

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
8TH JANURAY 2008

Historic first hot rock well spuds in SA's Riverland

Highlights

- **First Renmark geothermal drillhole (Chowilla 1) spudded on 6th December 2007.**
- **Drilling to take a further 3-6 weeks**
- **Stabilised temperature gradient to be measured end March 2008**
- **Final modelling of heatflow expected April 2008.**
- **\$100,000 PACE grant supporting the Riverland drill campaign**
- **Close proximity to infrastructure and transmission lines**

The first well, to establish whether the Riverland area of South Australia has the potential to host a new onshore province for Australia's rapidly emerging geothermal sector, is underway.

A prospecting drill hole is being sunk near Renmark by Eden Energy Ltd (ASX: EDE), which today announced that it had commenced drilling the Chowilla 1 drill hole – the first “hot rock” hole ever to be undertaken in the region.

Eden Energy holds two licence areas in the Riverland - GEL175 and GEL176 - located 40km northeast of Renmark (see Figure 1), with an additional licence application on the NSW side of the border. In total, these tenements cover 1943 square kilometres of the geological feature known as the Renmark-Tararra Trough.

Key results are expected to be known towards early April next year.

Unlike many more remote geothermal prospects, the Renmark area is close to infrastructure and grid powerlines, (within 30 – 60 kilometres) including the main transmission lines running to Adelaide and to Broken Hill – enhancing the area's commercial potential for geothermal energy.

In addition to possible “clean” electricity production, the geothermal energy from the Riverland area, which adjoins the Murray River and the saline aquifers of the Murray basin, could be an ideal energy source for a large scale water desalination project.

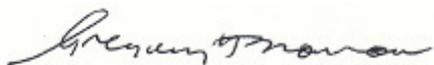
On regional geothermal mapping (the Austherm03 image), showing predicted temperatures at 5km depth, there is a strongly anomalous predicted high temperature region near Renmark, lying within the Renmark-Tararra Trough – a 300km long geological feature running northeasterly to the north of Renmark.

The geology of the Trough is relatively poorly understood but geophysical data (gravity, magnetics and seismic) suggests that the trough is up to 3.5km deep, with significant accumulations of sediments likely to provide effective thermal insulation and with an interpreted underlying granite driving the anomalous heatflow in the region.

The limited available data suggests that commercially attractive geothermal resources may be present, associated with deep fracture zones and aquifers, as well as within the basement rocks of the Trough - and may be enhanced by fluid circulation along the major fracture zones within and bounding the Trough.

For personal use only

The drilling of Chowilla 1 to a depth of approximately 400 – 500 metres is likely to take a further 3-6 weeks. It will be used to acquire core and temperature measurements from within the Renmark Trough to confirm the anticipated high flow status of the region.



Gregory H. Solomon
Executive Chairman

About Eden Energy Limited

Eden Energy Ltd is a diversified clean energy company that listed on the Australian Stock Exchange in June 2006. Eden has interests in hydrogen production, storage & transport fuel systems, including the low emission Hythane hydrogen-methane blend, coal seam & abandoned mine methane in the UK, conventional gas in SA, low temperature pyrolysis research into hydrogen production and geothermal energy production.

All these aspects of Eden's business are part of an integrated strategy to become a major global participant in the alternate energy market, particularly focussing on the clean energy transport market, producing hydrogen without any carbon emissions, transporting the hydrogen to markets & providing the engines to power hydrogen-based transport & energy solutions.

For further information please contact Greg Solomon (+61 8 9282 5889) or visit our website (www.edenenergy.com.au).

For personal use only

For personal use only

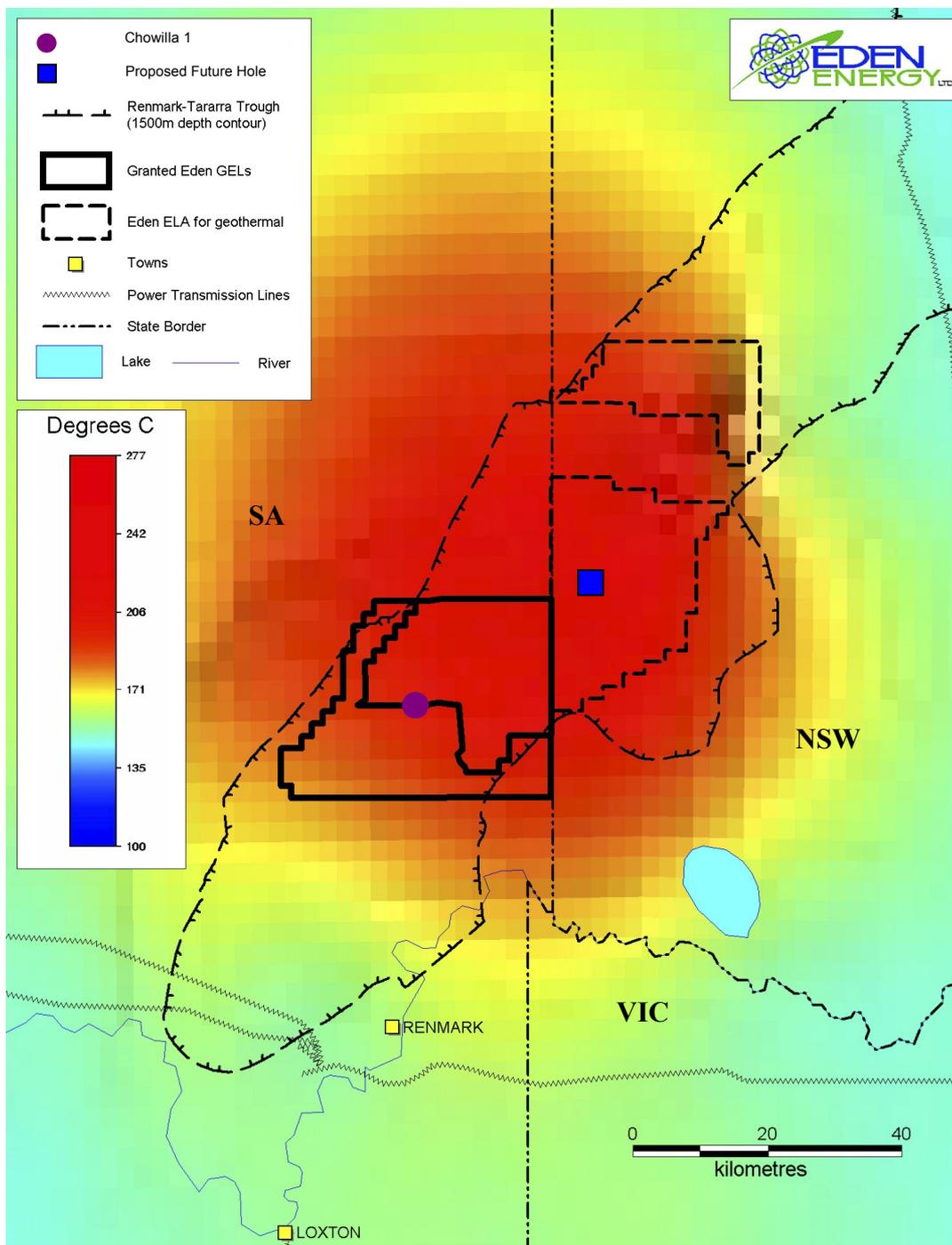


Figure 1: Location of GEL 175 & GEL 176 - the Renmark Project. The image backdrop is from the Austherm03 image, showing the predicted temperature at 5km depth.