

EDEN ENERGY LTD

ACN 109 200 900

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of the members of Eden Energy Limited ACN 109 200 900 ("the Company") will be held at Level 15, 197 St George's Terrace, Perth, Western Australia on Friday, the 7th day of August 2015 at 9am.

ORDINARY BUSINESS

The business of the meeting is to consider and (if thought fit) to pass, with or without modification, the following ordinary resolutions:

Resolution 1: Issue of Shares to Noble Energy Pty Ltd A.C.N. 115 057 586 to convert debt into equity

That, for the purpose of:

- (a) ASX Listing Rule 10.11;
- (b) Chapter 2E of the *Corporations Act 2001* ("the Act"); and
- (c) for all other purposes,

shareholders approve the issue to the Company's major shareholder, Noble Energy Pty Ltd A.C.N. 115 057 586 ("Noble"), of:

- (d) a maximum of 17,857,143 ordinary fully paid shares in the Company (each "a Share"), which new Shares shall rank *pari pasu* with all other Shares currently on issue by the Company (ASX Code: EDE); and
- (e) a maximum of 17,857,143 accompanying options, each to acquire one Share, at an exercise price of 3 cents at any time on or before 30 September 2018 (each, "an Option"), which new Options shall rank *pari pasu* with all other listed Options currently on issue by the Company (ASX Code: EDEO),

to enable the Company to convert the amount owing by the Company to Noble as at the date of this Agreement, being \$250,000, or a portion thereof, into Shares and Options."

Note: The Company will disregard any votes cast on this Resolution 1 by Noble Energy Pty Ltd A.C.N. 115 057 586 and any other person who would obtain a benefit if this Resolution 1 is passed and their associates.

However, the Company will not disregard the vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

Resolution 2: Issue of Shares to Gregory Howard Solomon to convert debt into equity

That, for the purpose of:

- (a) ASX Listing Rule 10.11;
- (b) Chapter 2E of the Act; and
- (c) for all other purposes,

shareholders approve the issue to:

- (d) Gregory Howard Solomon ("GH Solomon") as trustee for Solomon Brothers (a partnership), of 11,294,643 Shares and 11,294,643 accompanying Options, in full and final satisfaction of all amounts owing by the Company to GH Solomon on account of unpaid directors fees as at the 30 April 2015 of \$158,125; and
- (e) Arkenstone Pty Ltd as trustee for the Gregory H Solomon and Lee H Solomon Superannuation Fund, of 1,072,992 Shares and 1,072,992 accompanying Options, in full and final satisfaction of all amounts owing by the Company to GH Solomon on account of superannuation as at the 30 April 2015 of \$15,021.88,

which new Shares and Options shall rank *pari pasu* with all other Shares and listed Options currently on issue by the Company (ASX Codes: EDE and EDEO) respectively.

Note: The Company will disregard any votes cast on this Resolution 2 by Gregory Howard Solomon, Arkenstone Pty Ltd and any other person who would obtain a benefit if this Resolution 2 is passed, and their associates.

However, the Company will not disregard the vote if:

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- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

Resolution 3: Issue of Shares to Douglas Howard Solomon to convert debt into equity

That, for the purpose of:

- (a) ASX Listing Rule 10.11;
- (b) Chapter 2E of the Act; and
- (c) for all other purposes,

shareholders approve the issue to:

- (d) Douglas Howard Solomon ("DH Solomon") as trustee for Solomon Brothers (a partnership), of 2,357,143 Shares and 2,357,143 accompanying Options, in full and final satisfaction of all amounts owing by the Company to DH Solomon on account of unpaid directors fees as at the 30 April 2015 of \$33,000; and
- (e) March Bells Pty Ltd as trustee for the Douglas H Solomon Superannuation Fund, of 223,929 Shares and 223,929 accompanying Options, in full and final satisfaction of all amounts owing by the Company to DH Solomon on account of superannuation as at the 30 April 2015 of \$3,135,

which new Shares and Options shall rank pari pasu with all other Shares and listed Options currently on issue by the Company (ASX Codes: EDE and EDEO) respectively.

Note: The Company will disregard any votes cast on this Resolution 3 by Douglas Howard Solomon, March Bells Pty Ltd and any other person who would obtain a benefit if this Resolution 3 is passed, and their associates.

However, the Company will not disregard the vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

Resolution 4: Issue of Shares to Guy Touzeau Le Page to convert debt into equity

That, for the purpose of:

- (a) ASX Listing Rule 10.11;
- (b) Chapter 2E of the Act; and
- (c) for all other purposes,

shareholders approve the issue to:

- (d) Guy Touzeau Le Page ("GT Le Page") of 1,686,143 Shares and 1,686,143 accompanying Options, in full and final satisfaction of all amounts owing by the Company to GT Le Page on account of unpaid directors fees as at the 30 April 2015 of \$23,606 (exclusive of PAYGW on these outstanding fees, which will be satisfied by the Company in cash); and
- (e) Guy Le Page and Dina Le Page as trustee for The Guy Le Page Superannuation Fund, of 223,929 Shares and 223,929 accompanying Options, in full and final satisfaction of all amounts owing by the Company to GT Le Page on account of superannuation as at the 30 April 2015 of \$3,135,

which new Shares and Options shall rank pari pasu with all other Shares and listed Options currently on issue by the Company (ASX Codes: EDE and EDEO) respectively.

Note: The Company will disregard any votes cast on this Resolution 4 by GT Le Page, and any other person who would obtain a benefit if this Resolution 4 is passed and their associates.

However, the Company will not disregard the vote if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

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Resolution 5: Issue of Shares to Princebrook Pty Ltd to convert debt into equity

That, for the purpose of:

- (a) ASX Listing Rule 7.1; and
- (b) for all other purposes,

shareholders approve the issue to Princebrook Pty Ltd A.C.N. 009 244 866 ("Princebrook") of 11,136,733 Shares and 11,136,733 Options, in full and final satisfaction of all outstanding management fees owing by the Company to Princebrook as at 30 April 2015, being \$156,292.25, which new Shares and Options shall rank pari passu with all other Shares and listed Options currently on issue by the Company (ASX Codes: EDE and EDEO) respectively.

Note: The Company will disregard any votes cast on this Resolution 5 by Princebrook Pty Ltd and any other person who would obtain a benefit if this Resolution 5 is passed and their associates .

However, the Company will not disregard the vote if:

- (e) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (f) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

NOTES RELATING TO PROXIES

In accordance with Section 249L of the Corporations Act, members are advised:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

In accordance with Section 250BA of the Corporations Act the Company specifies the following for the purposes of receipt of proxy appointments:

By hand delivery to the Company's Registered Office:

Level 15, 197 St Georges Terrace, Perth, Western Australia 6000

By post to:

Level 15, 197 St Georges Terrace, Perth, Western Australia 6000; or

PO Box 7055, Cloisters Square, Perth, Western Australia 6000

Facsimile Number: (08) 9282 5866

Each shareholder entitled to vote at the General Meeting has the right to appoint a proxy to vote on each particular resolution. The shareholder may specify the way in which the appointed proxy is to vote on a particular resolution or may allow the appointed proxy to vote at its discretion. The instrument appointing the proxy must be received by the Company as provided in its Constitution no later than 48 hours prior to the time of the commencement of the General Meeting. This proxy form may be sent by facsimile transmission to the number identified on the proxy form.

A corporation may elect to appoint a representative in accordance with the Act in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to the Company before the Meeting.

For the purposes of Regulation 7.11.37 of the *Corporations Regulations 2001* the Company determines that shareholders holding ordinary shares at 5.00pm WST 5 August 2015 will be entitled to attend and vote at the Annual General Meeting.

Please note all defined terms used in this Notice of Meeting have the meanings set out in the glossary of the Explanatory Memorandum accompanying this Notice.

By Order of the Board of Directors



A P Gates

Secretary

Dated this 23rd day of June 2015

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("the Company")

EXPLANATORY STATEMENT ACCOMPANYING NOTICE OF GENERAL MEETING

This Explanatory Statement is an important document and you should read it carefully. If you have any queries regarding the matters set out in this Explanatory Statement or the Notice to which it is attached please contact the Company or your professional advisor.

Words and expressions which are capitalised are defined in the glossary which appears at the end of this Explanatory Statement.

BACKGROUND – DEBT TO EQUITY CONVERSION

Resolutions 1, 2, 3, 4 and 5 seek shareholder approval to convert certain amounts which are currently owing by the Company to its major shareholder, Noble (on account of a loan), to its directors (on account of unpaid director fees, and superannuation) and to Princebrook (on account of unpaid management fees).

A summary of the Company's indebtedness to each of the abovementioned parties follows:

	AMOUNT (\$)	AMOUNT (\$)	DETAILS
Princebrook Pty Ltd		156,292.25	Management Fees inc GST – 1 June 2014 to 30 April 2015
GT Le Page	33,000.00		Outstanding directors fees (less PAYGW thereon) – 1 June 2014 to 30 April 2015
Less PAYGW	(9,394.00)		
Net amount owing to GTLP		23,606.00	
Guy Le Page & Dina Le Page atf The Guy Le Page Superannuation Fund		3,135.00	Superannuation on outstanding director fees
GH Solomon		158,125.00	Outstanding directors fees -1 June 2014 to 30 April 2015
Arkenstone Pty Ltd atf The Gregory H Solomon & Lee H Solomon Superannuation Fund		15,021.88	Superannuation on outstanding director fees
DH Solomon		33,000.00	Outstanding directors fees – 1 June 2014 to 30 April 2015
March Bells Pty Ltd atf The Douglas H Solomon Superannuation Fund		3,135.00	Superannuation on outstanding director fees
Noble Energy Pty Ltd		250,000.00	Loan
		<u>\$642,315.13</u>	

If Shareholder approval is obtained, all of the above debts will be converted into Shares at a price of 1.4 cents per Share, being the closing price of the Company's Shares on the day immediately preceding the date the Company announced to the market its intention to effect this conversion, together with 1 free attaching Option. The debt owing to Noble may not be converted in its entirety if the market value of the Shares and Options which would be issued to Noble (having regard to their trading prices on the ASX on the date of their issue) if the entire debt of \$250,000 was converted into Shares and Options would exceed \$250,000 (see Resolution 1 below)

This proposed debt-equity conversion was announced by the Company on 14 May 2015. The price at which the Company is proposing to effect the conversion is at a premium to the price at which Shares (and accompanying Options) were issued under the Company's 2015 Rights Issue, which closed on 19 March 2015 (which was undertaken at an issue price of 1 cent per Share, together with 1 free attaching Option). The Company has subsequently placed shortfall shares under the 2015 Rights Issue (in each instance, together with a free accompanying Option) at a price of 1 cent (between 29 April and 12 May 2015), 1.4 cents (on 21 May 2015) and 1.9 cents on 15 June 2015.

On the day immediately prior to the date of this Notice, the closing price of the Company's Shares was \$0.019 and the closing price of the Company's Options was \$0.009.

The Company wishes to repay these debts, by issuing equity, in order to clean up its balance sheet so as to facilitate the potential raising of further funds. The Company would prefer not to apply any of its existing cash reserves in repayment of these debts as it considers those reserves are likely to be required to fund the ongoing working capital requirements of the Company.

If Shareholders approve all of Resolutions 1, 2, 3, 4 and 5:

- the Company will issue up to an additional 45,879,655 Shares and 45,879,655 Options, representing 4.85% of its existing issued Share capital (of 945,861,754) and 24.579% of the 186,660,716 listed Options currently on issue respectively; and

- (b) the Company will, upon completion of the debt-equity conversion, have on issue a maximum 991,741,409 Shares and 232,540,371 listed Options (on the assumption that, other than the Shares and Options which are the subject of this Notice, no other Shares and Options are issued by the Company after the date of this Notice).

In addition, the Company will have on issue 3,375,000 ESOP Options.

Together, the Shares and accompanying Options which the Company propose to issue to Noble under this Resolution 1 and to the other persons if Resolutions 2, 3, 4 and 5 are also passed represent 9.701% of the Company's current issued capital (of 945,861,754 Shares).

The following table summarises the impact on the Company's Share capital and Option structure if all of Resolutions 1, 2, 3, 4 and 5 are passed:

	Shares	% of current	Options (listed)*	% of current
Current structure	945,861,754		186,660,716	
Shares and Options to be issued if Resolution 1 is passed (maximum)	17,857,143	1.888%	17,857,143	9.567%
Shares and Options to be issued if Resolution 2 is passed	12,367,635	1.308%	12,367,635	6.626%
Shares and Options to be issued if Resolution 3 is passed	2,581,072	0.273%	2,581,072	1.383%
Shares and Options to be issued if Resolution 4 is passed	1,910,072	0.202%	1,910,072	1.023%
Shares and Options to be issued if Resolution 5 is passed	11,163,733	1.180%	11,163,733	5.981%
TOTAL (maximum)	991,741,409**		232,540,371**	

* In addition, the Company has on issue 3,375,000 (unlisted) ESOP Options.

** On the assumption that, other than the Shares and Options which are the subject of this Notice, no other Shares and Options are issued by the Company after the date of this Notice

If any of Resolutions 1, 2, 3, 4 or 5 are not approved by the Company's Shareholders, the Company will not be able to effect the relevant debt-equity conversions, and the Company will (in lieu of converting the outstanding debts into equity) use its existing cash reserves to repay these outstanding debts in full, in cash.

RESOLUTION 1: ISSUE OF SHARES AND OPTIONS TO NOBLE ENERGY PTY LTD TO CONVERT DEBT INTO EQUITY

Shareholder approval to the proposed issue of a maximum of 17,857,143 Shares and 17,857,143 accompanying Options to the Company's major shareholder, Noble (to enable the Company to convert the amount owing by the Company to Noble as at the date of the Notice, being \$250,000, or a part thereof, into Shares and Options) is being sought for all purposes, including for the purposes of:

- (a) ASX Listing Rule 10.11; and
- (b) Chapter 2E of the Act.

Assuming this Resolution 1 is passed, if the market value of the 17,857,143 Shares and 17,857,143 accompanying Options on the date of their issue to Noble (based on the prices at which those Shares and Options are trading on the ASX on that date) would exceed \$250,000, the Company will only convert such portion of the debt of \$250,000 owing by it to Noble (at the agreed price of 1.4 cents per Share, together with 1 free attaching Option) as will result in Noble being issued with such (lesser) number of Shares and Options as have a market value of \$250,000. The balance of the debt not converted into Shares and Options will remain owing by the Company to Noble.

Shareholder approval to this proposed Share and Option issue is not being sought for the purposes of section 606 of the Act (which prohibits a person from, inter alia, acquiring a relevant interest in issued voting shares in a listed company if the person does so through a transaction in relation to securities entered into by that person and because of that transaction that person's or someone else's voting power in the company increases from a starting point that is, inter alia, above 20% and below 90%). Whilst Noble's voting power in the Company is currently 46.164%, Noble is able to rely on the exception in item 9 of s.611 of the Act. By this item, an acquisition of a relevant interest in a company's voting shares is exempt from the prohibition in s.606(1) of the Act if:

- (a) throughout the six months before the acquisition, that person, or any other person, has had voting power in the company of at least 19%; and
- (b) as a result of the acquisition, none of the persons referred to in paragraph (a) would have voting power in the company more than three percentage (3%) points higher than they had six months before the acquisition.

Noble's voting power throughout the last six month period has always exceeded 19%, and on the date 6 months prior to the date of this meeting was 46.012%. Should Noble's entire outstanding loan, of \$250,000.00, be converted into Shares and Options, Noble's voting power will change to between 45.829% (if Shareholders approve all of Resolutions 1, 2, 3, 4

and 5) and 47.162% (if Shareholders approve this Resolution 1, but do not approve Resolutions 2, 3, 4 or 5) (giving a maximum increase in Noble's voting power of 1.15% from the interest Noble had six months before the issue).

As set out above, the Company proposes to issue:

- (a) a maximum of 17,857,143 Shares to Noble, which represent 1.91% of its current issued capital (of 945,861,754 Shares); and
- (b) a maximum of 17,857,143 accompanying Options, which represent 10.16% of Company's current 186,660,716 listed Options.

When the Shares and Options which the Company proposes to issue to Noble are aggregated with those which it proposes to issue to the other persons if Resolutions 2, 3, 4 and 5 are also passed, the Company proposes to issue, in total:

- (a) a maximum of 45,879,655 new Shares representing 4.851% of its current issued Share capital; and
- (b) a maximum of 45,879,655 new Options representing 24.579% of its current listed Options.

Together, the maximum number of Shares and Options which the Company propose to issue to Noble under this Resolution 1 and to the other persons if Resolutions 2, 3, 4 and 5 are also passed represent 9.701% of the Company's current issued capital (of 945,861,754 Shares).

As at the date of this Notice, Noble currently holds 436,651,428 Shares and 87,330,286 Options. If this Resolution 1 is passed, Noble's interest in the Company will increase to a maximum of 454,508,571 Shares and 105,187,429 Options. If Noble subsequently exercised all of the Options the subject of this Resolution 1, its shareholding would further increase to a maximum of 472,365,714 Shares. If it also exercised all of the other 87,330,286 Options currently held by it as at the date of this Notice, its shareholding would increase to a maximum of 559,696,000 Shares (representing 51.024% of the Company's issued share capital, assuming no further Shares had been issued – other than as set out in Resolutions 2, 3, 4 and 5 - and Noble's Options were the only Options converted into Shares).

Listing Rule 10.1

Listing Rule 10.11 provides that an entity must not issue, or agree to issue, equity securities to a related party without the approval of its shareholders. Under the Listing Rules, the term "related party" in relation to a body corporate has the meaning given to it in s.228 of the Act. By that section, an entity that controls a public company is a related party of the public company. Noble currently holds 436,651,428 Shares in the Company, representing 46.16% of the Company's current issued Share capital, and therefore has control of the Company. It will therefore be a related party of the Company for the purposes of both the Act and the Listing Rules.

The Company therefore seeks Shareholder approval to issue the Shares and Options to Noble pursuant to Listing Rule 10.11.

The following information is provided in accordance with Listing Rule 10.13:-

1. All of the Shares and Options the subject of this Resolution 1 will be issued to Noble Energy Pty Ltd A.C.N. 115 057 586.
2. Noble will be issued with a maximum of 17,857,143 Shares and 17,857,143 Options. The Shares will be issued on the same terms as, and rank *pari passu* with, the existing issued Shares of the Company (ASX Code: EDE) and the Options will be issued on the same terms as, and rank *pari passu* with, the existing listed Options of the Company (ASX Code: EDEO). Both the Shares and Options will be quoted on the ASX.
3. All of the Shares and Options will be issued to Noble not more than one month after the date of this meeting (it is intended that they will be issued immediately after this Resolution 1 is passed).
4. Noble is the major Shareholder of the Company, holding 46.16% of the Company's current issued Share capital and 46.79% of the Company's current issued listed Options. As a result, Noble has control of the Company and will, by virtue of that control, be a related party of the Company.
5. For the purpose of determining the number of Shares and Options to be issued to Noble to convert its loan to the Company into equity, the issue price for the Shares and Options has been fixed at 1.4 cents per Share with one free attaching Option for every Share issued, being the same price (1.4 cents per Share and free attaching Option) as the 2015 Rights Issue shortfall shares were offered by the Company to investors at around the same time (ASX announcement dated 21 May 2015).
6. The purpose of the proposed Share and Option issue is to convert up to the full amount lent by Noble to the Company (in the sum of \$250,000) (for the purposes of funding the Company's ongoing working capital requirements) into equity, thus cleaning up the Company's balance sheet. Accordingly, as the Shares and Options are being issued in satisfaction of existing debts, no funds will be raised from the issue.
7. The Company will disregard any votes cast on this Resolution 1 by Noble (being the entity who is intended to be issued with the Shares and Options) and any associates of Noble. However, the Company need not disregard a vote if:
 - 7.1. it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - 7.2. it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

An issue made with approval of the Company's Shareholders under Listing Rule 10.11 does not also require approval under Listing Rule 7.1 (by virtue of exception 14 of Listing Rule 7.2). Listing Rule 7.1 prohibits a company from issuing or agreeing to issue equity securities (which term includes both shares and options over unissued securities) in any 12 month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities. Further, equity securities issued with approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are not then required to be included in the 15% limit imposed by Listing Rule 7.1. Together, the maximum number of Shares and Options which the Company propose to issue to Noble represent 3.78% of the Company's current issued Share capital (of 945,861,754).

Chapter 2E of the Act

Part 2E.1 of the Act regulates the provision of "financial benefits" by a public company and entities controlled by the public company to related parties of the public company.

By s.208(1) of the Act, the Company can only give a "financial benefit" to a "related party" of the Company if the Company obtains the approval of its Shareholders in accordance with the procedures set out in Part 2E.1 of the Act.

For the purposes of the Act, a "related party" of the Company includes an entity that controls the Company.

Noble holds 436,651,428 of the Shares in the Company (representing 46.16% of the current issued Share capital of the Company) and therefore has control of the Company.

Furthermore, the Act deems the issuing of securities and the granting of an option to a related party to constitute the giving of a "financial benefit" to the related party.

Section 211 of the Act provides an exception to the need to obtain member approval where, inter alia, the financial benefit would be reasonable in the circumstances if the Company and the related party were dealing at arm's length or are less favourable to the related party than such terms. The Directors consider the debt-equity conversion, and consequential issue of the Shares and Options to Noble, is being made on arms' length terms for the following reasons:

- (a) the issue price for the Shares and Options has been fixed at 1.4 cents per Share with one free attaching Option for every Share issued, being the same price (1.4 cents per Share and free attaching Option) as the 2015 Rights Issue shortfall shares were offered by the Company to investors (ASX announcement dated 21 May 2015) at around the same time as this proposed debt-equity conversion was announced;
- (b) the issue of a free attaching Option is consistent with the terms of the Company's 2015 Rights Issue (which was undertaken at an issue price of 1 cent per Share together with 1 free attaching Option); and
- (c) the Share price at which the Company is proposing to effect the conversion is at premium to the price at which Shares and accompanying Options were recently issued under the 2015 Rights Issue.

Nevertheless, the Company is seeking Shareholder approval for the purposes of Part 2E.1 of the Act.

In accordance with the requirements of Part 2E.1 of the Act, and in particular section 219 of the Act, the following information is provided to allow Shareholders of the Company sufficient information to determine whether they should approve this Resolution 1:-

1. The proposed financial benefit is to be given to Noble (which is a company which controls the Company).
2. The nature of the financial benefit is the issue to Noble of:
 - 2.1 a maximum of 17,857,143 Shares, which represent 1.88% of the Company's current issued capital (of 945,861,754 Shares); and
 - 2.2 a maximum of 17,857,143 accompanying Options, which represent 9.57% of the Company's current 186,660,716 listed Options,

assuming the outstanding loan, of \$250,000 is converted in its entirety. These Shares and accompanying Options will be issued in full and final satisfaction of the amount lent by Noble to the Company (to fund the Company's ongoing working capital requirements), at a conversion price of 1.4 cents per Share, plus 1 free accompanying Option. By way of example, if only \$200,000 of the outstanding loan of \$250,000 was converted into Shares (and accompanying Options), 14,285,714 Shares and 14,285,714 Options would be issued to Noble..

3. Three of the directors of the Company, namely Gregory Howard Solomon, Douglas Howard Solomon and Guy Touzea Le Page, are also directors of Noble and of Tasman (Noble's parent company). Gregory Howard Solomon, Douglas Howard Solomon and Guy Touzea Le Page (or entities associated with them) are also shareholders and optionholders in Tasman. Accordingly, none of these directors wish to make a recommendation to Shareholders about this Resolution 1. The remaining director of the Company, Richard Beresford, recommends that Shareholders approve this Resolution 1, as it will clean up the Company's balance sheet and hopefully assist the Company in raising additional funds which may be required to further its objectives.
4. For the reasons noted in paragraph 3 above, three of the directors of the Company, Gregory Howard Solomon, Douglas Howard Solomon and Guy Touzea Le Page, have an interest in the outcome of this Resolution 1. Richard Beresford does not have any interest in the outcome of this Resolution 1.
5. Save for the following information as to the value of the financial benefit which will be given to Noble if this Resolution 1 is passed, the directors of the Company are not aware of any other information (other than as set out elsewhere in this Explanatory Statement) that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass this Resolution 1.

Richard Beresford, being the only director of the Company that does not have an interest in this Resolution 1 provides the following information in relation to the value of the financial benefit that will be given to Noble if this Resolution 1 is passed:

- 5.1 The Shares and Options which will be issued to Noble if this Resolution 1 is passed are listed on the ASX (ASX Codes: EDE and EDEO respectively).
- 5.2 The conversion price has been fixed at 1.4 cents per Share with one free attaching Option for every Share issued, being the same price (1.4 cents per Share and free attaching Option) as the 2015 Rights Issue shortfall shares were offered by the Company to investors (ASX announcement dated 21 May 2015) at around the same time as this proposed debt-equity conversion was announced (on 14 May 2015).
- 5.3 On 14 May 2015, the closing price of the Company's Options was 0.4 cents and the closing price of the Company's shares was \$0.012. If the Shares and Options the subject of this Resolution 1 had of been issued on that day, the loan of \$250,000 would have been converted into Shares and Options having a market price of \$285,714.29.
- 5.4 On the day immediately prior to the date of this Notice, the closing price of the Company's Shares was \$0.019 and the closing price of the Company's Options was \$0.009. If the Shares and Options the subject of this Resolution 1 had of been issued on the day immediately preceding the date of this Notice, the loan of \$250,000 would have been converted into Shares and Options having a market price of \$500,000.00.
- 5.5 The trading price of the Shares and Options on the date of the meeting at which this Resolution 1 will be considered (namely, 7 August 2015), and (assuming this Resolution 1 is passed) on the date the debt-equity conversion is effected, could be more or less than the price the Shares and Options were trading as at the date of this Notice. Accordingly, the Shares and Options which will be issued to Noble if this Resolution 1 is passed could have a market value of more or less than the value of the debt.
- 5.6 By fixing the conversion price, the Company has certainty as to the number of Shares (and accompanying Options) it will need to issue to fully satisfy this outstanding indebtedness (and the consequent dilutionary impact of this debt-equity conversion), irrespective of subsequent fluctuations in the trading price of the Company's Shares and Options.
- 5.7 The Share price at which the Company is proposing to effect the conversion is at premium to the price at which Shares were recently issued under the 2015 Rights Issue (of 1 cent). The 2015 Rights Issue also included one free attaching Option with every one Share subscribed for under it.
- 5.8 The Company, in the period after the 2015 Rights Issue closed and prior to this proposed debt-equity conversion being announced (between 29 April 2015 and 12 May 2015), raised additional funds by placing the shortfall shares under the 2015 Rights Issue, at a Share price of 1 cent (together with one free attaching Option). The Company has in the period subsequent to the announcement of this proposed debt-equity conversion, raised additional funds by placing further shortfall shares under the 2015 Rights Issue, at a Share price of 1.4 cents (together with one free attaching Option) on 21 May 2015 (i.e. at the agreed conversion price) and 1.9 cents (together with one free attaching Option) on 15 June 2015 (i.e. at a higher price than the agreed conversion price).

The Company will disregard any votes cast on this Resolution 1 by Noble (being the related party of the Company to whom the resolution would permit the financial benefit to be given) and its associates (all of whom are prohibited from voting).

RESOLUTION 2: ISSUE OF SHARES AND OPTIONS TO GREGORY HOWARD SOLOMON TO CONVERT DEBT INTO EQUITY

Shareholder approval to the proposed issue of:

- (a) 11,294,643 Shares and 11,294,643 accompanying Options to Gregory Howard Solomon ("GH Solomon") as trustee for Solomon Brothers (a legal partnership comprised of Gregory Howard Solomon, Douglas Howard Solomon, David Marsh, Chris Williams and Michelle Hawksley) in full and final satisfaction of all amounts owing by the Company to GH Solomon on account of unpaid directors fees as at the 30 April 2015 of \$158,125; and
- (b) 1,072,992 Shares and 1,072,992 accompanying Options to Arkenstone Pty Ltd as trustee for the Gregory H Solomon and Lee H Solomon Superannuation Fund ("Arkenstone SuperFund"), in full and final satisfaction of all amounts owing by the Company to GH Solomon on account of superannuation as at the 30 April 2015 of \$15,021.88,

is being sought for all purposes, including for the purposes of:

- (c) ASX Listing Rule 10.11; and
- (d) Chapter 2E of the Act.

As set out above, the Company proposes to issue:

- (a) to G H Solomon as trustee for Solomon Brothers, 11,294,643 Shares, which represent 1.19% of the Company's current issued capital (of 945,861,754 Shares), and 11,294,643 accompanying Options, which represent 6.05% of Company's current 186,660,716 listed Options; and

- (b) to Arkenstone SuperFund, 1,072,992 Shares, which represent 0.11% of the Company's current issued capital (of 945,861,754 Shares), and 1,072,992 accompanying Options, which represent 0.58% of Company's current 186,660,716 listed Options.

Together, the Shares and Options which the Company propose to issue to GH Solomon and Arkenstone SuperFund represent 2.62% of the Company's current issued Share capital (of 945,861,754).

When the Shares and Options which the Company proposes to issue to GH Solomon and to Arkenstone SuperFund are aggregated with those which it proposes to issue to the other persons if Resolutions 1, 3, 4 and 5 are also passed, the Company proposes to issue, in total:

- (a) a maximum number of 45,879,655 new Shares representing 4.851% of its current issued Share capital; and
(b) a maximum number of 45,879,655 new Options representing 24.579% of its current listed Options.

Together, the Shares and Options which the Company propose to issue to GH Solomon and the Arkenstone SuperFund under this Resolution 2 and to the other persons if Resolutions 1, 3, 4 and 5 are passed represent 9.701% of the Company's current issued capital (of 945,861,754 Shares).

As at the date of this Notice, GH Solomon (and companies associated with him, including the Arkenstone SuperFund) currently hold 16,629,130 Shares and 3,325,827 Options.

GH Solomon (or an entity associated with him) is beneficially entitled to thirty percent (30%) of the Shares and Options which will be issued to him (in his capacity as trustee) if this Resolution 2 is passed. GH Solomon (or an entity associated with him) is also beneficially entitled to thirty percent of the Shares and Options which will be issued to GH Solomon (in his capacity as trustee) if Resolution 3 is passed. Accordingly:

- (a) if this Resolution 2 is passed, GH Solomon will acquire an interest in a further 4,461,385 Shares and 4,461,385 Options; and
(b) if Resolution 3 is passed, GH Solomon will also acquire an interest in a further 707,143 Shares and 707,143 Options.

Accordingly, GH Solomon's interest in the Company will increase to a maximum of 21,797,658 Shares and 8,494,355 Options. If GH Solomon subsequently exercised all of the 8,494,355 Options held by him (both as at the date of this Notice and in which he will acquire a beneficial interest if both Resolutions 2 and 3 are passed), his shareholding would increase to a maximum of 30,292,013 Shares (representing 3.03% of the Company's then issued share capital, assuming no further Shares had been issued – other than as set out in Resolutions 1, 3, 4 and 5 - and GH Solomon's Options were the only Options converted into Shares).

Listing Rule 10.1

Listing Rule 10.11 provides that an entity must not issue, or agree to issue, equity securities to a related party without the approval of its shareholders. For the purposes of the Act, a "related party" of the Company includes the directors of the Company, and any entities that the directors control. GH Solomon is a director of the Company and, accordingly, is a related party of the Company for the purposes of both the Act and the Listing Rules. GH Solomon controls Arkenstone SuperFund and accordingly that entity is also a related party of the Company for the purposes of both the Act and the Listing Rules.

The Company therefore seeks Shareholder approval to issue the Shares and Options to GH Solomon and Arkenstone SuperFund pursuant to Listing Rule 10.11.

The following information is provided in accordance with Listing Rule 10.13:-

1. The Shares and Options the subject of this Resolution 2 will be issued to Gregory Howard Solomon as trustee for Solomon Brothers (a partnership) and to Arkenstone Pty Ltd as trustee for the Gregory H Solomon and Lee H Solomon Superannuation Fund.
2. If this Resolution 2 is passed, the Company will issue to GH Solomon 11,294,643 Shares and 11,294,643 Options, and to the Arkenstone SuperFund 1,072,992 Shares and 1,072,992 Options. The Shares will be issued on the same terms as, and rank *pari passu* with, the existing issued Shares of the Company (ASX Code: EDE) and the Options will be issued on the same terms as, and rank *pari passu* with, the existing listed Options of the Company (ASX Code: EDEO). Both the Shares and Options will be quoted on the ASX.
3. All of the Shares and Options will be issued to GH Solomon and Arkenstone SuperFund not more than one month after the date of this meeting (it is intended that they will be issued immediately after this Resolution 2 is passed).
4. GH Solomon is a director, and therefore, related party of the Company. Arkenstone SuperFund is a company controlled by GH Solomon and is therefore also a related party of the Company.
5. For the purpose of determining the number of Shares and Options to be issued to GH Solomon and Arkenstone SuperFund to convert outstanding director fees and superannuation into equity, the issue price for the Shares and Options has been fixed at 1.4 cents per Share with one free attaching Option for every Share issued, being the same price (1.4 cents per Share and free attaching Option) as the 2015 Rights Issue shortfall shares were offered by the Company to investors (ASX announcement dated 21 May 2015) at around the same time.
6. No funds will be raised from the proposed issue of the Shares and Options. The Shares and Options are being issued in full and final satisfaction of the amount owing by the Company to GH Solomon on account of unpaid director fees and superannuation.

7. The Company will disregard any votes cast on this resolution by GH Solomon and Arkenstone SuperFund (being the entities who are intended to be issued with the Shares and Options) and any associates of them. However, the Company need not disregard a vote if:
- 7.1. it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - 7.2. it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

An issue made with approval of the Company's Shareholders under Listing Rule 10.11 does not also require approval under Listing Rule 7.1 (by virtue of exception 14 of Listing Rule 7.2). Listing Rule 7.1 prohibits a company from issuing or agreeing to issue equity securities (which term includes both shares and options over unissued securities) in any 12 month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities. Further, equity securities issued with approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are not then required to be included in the 15% limit imposed by Listing Rule 7.1. Together, the maximum number of Shares and Options which the Company propose to issue to GH Solomon and to Arkenstone SuperFund under this Resolution 2 and to the other persons if Resolutions 1, 3, 4 and 5 are passed represent 9.701% of the Company's current issued capital (of 945,861,754 Shares).

Chapter 2E of the Act

Part 2E.1 of the Act regulates the provision of "financial benefits" by a public company and entities controlled by the public company to related parties of the public company.

By s.208(1) of the Act, the Company can only give a "financial benefit" to a "related party" of the Company if the Company obtains the approval of its Shareholders in accordance with the procedures set out in Part 2E.1 of the Act.

For the purposes of the Act, a "related party" of the Company includes the directors of the Company, and entities which they control. As noted above, GH Solomon is a director of the Company and, accordingly, is a related party of the Company for the purposes of the Act. Further, Arkenstone SuperFund is a related party of the Company for the purposes of the Act as it is controlled by GH Solomon.

Furthermore, the Act deems the issuing of securities and the granting of an option to a related party to constitute the giving of a "financial benefit" to the related party.

Section 211 of the Act provides an exception to the need to obtain member approval where, inter alia, the financial benefit would be reasonable in the circumstances if the company and the related party were dealing at arm's length or are less favourable to the related party than such terms. The Directors consider the debt-equity conversion, and consequential issue of the Shares and Options, is being made on arms' length terms for the following reasons:

- (a) the issue price for the Shares and Options has been fixed at 1.4 cents per Share with one free attaching Option for every Share issued, being the same price (1.4 cents per Share and free attaching Option) as the 2015 Rights Issue shortfall shares were offered by the Company to investors (ASX announcement dated 21 May 2015) at around the same time as this proposed debt-equity conversion was announced;
- (b) the issue of a free attaching Option is consistent with the terms of the Company's 2015 Rights Issue (which was undertaken at an issue price of 1 cent per Share together with 1 free attaching Option); and
- (c) the Share price at which the Company is proposing to effect the conversion is at premium to the price at which Shares and accompanying Options were recently issued under the Company's 2015 Rights Issue.

Nevertheless, the Company is seeking Shareholder approval for the purposes of Part 2E.1 of the Act.

In accordance with the requirements of Part 2E.1 of the Act, and in particular section 219 of the Act, the following information is provided to allow Shareholders of the Company sufficient information to determine whether they should approve this resolution 2:-

1. The proposed financial benefit is to be given to Gregory Howard Solomon, a director of the Company, and Arkenstone Pty Ltd as trustee for the Gregory H Solomon and Lee H Solomon Superannuation Fund, a company which is controlled by GH Solomon. Another director of the Company, Douglas Howard Solomon, will also obtain a financial benefit if this Resolution 2 is passed by virtue of having a 30% beneficial interest in the Shares and Options to be issued to GH Solomon as trustee under this Resolution 2.
2. The nature of the financial benefit is the issue:
 - 2.1 to G H Solomon (in his capacity as trustee for Solomon Brothers, a legal partnership comprised of Gregory Howard Solomon, Douglas Howard Solomon, David Marsh, Chris Williams and Michelle Hawksley), of 11,294,643 Shares, which represent 1.194% of the Company's current issued Share capital (of 945,861,754 Shares), and 11,294,643 accompanying Options, which represent 6.051% of Company's current listed Options (of 186,660,716 Options) (and being Shares and Option in which GH Solomon and DH Solomon will each have a 30% beneficial interest); and
 - 2.2 to Arkenstone SuperFund, of 1,072,992 Shares, which represent 0.113% of the Company's current Share issued capital (of 945,861,754 Shares), and 1,072,992 accompanying Options, which represent 0.575% of Company's current listed Options (of 186,660,716 Options).

These Shares and accompanying Options are being issued in full and final satisfaction of outstanding director fees and superannuation owing by the Company to GH Solomon.

3. GH Solomon does not wish to make a recommendation to Shareholders about this Resolution 2: he will have a beneficial interest in 30% of the Shares and accompanying Options which are being issued to him in his capacity as trustee (he will also have a 30% beneficial interest in the Shares and accompanying Options which are being issued to DH Solomon in his capacity as trustee if Resolution 3 is passed), and is both a director and shareholder of Arkenstone Pty Ltd, and a member of the Arkenstone SuperFund. Similarly, as Resolutions 3 and 4 seek Shareholder approval to a similar Share and Option issue to DH Solomon and GT Le Page, neither of these directors wish to make a recommendation to Shareholders about this Resolution 2. The remaining director of the Company, Richard Beresford, recommends that Shareholders approve this Resolution 2, as it will clean up the Company's balance sheet and hopefully assist the Company in raising additional funds which may be required to further its objectives.
4. As noted above, GH Solomon and DH Solomon are both directors of the Company and therefore have an interest in the outcome of this Resolution 2.
5. Save for the following information as to the value of the financial benefit which will be given to GH Solomon, Arkenstone SuperFund and DH Solomon if this Resolution 2 is passed, the directors of the Company are not aware of any other information (other than as set out elsewhere in this Explanatory Statement) that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass this Resolution 2.

Richard Beresford, being the only director of the Company who will not be issued with any Shares and Options if Resolutions 2, 3 and 4 are passed, provides the following information in relation to the value of the financial benefit that will be given to GH Solomon, Arkenstone SuperFund and DH Solomon if this Resolution 2 is passed:

- 5.1 The Shares and Options which will be issued to GH Solomon and Arkenstone SuperFund if this Resolution 2 is passed are listed on the ASX (ASX Codes: EDE and EDEO respectively).
- 5.2 The conversion price for the Shares and Options has been fixed at 1.4 cents per Share with one free attaching Option for every Share issued, being the same price (1.4 cents per Share and free attaching Option) as the 2015 Rights Issue shortfall shares were offered by the Company to investors (ASX announcement dated 21 May 2015) at around the same time as this proposed debt-equity conversion was announced (on 14 May 2015).
- 5.3 On 14 May 2015, the closing price of the Company's Options was 0.4 cents and the closing price of the Company's shares was \$0.012. If the Shares and Options the subject of this Resolution 2 had of been issued on that day, the outstanding director fees (and superannuation thereon) of \$173,146.88 would have been converted into Shares and Options having a market price of \$197,882.16.
- 5.4 On the day immediately prior to the date of this Notice, the closing price of the Company's Shares was \$0.019 and the closing price of the Company's Options was \$0.009. If the Shares and Options the subject of this Resolution 2 had of been issued on the day immediately preceding the date of this Notice, the outstanding director fees (and superannuation thereon) of \$173,146.88 would have been converted into Shares and Options having a market price of \$346,293.78 .
- 5.5 The trading price of the Shares and Options on the date of the meeting at which this Resolution 2 will be considered (namely, 7 August 2015), and (assuming this Resolution 2 is passed) on the date the debt-equity conversion is effected, could be more or less than the price the Shares and Options were trading as at the date of this Notice. Accordingly, the Shares and Options which will be issued to GH Solomon and Arkenstone SuperFund if this Resolution 2 is passed could have a market value of more or less than the value of the debt.
- 5.6 By fixing the conversion price, the Company has certainty as to the number of Shares (and accompanying Options) it will need to issue to fully satisfy this outstanding indebtedness (and the consequent dilutionary impact of this debt-equity conversion), irrespective of subsequent fluctuations in the trading price of the Company's Shares and Options.
- 5.7 The Share price at which the Company is proposing to effect the conversion is at premium to the price at which Shares were recently issued under the 2015 Rights Issue (of 1 cent). The 2015 Rights Issue also included one free attaching Option with every one Share subscribed for under it.
- 5.8 The Company, in the period after the 2015 Rights Issue closed and prior to this proposed debt-equity conversion being announced (between 29 April 2015 and 12 May 2015), raised additional funds by placing the shortfall shares under the 2015 Rights Issue, at a Share price of 1 cent (together with one free attaching Option). The Company has in the period subsequent to the announcement of this proposed debt-equity conversion raised additional funds by placing further shortfall shares under the 2015 Rights Issue, at a Share price of 1.4 cents (together with one free attaching Option) on 21 May 2015 (i.e. at the agreed conversion price) and 1.9 cents (together with one free attaching Option) on 15 June 2015 (i.e. at a higher price than the agreed conversion price).

The Company will disregard any votes cast on this Resolution 2 by GH Solomon, Arkenstone SuperFund and DH Solomon (being the related parties of the Company to whom this Resolution 2 would permit the financial benefit to be given) and their associates (who are all prohibited from voting).

GH Solomon and DH Solomon are also directors, and thus a related parties, of Tasman. In these circumstances, the issue of these Shares and Options to GH Solomon (and to an entity which he controls, namely the Arkenstone SuperFund) will also result in a financial benefit being given to related party of Tasman by an entity that Tasman controls,

and the approval of Tasman's shareholders is also being sought at a meeting convened on the same day as this meeting. If the approval of the shareholders of either the Company or Tasman is not obtained, the Shares and Options the subject of this Resolution 2 will not be issued to GH Solomon or Arkenstone SuperFund.

RESOLUTION 3: ISSUE OF SHARES AND OPTIONS TO DOUGLAS HOWARD SOLOMON TO CONVERT DEBT INTO EQUITY

Shareholder approval to the proposed issue of:-

- (a) 2,357,143 Shares and 2,357,143 accompanying Options to Douglas Howard Solomon ("DH Solomon") as trustee for Solomon Brothers (a legal partnership comprised of Gregory Howard Solomon, Douglas Howard Solomon, David Marsh, Chris Williams and Michelle Hawksley) in full and final satisfaction of all amounts owing by the Company to DH Solomon on account of unpaid directors fees as at the 30 April 2015 of \$33,000; and
- (b) 223,929 Shares and 223,929 accompanying Options to March Bells Pty Ltd as trustee for the Douglas H Solomon Superannuation Fund ("MB SuperFund"), in full and final satisfaction of all amounts owing by the Company to DH Solomon on account of superannuation as at the 30 April 2015 of \$3,135.

is being sought for all purposes, including for the purposes of:

- (a) ASX Listing Rule 10.11; and
- (b) Chapter 2E of the Act.

As set out above, the Company proposes to issue:

- (a) to D H Solomon, 2,357,143 Shares, which represent 0.249% of the Company's current issued Share capital (of 945,861,754 Shares), and 2,357,143 accompanying Options, which represent 1.263% of Company's current 186,660,716 listed Options; and
- (b) to MB SuperFund, 223,929 Shares, which represent 0.024% of the Company's current issued capital (of 945,861,754 Shares), and 223,929 accompanying Options, which represent 0.120% of Company's current 186,660,716 listed Options.

Together, the Shares and Options which the Company propose to issue to DH Solomon and MB SuperFund represent 0.546% of the Company's current issued Share capital (of 945,861,754).

When the Shares and Options which the Company proposes to issue to DH Solomon are aggregated with those which it proposes to issue to the other persons if Resolutions 1, 2, 4 and 5 are also passed, the Company proposes to issue, in total:

- (a) a maximum number of 45,879,655 new Shares representing 4.851% of its current issued Share capital; and
- (b) a maximum number of 45,879,655 new Options representing 24.579% of its current listed Options.

Together, the Shares and Options which the Company propose to issue to DH Solomon and the MB SuperFund under this Resolution 3 and to the other persons if Resolutions 1, 2, 4 and 5 are passed represent 9.701% of the Company's current issued capital (of 945,861,754 Shares).

As at the date of this Notice, DH Solomon (and companies associated with him, including the MB SuperFund) currently hold 13,824,126 Shares and 2,764,826 Options.

DH Solomon (or an entity associated with him) is beneficially entitled to thirty percent (30%) of the Shares and Options which will be issued to him (in his capacity as trustee) if this Resolution 3 is passed. DH Solomon (or an entity associated with him) is also beneficially entitled to thirty percent (30%) of the Shares and Options which will be issued to GH Solomon (in his capacity as trustee) if Resolution 2 is passed. Accordingly:

- (a) if this Resolution 3 is passed, DH Solomon will acquire an interest in a further 931,072 Shares and 931,072 Options; and
- (b) if Resolution 2 is passed, DH Solomon will also acquire an interest in a further 3,388,393 Shares and 3,388,393 Options.

Accordingly, DH Solomon's interest in the Company will increase to a maximum of 18,143,591 Shares and 7,084,291 Options. If DH Solomon subsequently exercised all of the 7,084,291 Options held by him (both as at the date of this Notice and in which he will acquire a beneficial interest if both Resolutions 2 and 3 are passed), his shareholding would increase to a maximum of 25,227,882 Shares (representing 2.526% of the Company's issued share capital, assuming no further Shares had been issued – other than as set out in Resolutions 1,2, 4 and 5 - and DH Solomon's Options were the only Options converted into Shares).

Listing Rule 10.1

Listing Rule 10.11 provides that an entity must not issue, or agree to issue, equity securities to a related party without the approval of its shareholders. For the purposes of the Act, a "related party" of the Company includes the directors of the Company. DH Solomon is a director of the Company and, accordingly, is a related party of the Company for the purposes of both the Act and the Listing Rules. DH Solomon controls MB SuperFund and accordingly that entity is also a related party of the Company for the purposes of both the Act and the Listing Rules.

The Company therefore seeks Shareholder approval to issue the Shares and Options to DH Solomon and MB SuperFund pursuant to Listing Rule 10.11.

The following information is provided in accordance with Listing Rule 10.13:-

1. The Shares and Options the subject of this Resolution 3 will be issued to Douglas Howard Solomon as trustee for Solomon Brothers (a partnership) and to March Bells Pty Ltd as trustee for the Douglas H Solomon Superannuation Fund.
2. If this Resolution 3 is passed, the Company will issue to DH Solomon 2,357,143 Shares and 2,357,143 Options, and to the MB SuperFund 223,929 Shares and 223,929 Options. The Shares will be issued on the same terms as, and rank pari passu with, the existing issued Shares of the Company (ASX Code: EDE) and the Options will be issued on the same terms as, and rank pari passu with, the existing listed Options of the Company (ASX Code: EDEO). Both the Shares and Options will be quoted on the ASX.
3. All of the Shares and Options will be issued to DH Solomon and MB SuperFund not more than one month after the date of this meeting (it is intended that they will be issued immediately after this Resolution 3 is passed).
4. DH Solomon is a director, and therefore, related party of the Company. MB SuperFund is a company controlled by DH Solomon and is therefore also a related party of the Company.
5. For the purpose of determining the number of Shares to be issued to DH Solomon and MB SuperFund to convert outstanding director fees and superannuation owing by the Company into equity, the issue price for the Shares and Options has been fixed at 1.4 cents per Share with one free attaching Option for every Share issued, being the same price (1.4 cents per Share and free attaching Option) as the 2015 Rights Issue shortfall shares were offered by the Company to investors (ASX announcement dated 21 May 2015) at around the same time as this proposed debt-equity conversion was announced.
6. No funds will be raised from the proposed issue of the Shares and Options. The Shares and Options are being issued in full and final satisfaction of the amount owing by the Company to DH Solomon on account of unpaid director fees and superannuation.
7. The Company will disregard any votes cast on this Resolution 3 by DH Solomon and the MB SuperFund (being the entities who are intended to be issued with the Shares and Options) and any associates of DH Solomon and the MB SuperFund. However, the Company need not disregard a vote if:
 - 7.1. it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - 7.2. it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

An issue made with approval of the Company's Shareholders under Listing Rule 10.11 does not also require approval under Listing Rule 7.1 (by virtue of exception 14 of Listing Rule 7.2). Listing Rule 7.1 prohibits a company from issuing or agreeing to issue equity securities (which term includes both shares and options over unissued securities) in any 12 month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities. Further, equity securities issued with approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are not then required to be included in the 15% limit imposed by Listing Rule 7.1. Together, the maximum number of Shares and Options which the Company propose to issue to DH Solomon and MB SuperFund under this Resolution 3 and to the other persons if Resolutions 1, 2, 4 and 5 are passed represent 9.701% of the Company's current issued capital (of 945,861,754 Shares).

Chapter 2E of the Act

Part 2E.1 of the Act regulates the provision of "financial benefits" by a public company and entities controlled by the public company to related parties of the public company.

By s.208(1) of the Act, the Company can only give a "financial benefit" to a "related party" of the Company if the Company obtains the approval of its Shareholders in accordance with the procedures set out in Part 2E.1 of the Act.

For the purposes of the Act, a "related party" of the Company includes the directors of the Company. As noted above, DH Solomon is a director of the Company and, accordingly, is a related party of the Company for the purposes of the Act. Further, MB SuperFund is a related party of the Company for the purposes of the Act as it is controlled by DH Solomon.

Furthermore, the Act deems the issuing of securities and the granting of an option to a related party to constitute the giving of a "financial benefit" to the related party.

Section 211 of the Act provides an exception to the need to obtain member approval where, inter alia, the financial benefit would be reasonable in the circumstances if the Company and the related party were dealing at arm's length or are less favourable to the related party than such terms. The Directors consider the debt-equity conversion, and consequential issue of the Shares and Options, is being made on arms' length terms for the following reasons:

- (a) the issue price for the Shares and Options has been fixed at 1.4 cents per Share with one free attaching Option for every Share issued, being the same price (1.4 cents per Share and free attaching Option) as the 2015 Rights Issue shortfall shares were offered by the Company to investors (ASX announcement dated 21 May 2015) at around the same time as this proposed debt-equity conversion was announced;
- (b) the issue of a free attaching Option is consistent with the terms of the 2015 Rights Issue (which was undertaken at an issue price of 1 cent per Share together with 1 free attaching Option); and
- (c) the Share price at which the Company is proposing to effect the conversion is at premium to the price at which Shares and accompanying Options were recently issued under the 2015 Rights Issue.

Nevertheless, the Company is seeking Shareholder approval for the purposes of Part 2E.1 of the Act.

In accordance with the requirements of Part 2E.1 of the Act, and in particular section 219 of the Act, the following information is provided to allow Shareholders of the Company sufficient information to determine whether they should approve this Resolution 3:-

1. The proposed financial benefit is to be given to Douglas Howard Solomon, a director of the Company, and March Bells Pty Ltd as trustee for the Douglas H Solomon Superannuation Fund, a company which is controlled by DH Solomon. Another director of the Company, Gregory Howard Solomon, will also obtain a financial benefit if this Resolution 3 is passed by virtue of having a 30% beneficial interest in the Shares and Options to be issued to DH Solomon under this Resolution 3.
2. The nature of the financial benefit is the issue:
 - 2.1 to D H Solomon (in his capacity as trustee for Solomon Brothers, a legal partnership comprised of GH Solomon, DH Solomon, David Marsh, Chris Williams and Michelle Hawksley), of 2,357,143 Shares, which represent 0.249% of the Company's current issued Share capital (of 945,861,754 Shares), and 2,357,143 accompanying Options, which represent 1.263% of Company's current 186,660,716 listed Options (and being Shares and Options in which DH Solomon and GH Solomon will each have a 30% beneficial interest); and
 - 2.2 to MB SuperFund, of 223,929 Shares, which represent 0.024% of the Company's current issued capital (of 945,861,754 Shares), and 223,929 accompanying Options, which represent 0.120% of Company's current 186,660,716 listed Options.

These Shares and accompanying Options are being issued in full and final satisfaction of outstanding director fees and superannuation owing by the Company to DH Solomon.

3. DH Solomon does not wish to make a recommendation to Shareholders about this Resolution 3: he will have a beneficial interest in 30% of the Shares and accompanying Options which are being issued to him in his capacity as trustee (he will also have a beneficial interest in 30% of the Shares and accompanying Options which are being issued to GH Solomon in his capacity as trustee if Resolution 2 is passed), and is both a director and shareholder of March Bells Pty Ltd, and a member of the MB SuperFund. Similarly, as Resolutions 2 and 4 seek Shareholder approval to a similar Share and Option issue to GH Solomon and GT Le Page, neither of these directors wish to make a recommendation to Shareholders about this Resolution 3. The remaining director of the Company, Richard Beresford, recommends that Shareholders approve this Resolution 3, as it will clean up the Company's balance sheet and hopefully assist the Company in raising additional funds which may be required to further its objectives.
4. As noted above, DH Solomon and GH Solomon are both directors of the Company and therefore have an interest in the outcome of this Resolution 3.
5. Save for the following information as to the value of the financial benefit which will be given to DH Solomon, MB SuperFund and GH Solomon if this Resolution 3 is passed, the directors of the Company are not aware of any other information (other than as set out elsewhere in this Explanatory Statement) that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass this Resolution 3.

Richard Beresford, being the only director of the Company who will not be issued with any Shares and Options if Resolutions 2, 3 and 4 are passed, provides the following information in relation to the value of the financial benefit that will be given to DH Solomon, MB SuperFund and GH Solomon if this Resolution 3 is passed:

- 5.1 The Shares and Options which will be issued to DH Solomon and MB SuperFund if this Resolution 3 is passed are listed on the ASX (ASX Codes: EDE and EDEO respectively).
- 5.2 The conversion price for the Shares and Options has been fixed at 1.4 cents per Share with one free attaching Option for every Share issued, being the same price (1.4 cents per Share and free attaching Option) as the 2015 Rights Issue shortfall shares were offered by the Company to investors (ASX announcement dated 21 May 2015) at around the same time as this proposed debt-equity conversion was announced (on 14 May 2015).
- 5.3 On 14 May 2015, the closing price of the Company's Options was 0.4 cents and the closing price of the Company's shares was \$0.012. If the Shares and Options the subject of this Resolution 3 had of been issued on that day, the outstanding director fees (and superannuation thereon) of \$36,135 would have been converted into Shares and Options having a market price of \$41,297.15.
- 5.4 On the day immediately prior to the date of this Notice, the closing price of the Company's Shares was \$0.019 and the closing price of the Company's Options was \$0.009. If the Shares and Options the subject of this Resolution 3 had of been issued on the day immediately preceding the date of this Notice, the outstanding director fees (and superannuation thereon) of \$36,135 would have been converted into Shares and Options having a market price of \$72,270.02.
- 5.5 The trading price of the Shares and Options on the date of the meeting at which this Resolution 3 will be considered (namely, 7 August 2015), and (assuming this Resolution 3 is passed) on the date the debt-equity conversion is effected, could be more or less than the price the Shares and Options were trading as at the date of this Notice. Accordingly, the Shares and Options which will be issued to DH Solomon and MB SuperFund if this Resolution 3 is passed could have a market value of more or less than the value of the debt.

- 5.6 By fixing the conversion price, the Company has certainty as to the number of Shares (and accompanying Options) it will need to issue to fully satisfy this outstanding indebtedness (and the consequent dilutionary impact of this debt-equity conversion), irrespective of subsequent fluctuations in the trading price of the Company's Shares and Options.
- 5.7 The Share price at which the Company is proposing to effect the conversion is at premium to the price at which Shares were recently issued under the 2015 Rights Issue (of 1 cent). The 2015 Rights Issue also included one free attaching Option with every one Share subscribed for under it.
- 5.8 The Company, in the period after the 2015 Rights Issue closed and prior to this proposed debt-equity conversion being announced (between 29 April 2015 and 12 May 2015), raised additional funds by placing the shortfall shares under the 2015 Rights Issue, at a Share price of 1 cent (together with one free attaching Option). The Company has in the period subsequent to the announcement of this proposed debt-equity conversion raised additional funds by placing further shortfall shares under the 2015 Rights Issue, at a Share price of 1.4 cents (together with one free attaching Option) on 21 May 2015 (i.e. at the agreed conversion price) and 1.9 cents (together with one free attaching Option) on 15 June 2015 (i.e. at a higher price than the agreed conversion price).

The Company will disregard any votes cast on this Resolution 3 by DH Solomon, MB SuperFund and GH Solomon (being the related party of the Company to whom this Resolution 3 would permit the financial benefit to be given) and their associates (who are all prohibited from voting).

DH Solomon and GH Solomon are also directors, and thus related parties, of Tasman. In these circumstances, the issue of these Shares and Options to DH Solomon (and to an entity which he controls, namely the MB SuperFund) will also result in a financial benefit being given to related party of Tasman by an entity that Tasman controls, and the approval of Tasman's shareholders is also being sought at a meeting convened on the same day as this meeting. If the approval of the shareholders of either the Company or Tasman is not obtained, the Shares and Options the subject of this Resolution 3 will not be issued to DH Solomon or MB SuperFund.

RESOLUTION 4: ISSUE OF SHARES AND OPTIONS TO GUY TOUZEAU LE PAGE TO CONVERT DEBT INTO EQUITY

Shareholder approval to the proposed issue of:

- (a) 1,686,143 Shares and 1,686,143 accompanying Options to Guy Touzeau Le Page ("GT Le Page") in full and final satisfaction of all amounts owing by the Company to GT Le Page on account of unpaid directors fees as at the 30 April 2015 of \$23,606 (exclusive of PAYGW on these outstanding fees, which will be satisfied by the Company in cash); and
- (b) 223,929 Shares and 223,929 accompanying Options to Guy Le Page and Dina Le Page as trustee for The Guy Le Page Superannuation Fund ("GLP SuperFund"), in full and final satisfaction of all amounts owing by the Company to GT Le Page on account of superannuation as at the 30 April 2015 of \$3,135.00,

is being sought for all purposes, including for the purposes of:

- (a) ASX Listing Rule 10.11; and
- (b) Chapter 2E of the Act.

As set out above, the Company proposes to issue:

- (a) to GT Le Page, 1,686,143 Shares, which represent 0.178% of the Company's current issued Share capital (of 945,861,754 Shares), and 1,686,143 accompanying Options, which represent 0.903% of Company's current 186,660,716 listed Options; and
- (b) to GTL SuperFund, 223,929 Shares, which represent 0.024% of the Company's current issued capital (of 945,861,754 Shares), and 223,929 accompanying Options, which represent 0.120% of Company's current 186,660,716 listed Options.

Together, the Shares and Options which the Company propose to issue to GT Le Page and GTL SuperFund represent 0.404% of the Company's current issued Share capital (of 945,861,754).

When the Shares and Options which the Company proposes to issue to GT Le Page are aggregated with those which it proposes to issue to the other persons if Resolutions 1, 2, 3 and 5 are passed, the Company proposes to issue, in total:

- (a) a maximum of 45,879,655 new Shares representing 4.851% of its current issued Share capital; and
- (b) a maximum of 45,879,655 new Options representing 24.579% of its current listed Options.

Together, the maximum number of Shares and Options which the Company propose to issue to GT Le Page under this Resolution 4 and to the other persons if Resolutions 1, 2, 3 and 5 are passed represent 9.701% of the Company's current issued Share capital (of 945,861,754 Shares).

As at the date of this Notice, GT Le Page (and companies associated with him) do not currently hold any Shares or Options in the Company. If this Resolution is passed, GT Le Page (and companies associated with him) will attain an interest in the Company of 1,910,072 Shares and 1,910,072 Options. If GT Le Page subsequently exercised all of the Options the subject of this Resolution 4, his shareholding would increase to 3,820,144 Shares (representing 0.384% of the Company's issued share capital, assuming no further Shares had been issued – other than as set out in Resolutions 1, 2, 3 and 5 – and GT Le Page's Options were the only Options converted into Shares).

Listing Rule 10.1

Listing Rule 10.11 provides that an entity must not issue, or agree to issue, equity securities to a related party without the approval of its shareholders. For the purposes of the Act, a “related party” of the Company includes the directors of the Company. GT Le Page is a director of the Company and, accordingly, is a related party of the Company for the purposes of both the Act and the Listing Rules. Further, GTL SuperFund is a related party of the Company for the purposes of the Act and the Listing Rules as it is controlled by GT Le Page.

The Company therefore seeks shareholder approval to issue the Shares and Options to GT Le Page and GTL SuperFund pursuant to Listing Rule 10.11.

The following information is provided in accordance with Listing Rule 10.13:-

1. The Shares and Options the subject of this Resolution 4 will be issued to Guy Touzeau Le Page and to Guy Le Page and Dina Le Page as trustee for The Guy Le Page Superannuation Fund.
2. If this Resolution 4 is passed, the Company will issue to GT Le Page 1,686,143 Shares and 1,686,143 Options, and to the GTL SuperFund 223,929 Shares and 223,929 Options. The Shares will be issued on the same terms as, and rank pari passu with, the existing issued Shares of the Company (ASX Code: EDE) and the Options will be issued on the same terms as, and rank pari passu with, the existing listed Options of the Company (ASX Code: EDEO). Both the Shares and Options will be quoted on the ASX.
3. All of the Shares and Options will be issued to GT Le Page and GTL SuperFund not more than one month after the date of this meeting (it is intended that they will be issued immediately after this Resolution 3 is passed).
4. GT Le Page is a director, and therefore, related party of the Company. GTL SuperFund is a company controlled by GT Le Page and is therefore also a related party of the Company.
5. For the purpose of determining the number of Shares to be issued to GT Le Page and GTL SuperFund to convert outstanding director fees and superannuation owing by the Company into equity, the issue price for the Shares and Options has been fixed at 1.4 cents per Share with one free attaching Option for every Share issued, being the same price (1.4 cents per Share and free attaching Option) as the 2015 Rights Issue shortfall shares were offered by the Company to investors (ASX announcement dated 21 May 2015) at around the same time as this proposed debt-equity conversion was announced.
6. No funds will be raised from the proposed issue of the Shares and Options. The Shares and Options are being issued in full and final satisfaction of the amount owing by the Company to GT Le Page on account of unpaid director fees and superannuation.
7. The Company will disregard any votes cast on this resolution by GT Le Page and GTL SuperFund (being the entities who are intended to be issued with the Shares and Options) and any associates of GT Le Page and the GTL SuperFund. However, the Company need not disregard a vote if:
 - 7.1. it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - 7.2. it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

An issue made with approval of the Company's Shareholders under Listing Rule 10.11 does not also require approval under Listing Rule 7.1 (by virtue of exception 14 of Listing Rule 7.2). Listing Rule 7.1 prohibits a company from issuing or agreeing to issue equity securities (which term includes both shares and options over unissued securities) in any 12 month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities. Further, equity securities issued with approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are not then required to be included in the 15% limit imposed by Listing Rule 7.1. Together, the maximum number of Shares and Options which the Company propose to issue to GT Le Page and GTL SuperFund under this Resolution 4 and to the other persons if Resolutions 1, 2, 3 and 5 are passed represent 9.701% of the Company's current issued capital (of 945,861,754 Shares).

Chapter 2E of the Act

Part 2E.1 of the Act regulates the provision of “financial benefits” by a public company and entities controlled by the public company to related parties of the public company.

By s.208(1) of the Act, the Company can only give a “financial benefit” to a “related party” of the Company if the Company obtains the approval of its members in accordance with the procedures set out in Part 2E.1 of the Act.

For the purposes of the Act, a “related party” of the Company includes the directors of the Company. As noted above, GT Le Page is a director of the Company and, accordingly, is a related party of the Company for the purposes of the Act. Further, GTL SuperFund is a related party of the Company for the purposes of the Act as it is an entity controlled by GT Le Page.

Furthermore, the Act deems the issuing of securities and the granting of an option to a related party to constitute the giving of a “financial benefit” to the related party.

Section 211 of the Act provides an exception to the need to obtain member approval where, inter alia, the financial benefit would be reasonable in the circumstances if the company and the related party were dealing at arm's length or are less favourable to the related party than such terms. The Directors consider the debt-equity conversion, and consequential issue of the Shares and Options, is being made on arms' length terms for the following reasons:

- For personal use only
- (a) the issue price for the Shares and Options has been fixed at 1.4 cents per Share with one free attaching Option for every Share issued, being the same price (1.4 cents per Share and free attaching Option) as the 2015 Rights Issue shortfall shares were offered by the Company to investors (ASX announcement dated 21 May 2015) at around the same time as this proposed debt-equity conversion was announced;
 - (b) the issue of a free attaching Option is consistent with the terms of the 2015 Rights Issue (which was undertaken at an issue price of 1 cent per Share together with 1 free attaching Option); and
 - (c) the Share price at which the Company is proposing to effect the conversion is at premium to the price at which Shares and accompanying Options were recently issued under the 2015 Rights Issue.

Nevertheless, the Company is seeking Shareholder approval for the purposes of Part 2E.1 of the Act.

In accordance with the requirements of Part 2E.1 of the Act, and in particular section 219 of the Act, the following information is provided to allow the Shareholders of the Company sufficient information to determine whether they should approve this Resolution 4:-

- 1. The proposed financial benefit is to be given to Guy Touzeau Le Page, a director of the Company, and Guy Le Page and Dina Le Page as trustee for The Guy Le Page Superannuation Fund.
- 2. The nature of the financial benefit is the issue:
 - 5.1 to GT Le Page, of 1,686,143 Shares, which represent 0.178% of the Company's current issued Share capital (of 945,861,754 Shares), and 1,686,143 accompanying Options, which represent 0.903% of Company's current 186,660,716 listed Options; and
 - 5.2 to GTL SuperFund, of 223,929 Shares, which represent 0.024% of the Company's current issued capital (of 945,861,754 Shares), and 223,929 accompanying Options, which represent 0.120% of Company's current listed 186,660,716 Options.

These Shares and accompanying Options are being issued in full and final satisfaction of outstanding director fees and superannuation owing by the Company to GT Le Page.

- 3. GT Le Page does not wish to make a recommendation to Shareholders about this Resolution 4: the Shares and accompanying Options are being issued to him in his personal capacity, and he is also a trustee, and member, of the GTL SuperFund. Similarly, as Resolutions 2 and 3 seek Shareholder approval to a similar Share and Option issue to GH Solomon and DH Solomon, neither of these directors wish to make a recommendation to Shareholders about this Resolution 4. The remaining director of the Company, Richard Beresford, recommends that Shareholders approve this Resolution 4, as it will clean up the Company's balance sheet and hopefully assist the Company in raising additional funds which may be required to further its objectives.
- 4. As noted above, GT Le Page is a director of the Company and therefore has an interest in the outcome of this Resolution 4.
- 5. Save for the following information as to the value of the financial benefit which will be given to GT Le Page and the GTL SuperFund if this Resolution 4 is passed, the directors of the Company are not aware of any other information (other than as set out elsewhere in this Explanatory Statement) that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass this Resolution 4.

Richard Beresford, being the only director of the Company who will not be issued with any Shares and Options if Resolutions 2, 3 and 4 are passed, provides the following information in relation to the value of the financial benefit that will be given to GT Le Page and the GTL SuperFund if this Resolution 4 is passed:

- 5.1 The Shares and Options which will be issued to GT Le Page and the GTL SuperFund if this Resolution 4 is passed are listed on the ASX (ASX Codes: EDE and EDEO respectively).
- 5.2 The issue price for the Shares and Options has been fixed at 1.4 cents per Share with one free attaching Option for every Share issued, being the same price (1.4 cents per Share and free attaching Option) as the 2015 Rights Issue shortfall shares were offered by the Company to investors (ASX announcement dated 21 May 2015) at around the same time as this proposed debt-equity conversion was announced (on 14 May 2015).
- 5.3 On 14 May 2015, the closing price of the Company's Options was 0.4 cents and the closing price of the Company's shares was \$0.012. If the Shares and Options the subject of this Resolution 4 had of been issued on that day, the outstanding director fees (and superannuation thereon) of \$26,741 would have been converted into Shares and Options having a market price of \$30,561.15.
- 5.4 On the day immediately prior to the date of this Notice, the closing price of the Company's Shares was \$0.019 and the closing price of the Company's Options was \$0.009. If the Shares and Options the subject of this Resolution 4 had of been issued on the day immediately preceding the date of this Notice, the outstanding director fees (and superannuation thereon) of \$26,741 would have been converted into Shares and Options having a market price of \$53,482.02.
- 5.5 The trading price of the Shares and Options on the date of the meeting at which this Resolution 4 will be considered (namely, 7 August 2015), and (assuming this Resolution 4 is passed) on the date the debt-equity conversion is effected, could be more or less than the price the Shares and Options were trading as at the date of this Notice. Accordingly, the Shares and Options which will be issued to GT Le Page

and the GTL SuperFund if this Resolution 4 is passed could have a market value of more or less than the value of the debt.

- 5.6 By fixing the conversion price, the Company has certainty as to the number of Shares (and accompanying Options) it will need to issue to fully satisfy this outstanding indebtedness (and the consequent dilutionary impact of this debt-equity conversion), irrespective of subsequent fluctuations in the trading price of the Company's Shares and Options.
- 5.7 The Share price at which the Company is proposing to effect the conversion is at premium to the price at which Shares were recently issued under the 2015 Rights Issue (of 1 cent). The 2015 Rights Issue also included one free attaching Option with every one Share subscribed for under it.
- 5.9 The Company, in the period after the 2015 Rights Issue closed and prior to this proposed debt-equity conversion being announced (between 29 April 2015 and 12 May 2015), raised additional funds by placing the shortfall shares under the 2015 Rights Issue, at a Share price of 1 cent (together with one free attaching Option). The Company has in the period subsequent to the announcement of this proposed debt-equity conversion, raised additional funds by placing further shortfall shares under the 2015 Rights Issue, at a Share price of 1.4 cents (together with one free attaching Option) on 21 May 2015 (i.e. at the agreed conversion price) and 1.9 cents (together with one free attaching Option) on 15 June 2015 (i.e. at a higher price than the agreed conversion price).

The Company will disregard any votes cast on this Resolution 4 by GT Le Page and GTL SuperFund (being the related parties of the Company to whom this Resolution 4 would permit the financial benefit to be given) and their associates (who are all prohibited from voting).

GT Le Page is also a director, and thus related party, of Tasman. In these circumstances, the issue of these Shares and Options will also result in a financial benefit being given to related party of Tasman by an entity Tasman controls, and the approval of Tasman's shareholders is also being sought at a meeting convened for the same day as this meeting. If the approval of the shareholders of either the Company or Tasman is not obtained, the Shares and Options will not be issued to GT Le Page and GTL SuperFund.

RESOLUTION 5: ISSUE OF SHARES AND OPTIONS TO PRINCEBROOK PTY LTD TO CONVERT DEBT INTO EQUITY

Shareholder approval to the proposed issue of 11,163,733 Shares and 11,163,733 accompanying Options to Princebrook Pty Ltd A.C.N. 009 244 866 ("Princebrook"), in full and final satisfaction of all amounts owing by the Company to Princebrook on account of unpaid management fees as at the 30 April 2015, being \$156,292.25, is being sought for all purposes, including for the purposes of ASX Listing Rule 7.1. The Company has engaged Princebrook to provide office accommodation, use of office equipment including photocopiers and telephones, accounting, secretarial, receptionist and management services to the Company at a current cost of \$15,450 per month plus an administration fee of 5% plus GST.

Two of the directors of the Company (GH Solomon and DS Solomon) are also directors of Princebrook, but they do not control Princebrook (Princebrook has five directors in total). As such, Princebrook is not a related party of the Company. Princebrook does not currently hold any Shares or Options in the Company.

Listing Rule 7.1

Listing Rule 7.1 prohibits a company from issuing or agreeing to issue equity securities (which term includes both shares and options over unissued securities) in any 12 month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities.

Further, equity securities issued with approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are not then required to be included in the 15% limit imposed by Listing Rule 7.1.

As set out above, the Company proposes to issue to Princebrook:

- (a) 11,163,733 Shares, which represent 1.180% of the Company's current issued capital (of 945,861,754 Shares); and
- (b) 11,163,733 accompanying Options, which represent 5.981% of Company's current 186,660,716 listed Options.

Together, the Shares and Options which the Company propose to issue to Princebrook represent 2.361% of the Company's current issued Share capital (of 945,861,754).

When the Shares and Options which the Company proposes to issue to Princebrook are aggregated with those which it proposes to issue to the other persons if Resolutions 1, 2, 3 and 4 are passed, the Company proposes to issue, in total:

- (a) a maximum of 45,879,655 new Shares representing 4.851% of its current issued Share capital; and
- (b) a maximum of 45,879,655 new Options representing 24.579% of its current listed Options.

Together, the maximum number of Shares and Options which the Company propose to issue to Princebrook under this Resolution 5 and to the other persons if Resolutions 1, 2, 3 and 4 are passed represent 9.701% of the Company's current issued capital (of 945,861,754 Shares).

As at the date of this Notice, Princebrook currently holds no Shares or Options. If this Resolution 5 is passed, Princebrook will attain an interest in the Company of 11,163,733 Shares and 11,163,733 Options. If Princebrook subsequently exercised all of the Options the subject of this Resolution 5, its shareholding would increase to 22,327,466 Shares

(representing 2.226% of the Company's issued share capital, assuming no further Shares had been issued – other than as set out in Resolutions 1, 2, 3 and 4 – and Princebrook's Options were the only Options converted into Shares).

The Company therefore seeks shareholder approval to issue the Shares and Options to Princebrook pursuant to Listing Rule 7.1.

The following information is provided in accordance with Listing Rule 7.3:-

1. The number of Shares the Company will issue to Princebrook is 11,163,733 Shares and the number of Options the Company will issue to Princebrook is 11,163,733 Options.
2. All of the Shares and Options will be issued within three months of the date of this general meeting (it is intended that they will be issued immediately after this Resolution 5 is passed);
3. For the purpose of determining the number of Shares to be issued to Princebrook to convert its outstanding management fees into equity, the issue price for the Shares has been fixed at 1.4 cents per Share with one free attaching option for every Share issued, being the same price (1.4 cents per Share and free attaching Option) as the 2015 Rights Issus shortfall shares were offered by the Company to investors (ASX announcement dated 21 May 2015) at around the same time.
4. All of the Shares and Options will be issued to Princebrook Pty Ltd A.C.N. 009 244 866.
5. The Shares will be issued on the same terms as, and rank pari passu with, the existing issued Shares of the Company (ASX Code: EDE) and the Options will be issued on the same terms as, and rank pari passu with, the existing listed Options of the Company (ASX Code: EDEO). Both the Shares and Options will be quoted on the ASX. The Options will be exercisable at an exercise price of 3 cents at any time on or before 30 September 2018.
6. The purpose of the proposed Share and Option issue is to convert outstanding management fees owing by the Company into equity, thus cleaning up the Company's balance sheet. Accordingly, as the Shares and Options are being issued in satisfaction of existing debts, no funds will be raised from the issue.
7. The Company anticipates allotting all of the Shares and Options in one parcel.
8. The Company will disregard any votes cast on this resolution by Princebrook (being the entity who will participate in the proposed issue of the Shares and Options) and any other person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this Resolution 5 is passed, and any associates of Princebrook and any such other person. However, the Company need not disregard a vote if:
 - 8.1. it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - 8.2. it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

GLOSSARY

In this Explanatory Statement the following words have the meanings hereinafter ascribed, unless inconsistent with the context:-

ASX means the Australian Securities Exchange.

Company or **Eden** means Eden Energy Ltd A.C.N. 109 200 900.

Director means a director of the Company.

ESOP Option means an unlisted option, issued under the Company's ESOP, to acquire a Share at an exercise price of 3 cents to be exercisable at any time on or before 30 September 2018.

Option means a listed option to acquire a Share at an exercise price of 3 cents to be exercisable at any time on or before 30 September 2018 option (ASX Code: EDEO).

Noble means Noble Energy Pty Ltd A.C.N. 115 057 586.

Notice means the notice to which this explanatory statement is attached.

Princebrook means Princebrook Pty Ltd A.C.N. 009 244 866.

2015 Rights Issue means the renounceable pro-rata rights offer made by the Company pursuant to the prospectus dated 23 February 2015.

Share means an ordinary fully paid share in the Company (ASX Code: EDE).

Shareholders means the shareholders of the Company.

Tasman means Tasman Resources Limited A.C.N. 009 253 187 (ASX Code: TAS).

Notes:

1. To be effective, this proxy and the power of attorney (if any) under which it is signed must be received at the Registered Office of the Company, Level 15, 197 St Georges Terrace, Perth, WA 6000 not less than 48 hours before the time for holding the meeting, or any adjournment thereof.
2. If the member is a corporation, the form of proxy should be signed under seal if appropriate.

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed either in accordance with the Constitution of the company or under the hand of an officer of the company or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by all of the joint shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this General Meeting, that is by 9am on 5 August 2015, by post or facsimile to the respective addresses stipulated in this proxy form.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
 - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
 - (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
 - (c) if the proxy is Chairman, the proxy must vote on a poll and must vote that way, and
 - (d) if the proxy is not the Chairman, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a shareholder, or acts as proxy for any other shareholder, the proxy can cast any votes the proxy holds as a shareholder or as proxy for any other shareholder in any way that the proxy, or that other shareholder, sees fit.

7. The Chairman intends to vote in favour of all resolutions set out in the Notice of General Meeting.