



**Australian Securities Exchange Announcement
28 May 2010**

**Australian company heralds successful tests in development
of India's first production Hythane[®] engine for bus fleet**

Australian-based green energy developer, Perth-based Eden Energy Limited (ASX; EDE), is pleased to announce 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 last month's calibrated control system and exhaust catalyst for the naturally-aspirated engine have revealed it will ultimately enable India's buses to operate at a level of emissions that meet the most stringent standards of future.

Justin Fulton, Hythane Company's Director of Engine and Fuel Systems, said 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 (CO₂) 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 Hythane-fuelled-engine sales.

"Although the use of natural gas buses has reduced pollution over the past 5 to 10 years in cities like Delhi and Mumbai, NOx and smog continue to be a serious health problem," Mr Fulton said.

"The use of Hythane[®] fuel in the nation's municipal buses will make a significant reduction in these pollutants, without any power or performance penalties, and without expensive engine or vehicle add-on equipment," he said.

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“It is significant that Hythane[®] fuel reduces CO₂ emissions with regards to global warming. Also, the THC emissions from natural gas are almost all methane, a greenhouse gas that is over 20 times more potent than CO₂. With a renewable hydrogen feedstock for the Hythane[®] fuel blend, around 7 tonnes of CO₂-equivalent greenhouse gas could be saved annually for each bus,” Mr Fulton said.

“The real-world driving cycle fuel efficiency improvement with Hythane[®] fuel could provide up to 5% lower operating costs for the bus operators with industrial-scale hydrogen production sources for vehicle fuel.

“Even with small on-site hydrogen production at each refuelling station, the efficiency increase with Hythane[®] at least covers the extra cost of the hydrogen in the fuel blend, so the emissions improvements are free.”

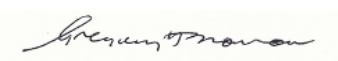
In the near future, Ashok Leyland will also release turbo-charged versions of the H06 engine, and the control system strategies used for these engines will allow them to take advantage of hydrogen’s unique combustion properties above and beyond the improvements seen in the base CNG/Hythane[®] engine.

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.

Hythane Company’s President, Roger Marmaro, said: “While pure-hydrogen engine and fuel cell technology continues to advance, the immediate availability and leveraged benefits of hydrogen-natural gas fuel blends will allow Hythane[®] engines to play the most significant role in meeting India’s Vision 2020 goals and promoting the development of a new hydrogen economy.”

India joined the International Partnership for the Hydrogen Economy (IPHE) as a founding member in 2003. By 2006, a National Hydrogen Energy Roadmap was created to plan for a gradual, practical transition to hydrogen energy and infrastructure, including power generation and transport applications. The Roadmap’s Vision 2020, through the Green Initiatives for Transport (GIFT), calls for 1 million vehicles to be operating on hydrogen fuels by 2020.

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 previously announced by Eden Energy. This station, due to be constructed by the end of the year, will refuel 50 to 70 buses in Mumbai. In addition to the Ashok Leyland buses, another major Indian bus manufacturer has approved in principle a development project to recalibrate their engines for optimised Hythane[®] fuel operation in 2010.



Gregory H. Solomon
Executive Chairman

About Eden Energy Limited

Eden Energy Ltd is a diversified clean energy company that listed on the Australian Securities 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 focusing 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).

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