	0.45
Exercisable at year-end	7,781,764	0.27	9,798,953	0.44

The options outstanding at 30 June 2010 had a weighted average exercise price of $0.28, with exercise prices ranging from $0.11 to $0.69 and a weighted average remaining contractual life of 2.28 years.

The weighted average fair value of the options granted during the year was $0.038.

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indi future tender, which may not eventuate.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

No options were exercised during the year ended 30 June 2010. Included under employee benefits expense in the statement is $276,541 (2009: $240,814) and relates, in full, to equity settled share-based payment transactions.

This price was calculated by using either market price where available or a Black-Scholes option pricing model applying the following inputs:

Weighted average exercise price	$0.28
Weighted average life of the option	1.79 years
Underlying share price	$0.076 - $0.085
Expected share price volatility	80%
Risk free interest rate	3.50%

NOTE 30: FINANCIAL INSTRUMENTS

a. Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are liquidity risk and credit risk.

i. Liquidity Risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate funding is maintained. The company's operations require it to raise capital on an on-going basis to fund its planned exploration program and to commercialise its tenement assets. If the company does not raise capital in the short term, it can continue as a going concern by reducing planned but not committed exploration expenditure until funding is available and/or entering into joint venture arrangements where exploration is funded by the joint venture partner.

The remaining contractual maturities of the Group financial liabilities are:

	2010 $	2009 $
12 months or less	305,237	1,430,920
1 year or more		-
Total	305,237	1,430,920

ii. Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a financial loss to the company. The company has adopted a policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

NOTE 30: FINANCIAL INSTRUMENTS CONTINUED

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

iii. Foreign currency risk

The group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the group's measurement currency.

iv. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's minimal exposure to interest rate risk, the only asset / liability affected by changes in market interest rates is Cash and cash equivalents.

b. Financial Instruments

i. **Net Fair Values**

The aggregate net fair values of:

— Financial assets and financial liabilities, at the balance date, are approximated by their carrying value.

NOTE 31: EVENTS AFTER THE BALANCE SHEET DATE

On 18 August 2010 Eden announced a Share Purchase Plan ("SPP") allowing for the issue of up to 40,000,000 fully paid ordinary shares at $0.05 each to raise up to $2,000,000. The issue of shares under this SPP had not occurred at the time this annual report was signed

On 24 August 2010 Eden acquired the 50% interest of the University of Queensland ("UQ") in the Pyrolysis / Gas to Liquids project by the issue of 3.75 million fully paid ordinary shares (escrowed for 24 months) to interests associated with UQ.

There were no other material events occurring after the balance sheet date.

NOTE 32: COMPANY DETAILS

The registered office of the company is:

Eden Energy Limited
Level 40, Exchange Plaza
2 The Esplanade
Perth Western Australia 6000

The principle places of business is:

Eden Energy Limited
Level 40, Exchange Plaza
2 The Esplanade
Perth Western Australia 6000

DIRECTORS' DECLARATION

DIRECTORS' DECLARATION

In the opinion of the directors of Eden Energy Ltd (the "Company"):

a. the financial statements and notes set out on pages 20 to 39, and the Remuneration disclosures that are contained in pages 15 to 17 of the Remuneration Report in the Directors' Report, are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Group's financial position as at 30 June 2010 and of its performance, for the financial year ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

   (iii) complying with International Financial Reporting Standards as disclosed in Note 1.

b. the remuneration disclosures that are contained in page 15 to 17 of the Remuneration Report in the Directors' Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures and

c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2010.

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

Gregory H Solomon

Chairman

Dated this 30th day of September 2010

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Independent Auditor's Report
To the Members of Eden Energy Limited

We have audited the accompanying financial report of Eden Energy Limited (the company) which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report 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 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence
In conducting our audit, we complied with applicable independence requirements of the Corporations Act 2001.

Auditor's opinion
In our opinion:

a the financial report of Eden Energy Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and

  ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Significant uncertainty regarding the carrying value of intangible assets and receivables from subsidiaries
Without qualification to the above opinion attention is drawn to the following matter. As disclosed in Notes 26 and 17 to the financial statements, within non-current assets, the company has receivables from subsidiaries and the consolidated entity has intellectual property with carrying values as at 30 June 2010 of $5,742,824 and $9,583,118 respectively.

The directors have prepared value in use calculations in assessing the recoverable amounts of these assets on the basis of the key estimates as outlined in Note 1 to the financial statements. Key estimates include the number of installed stations increasing in the first few years until expected capacity is reached and thereafter remaining constant, based on market penetration and the consolidated entity's ability to source additional capital injections in the future to enable the further development of the intellectual property. The estimates and assumptions within the value in use calculation have a significant risk of being different to actual outcomes due to change in economic or market conditions and / or due to events beyond the control of management and hence there is significant uncertainty regarding the carrying value of the intangible assets and therefore the carrying value of the parent company's receivables from subsidiaries.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 17 of the directors' report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion the Remuneration Report of Eden Energy Limited for the year ended 30 June 2010, complies with section 300A of the Corporations Act 2001.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M J Hillgrove
Director – Audit & Assurance

Perth, 30 September 2010

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Securities Exchange Ltd.

1. **Shareholding as at 15 September 2010**

a. **Distribution of Shareholders**

Category (size of holding)	Number Ordinary
1 – 1,000	82
1,001 – 5,000	378
5,001 – 10,000	505
10,001 – 100,000	1,069
100,001 – and over	186
	2,220

b. The number of shareholdings held in less than marketable parcels is 667.

c. The names of the substantial shareholders listed in the holding company's register as at 15 September 2010 are:

Shareholder	Number Ordinary
Tasman Resources Ltd	35,121,988
Ganesha Nominees Pty Ltd	16,933,111

d. **Voting Rights**

The voting rights attached to each class of equity security are as follows:

Ordinary shares

— Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. **20 Largest Shareholders — Ordinary Shares**

	Name	Number of Shares	% Issued Capital
1.	Noble Energy Limited	33,368,645	17.817%
2.	Ganesha Nominees Pty Ltd	16,933,111	9.041%
3.	Citicorp Nominees Pty Ltd	8,859,318	4.730%
4.	Top Energy Pty Ltd	4,352,846	2.324%
5.	Uniquest Pty Ltd	3,750,000	2.002%
6.	Mr & Mrs Rogerson & Miss C Rogerson <The Rogerson Super Fund A/c>	3,669,118	1.959%
7.	Arkenstone Pty Ltd <G H Solomon Family Inv A/c>	3,231,299	1.725%
8.	March Bells Pty Ltd	3,001,302	1.602%
9.	Mr Wayne Kearney & Mrs Robyn Kearney <Kearney Super A/c>	2,860,749	1.527%
10.	Mr Roger Marmaro	2,607,290	1.392%
11.	Mr Philip Rogerson & Mrs Kathryn Rogerson	2,359,573	1.260%
12.	Coote Investments Pty Ltd	2,000,000	1.068%
13.	Harbour Views No 1 Pty Ltd	1,832,401	0.978%
14.	Mr Bahar Santosa	1,810,000	0.966%
15.	Mr Justin Fulton	1,767,646	0.944%
16.	Noble Energy Ltd	1,753,343	0.936%
17.	Yelrif Investments Pty Limited <Pension Fund A/c>	1,200,000	0.641%
18.	Mr Hermann Hamburger	1,000,000	0.534%
19.	Mr Richard Beresford & Mrs Susan Beresford <Beresford Family R/F A/c>	1,000,000	0.534%
20.	Mr Thomas Falvey	900,000	0.481%
		98,256,641	52.461%

2. **Unquoted Securities – Options as at 15 September 2010**

Holder Name	Date of Expiry	Exercise Price	Number on issue	Number of holders
Employee Share Options	25 March 2011	$0.31	50,000	1
Employee Share Options	15 May 2011	$0.685	1,425,000	24
Numerous	30 June 2011	$0.45	875,209	36
RM Capital Pty Ltd	30 June 2011	$0.45	351,791	1
Employee Share Options	30 November 2011	$0.20	886,764	2
Fission Energy Limited	31 December 2011	$0.10	5,000,000	1
Employee Share Options	5 March 2012	$0.585	500,000	1
Employee Share Options	14 May 2012	$0.20	310,000	12
Directors	20 November 2012	$0.10625	4,000,000	4
Employee Share Options	14 May 2013	$0.20	310,000	12
Employee Share Options	26 May 2013	$0.385	500,000	1
			14,208,764	95

Tenement Schedule

Country/State	Licence Type	Number	% Interest	Holder	Locality
SA	GEL	169[5]	100	Eden Energy Ltd	Bollards Lagoon
SA	GEL	185	30	Eden Energy Ltd	Moomba
SA	GEL	329[5]	100	Terratherma Ltd	Corichina
SA	GEL	330[5]	100	Terratherma Ltd	Corichina
SA	GEL	411-422[5]	100	Terratherma Ltd	Port Wakefield to Quorn
SA	PEL	183	100	Eden Energy Ltd	Marree
SA	PELA	240	100	Eden Energy Ltd	Marree
Wales, UK	PEDL	100	5[1], 50[3]	Eden Energy (UK) Ltd	Pencoed - Port Talbot
Wales, UK	PEDL	148	5[2], 50[3]	Eden Energy (UK) Ltd	Upper Neath Valley
Wales, UK	PEDL	149	5[2], 50[3]	Eden Energy (UK) Ltd	Lower Neath Valley
Wales, UK	PEDL	214	50	Eden Energy (UK) Ltd	Swansea
Wales, UK	PEDL	215	50	Eden Energy (UK) Ltd	Neath
Wales, UK	PEDL	216	50	Eden Energy (UK) Ltd	Cowbridge
Wales, UK	PEDL	217	50	Eden Energy (UK) Ltd	Cowbridge
Wales, UK	PEDL	218	5[1], 50[4]	Eden Energy (UK) Ltd	Pontypridd
Wales, UK	PEDL	219	50	Eden Energy (UK) Ltd	Cowbridge
Wales, UK	PEDL	220	50	Eden Energy (UK) Ltd	Pontypridd
England, UK	PEDL	226	50	Eden Energy (UK) Ltd	Bristol
England, UK	PEDL	227	50	Eden Energy (UK) Ltd	Bristol
England, UK	PEDL	228	50	Eden Energy (UK) Ltd	Bristol
England, UK	PEDL	249	50	Eden Energy (UK) Ltd	Ayleshan
England, UK	PEDL	250	50	Eden Energy (UK) Ltd	Ayleshan
England, UK	PEDL	251	50	Eden Energy (UK) Ltd	Deal
England, UK	PEDL	252	50	Eden Energy (UK) Ltd	Deal

[1] - 5% interest in the Westphalian Measures

[2] - Right to earn a 5% interest in the Westphalian Measures

[3] - Right to earn a 50% interest in any other measures below the Westphalian Measures

[4] - 50% interest in any other measures below the Westphalian Measures

[5] - The financial commitments on these tenements have been suspended at Eden's request

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