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Media Release

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LEADING INDIAN BUS MANUFACTURER IN 10-YEAR

HYTHANE® ENGINE DEAL WITH AUSTRALIA'S EDEN

An Australian company has won a 10-year Hythane® engine conversion and marketing agreement with a leading bus manufacturer in India to have its more environmentally friendly hydrogen-enriched Natural Gas fuel blend tested for introduction into the Indian company's Natural Gas powered buses.

The agreement between Chennai-based Ashok Leyland and Perth-based and ASX-listed Eden Energy Ltd (ASX code: "EDE") provides a major opening for Eden's patented hydrogen and Natural Gas fuel blend, Hythane®, to be introduced across tens of thousands of public transport vehicles in India. Ashok Leyland is the Indian flagship of the London-based trans-national Hinduja Group.

Eden Energy's Executive Chairman, Mr Greg Solomon, said today that the signing of the Agreement was the breakthrough the Company had been driving for on the subcontinent.

Speaking from the Group's office in Colorado in the United States where the first Ashok Leyland engines have now arrived for modification for demonstration trials, Mr Solomon said that to secure the signature of India's largest bus supplier to commit to a Hythane® test and development program for Natural Gas engines fitted to Ashok Leyland buses, "is a milestone".

"This is a massive potential market with high public sector transport operations and high traffic pollution levels demanding redress across any number of large cities," he said.

"Ashok Leyland currently manufactures more than 80,000 vehicles per year including 11,000-14,000 buses per year, and provides the majority of all metropolitan state transport buses in India carrying over 60 million passengers per day.

"The Company is also a major manufacturer of trucks and defence equipment. Any successful test program therefore leading to the commercialisation of Hythane® provides Eden Energy with a tremendous base for its Indian operations, and the potential to expand into the truck, generator, locomotive, car, taxi fleet and three-wheeler auto rickshaw markets."

Under the terms of the Agreement, negotiations on which were flagged by Eden last month, the 100% owned Eden subsidiary, Brehon Energy PLC will through its US subsidiary, conduct the Hythane® engine recalibration on the Indian engines at its test facilities in Colorado.

The engines will then be installed for testing and demonstration purposes throughout 2007 in Delhi, Mumbai, Ahmedabad and Kanpur – Indian cities where Natural Gas is available.

“We are hopeful of widening the test base program as the Indian Government recently announced an immediate five year program to expand the Natural Gas pipeline network to cover up to 60% of all vehicles in India and to increase the available annual Natural Gas tonnages from 5mt to 25mt,” Mr Solomon said.

“Natural Gas powered public bus numbers in India are also anticipated to match this growth and our objective is for a large percentage of these to be operating on Hythane® as Natural Gas in India currently sells for less than 50% of the cost of diesel.

“This is a significant incentive for bus fleet operators to use natural gas, and therefore Hythane®, as a vehicle fuel wherever available.

“The Indian Government has also provided significant funds for the testing of various hydrogen fuels, including Hythane® and is strongly encouraging this program. The significance of this Agreement with Ashok Leyland is evidenced by the fact that Company will also be making its own announcement to both the Indian and the London Stock Exchanges within the next 24 hours Australian time – available on the local bourse by tomorrow (Tuesday 19 December).”

Mr Solomon said with the marketing agreement signed, Eden/Brehon now planned to seek to establish a joint venture in India with a major Indian partner to manage the rollout of Hythane® in India.

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