



A.C.N. 109 200 900

NON RENOUNCEABLE RIGHTS ISSUE TRANSACTION-SPECIFIC PROSPECTUS

For a non-renounceable pro-rata Rights Issue of approximately 100,015,395 Shares on the basis of one (1) new Share for every ten (10) Shares held by Qualifying Shareholders as at 5:00pm WST on the Record Date, at an issue price of \$0.055 per Share together with one (1) EDEO Option for every two (2) Shares acquired free of charge (each to acquire 1 Share at an exercise price of \$0.03 per Share, exercisable at any time up to and including 30 September 2018). This Rights Issue, if fully subscribed, will raise up to approximately \$5,500,847 (before expenses of the Offer).

IMPORTANT INFORMATION

This Prospectus is a transaction-specific prospectus issued under section 713 of the Corporations Act. This Prospectus is not required to, and does not, contain all of the information that is generally required to be set out in a prospectus, including general information in relation to the assets and liabilities, financial position, profits and losses or prospects of the Company. This Prospectus generally only contains information in relation to the effect of the Rights Issue on the Company and the rights and liabilities attaching to the New Shares and New EDEO Options offered to Qualifying Shareholders under this Prospectus.

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers.

This Offer is not underwritten as at the date of this Prospectus and there are no present plans for such underwriting.

**THE SHARES AND OPTIONS OFFERED UNDER THIS PROSPECTUS ARE OF A
SPECULATIVE NATURE.**

For personal use only

IMPORTANT STATEMENT

This Prospectus is dated 18 December 2015.

A copy of this Prospectus was lodged with ASIC on 18 December 2015. Neither ASIC nor ASX take any responsibility for the contents of this Prospectus.

This Prospectus contains an offer to Qualifying Shareholders whose registered addresses are in Australia and New Zealand, and has been prepared to comply with the requirements of the securities laws of Australia and New Zealand. Distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make an offer. No action has been taken to register this Prospectus, the New Shares or New EDEO Options or the Rights, or otherwise permit an offering of the New Shares or New EDEO Options or the Rights, in any jurisdiction outside of Australia or New Zealand.

No New Shares or New EDEO Options will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Application will be made within 7 days of the date of this Prospectus for permission for the New Shares and new EDEO Options offered by this Prospectus to be admitted to Quotation on the ASX.

The New Shares and New EDEO Options offered under this Prospectus are of a speculative nature. Qualifying Shareholders should read this Prospectus in its entirety and, if in any doubt, consult with their professional advisors before deciding whether to apply for New Shares and accompanying New EDEO Options. In particular, it is important that Qualifying Shareholders consider the risk factors set out in section 5 of this Prospectus. The New Shares and New EDEO Options offered under this Prospectus carry no guarantee in respect of return of capital, return on capital investment, payment of dividends or the future value of the Shares or Options.

DISCLAIMER

No person is authorised to give any information or to make any representation in connection with the Rights Issue which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by Eden (or its Directors or advisers) in connection with this Rights Issue.

PROSPECTUS AVAILABILITY

This Prospectus is only available in a paper version. Qualifying Shareholders with registered addresses in Australia and New Zealand will be sent a copy of this Prospectus on 13 January 2016. In addition, Qualifying Shareholders can obtain a copy of this Prospectus during the Rights Issue on the Eden website at www.edenenergy.com.au or by calling Mr Greg Solomon, Executive Chairman by telephone on (+618) 9282 5889. A personalised Acceptance Form will accompany the paper copy of the Prospectus which will be mailed to Qualifying Shareholders on 13 January 2016.

Neither this Prospectus nor the accompanying Acceptance Form may be sent to Qualifying Shareholders outside of Australia and New Zealand or otherwise distributed outside of Australia and New Zealand.

TRANSACTION-SPECIFIC PROSPECTUS

This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act. This Prospectus is not required to, and does not, contain all the information that is generally required to be set out in a prospectus, including general information in relation to the assets and liabilities, financial position, profits and losses or prospects of the Company. This Prospectus generally only contains information in relation to the effect of the Rights Issue on the Company and the rights and liabilities attaching to the New Shares and New EDEO Options offered to Qualifying Shareholders under this Prospectus.

Section 7 of this Prospectus sets out further information in relation to the nature and contents of this Prospectus.

DEFINITIONS AND ABBREVIATIONS

Throughout this Prospectus abbreviations and defined terms are used. Defined terms are generally identified by the use of an uppercase first letter. Details of the definitions and abbreviations used are set out in section 8 of this Prospectus.

SUMMARY OF OFFER

This information is intended as a summary only and should be read in conjunction with the more detailed information appearing elsewhere in this Prospectus. Applicants should read this entire Prospectus, including the risks in section 5, in order to make an informed decision about acquiring New Shares and New EDEO Options.

1. KEYPOINTS

New Share Issue Price	\$0.055 per New Share
Qualifying Shareholder Entitlement	1 New Share for every 10 Existing Shares held on the Record Date (together with 1 free accompanying New EDEO Option for every 2 New Shares acquired under this Prospectus)
Approximate number of New Shares to be issued under this Rights Issue	Up to 100,015,395
Approximate number of New EDEO Options to be issued under this Rights Issue	Up to 50,007,697
Approximate amount to be raised under this Rights Issue (assuming this Rights Issue is fully subscribed and before expenses of the Offer)	Up to \$5,500,847

*These figures assume that none of the Existing EDEO Options are converted to Shares prior to the Record Date. If this occurs, the number of New Shares and New EDEO Options, and the amount raised, under this Rights Issue may increase.

2. SUMMARY OF IMPORTANT DATES

Offer announcement	15 December 2015
Lodgement of Prospectus at ASIC, and Prospectus and Appendix 3B with ASX	18 December 2015
Notice sent to shareholders	5 January 2016
Ex date	6 January 2016
Record Date for determining entitlements	8 January 2016
Offer document despatched to Qualifying Shareholders	13 January 2016
Closing date of the Offer	29 January 2016
Securities quoted on a deferred settlement basis	1 February 2016
Company notifies ASX of under subscriptions	3 February 2016
Issue Date and Despatch of holding statements	5 February 2016

This timetable is indicative only and subject to change. The Company reserves the right, subject to the Corporations Act and the Listing Rules, to vary the above dates (including, without limitation, to extend the Closing Date or to close this Rights Issue early), or to withdraw this Rights Issue and Prospectus at any time, without prior notice. Any extension of the Closing Date will have a consequential effect on subsequent milestones set out above.

CONTENTS

	Page
IMPORTANT STATEMENT	1
SUMMARY OF OFFER	2
1. CHAIRMAN'S LETTER.....	4
2. DETAILS OF THE OFFER	5
3. ACTION REQUIRED BY QUALIFYING SHAREHOLDERS.....	10
4. COMPANY OVERVIEW.....	12
5. RISK FACTORS	14
6. EFFECT OF THE ISSUE.....	17
7. ADDITIONAL INFORMATION.....	22
8. GLOSSARY NAMES AND TERMS	29
9. CONSENT BY DIRECTORS.....	30
10. CORPORATE DIRECTORY	31
ACCEPTANCE FORM.....	32

For personal use only

1. CHAIRMAN'S LETTER

Dear Shareholders

The objective of this Rights Issue, if successful, is to ensure that the Company has sufficient funds to be able to continue with its various projects, details of which are listed in section 4.3 below.

Eden's two major projects, EdenCrete™, Eden's carbon nanotube-enriched concrete admixture, and OptiBlend™, Eden's market leading dual fuel system, each have exciting prospects.

Various trials in USA and Australia during 2015 by a number of independent concrete manufacturers of EdenCrete™ have confirmed repeated increases in compressive and split tensile strength, greater abrasion resistance and reduced permeability in concrete to which EdenCrete™ has been added. Further, a field trial of EdenCrete™ in Augusta, Georgia, USA with the Georgia Department of Transportation ("GDOT") on Interstate Highway I-20 in August 2015 produced an increase of 45.8% in compressive strength and a 56% reduction in the rate of abrasion in concrete test cylinders, carried out after 56 days. In consequence, GDOT in December 2015:

- approved the use of EdenCrete™ in GDOT construction and maintenance projects in both GDOT's Class 24-Hour accelerated strength concrete mix applications and also its Class B concrete application, which together account for approximately 20% of GDOT's concrete usage; and
- classified EdenCrete™ as "Field Tests" (i.e. to undertake a further Field Test) in the applications of Portland cement concrete pavements (GDOT Specification Section 430 and/or 439) and concrete whitetopping (GDOT Specification Section 453) (replacing the surface of an asphalt or concrete pavement with a concrete surface layer). The new test is scheduled for early in 2016.

These are significant steps towards Eden achieving its longer term goal of having EdenCrete™ become a product that is widely used in the huge US infrastructure market.

Eden Innovations has also received initial commercial orders for EdenCrete™ for a range of applications including ready mix concrete and fabricated concrete products and a number of large companies involved in various aspects of the concrete industry are also trialling it for different applications.

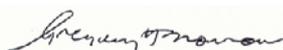
OptiBlend™ is Eden's highly regarded dual fuel technology that has been adopted by a major US engine manufacturer as its dual fuel kit for large diesel powered generator sets used for providing power to drilling rigs. The US sales of OptiBlend™ exceeded US \$2 million in 2014 (and had been on track to produce a positive cash flow for the Eden Group of companies). However for the past 15 months, sales have largely stopped due to a great cut back in oil and gas exploration.

For these reasons the directors have decided to proceed with this current Rights Issue to raise funds to continue to fund Eden's operations, including an expansion in Colorado of its production capability of EdenCrete™.

The directors of Tasman Resources Ltd, which through a wholly owned subsidiary holds a 43.9% shareholding interest in Eden, have indicated that Tasman presently intends to take up all, or a large portion, of its entitlement in this current Right Issue. Additionally the majority of directors of Eden have also indicated that they also presently intend to take up all, or a large portion, of our entitlements under the current Rights Issue.

I urge Shareholders to read this Prospectus carefully, and I commend this Rights Issue to you.

Yours sincerely



Gregory H Solomon
Chairman

2. DETAILS OF THE OFFER

2.1 Shares and Options offered for subscription

A non-renounceable pro rata rights issue to Qualifying Shareholders of approximately 100,015,395 New Shares and 50,007,697 New EDEO Options (assuming that none of the Existing EDEO Options of the Company are converted to Shares prior to the Record Date) on the basis of 1 New Share for every 10 Existing Shares held as at the Record Date at an issue price of \$0.055 each, together with 1 New EDEO Option free of charge for every 2 New Shares acquired (each New EDEO Option to acquire 1 Share at an exercise price of \$0.03 exercisable at any time up to and including 30 September 2018), to raise up to approximately \$5,500,847 before expenses of the Offer (and assuming the Offer is fully subscribed).

All New Shares issued pursuant to this Prospectus will be issued as fully paid ordinary shares and will rank equally in all respects with the Existing Shares (see section 7.4 of this Prospectus).

All New EDEO Options to be issued under this Prospectus will be issued on the terms and conditions set out in section 7.5 of this Prospectus and will rank equally in all respects with the Existing EDEO Options.

As this Rights Issue is non-renounceable, Qualifying Shareholders who do not wish to exercise their Rights to subscribe for some or all of the New Shares (and accompanying New EDEO Options) being offered to them under this Prospectus may not sell or otherwise transfer those Rights, and those Rights will lapse upon the expiry of the Offer Period.

2.2 Entitlement to participate in the Rights Issue

Shareholders who are registered on the Company's Share Register and whose registered addresses are in Australia or New Zealand (Qualifying Shareholders) at the close of business on the Record Date, being 5.00 pm WST on 8 January 2016, are eligible to participate in the Offer. An Acceptance Form setting out Qualifying Shareholders' Entitlements to New Shares and New EDEO Options accompanies this Prospectus.

Fractional Entitlements will be rounded up to the nearest whole number of New Shares and accompanying New EDEO Options. For this purpose, holdings in the same name are aggregated for calculation of Entitlements. If Eden considers that holdings have been split to take advantage of rounding, the Company reserves the right to aggregate holdings held by associated Qualifying Shareholders for the purpose of calculating Entitlements.

2.3 Applications

This Offer may be accepted by Qualifying Shareholders in whole or in part prior to the Closing Date, subject to the right of the Company to extend the Offer Period or close the Offer early.

Instructions for accepting an Entitlement are set out in section 3 of this Prospectus and on the Acceptance Form which accompanies this Prospectus.

2.4 Application money

All Qualifying Shareholders who accept the Offer made to them in its entirety will receive their Entitlement in full.

New Shares and accompanying New EDEO Options will be issued to a Qualifying Shareholder only after all of their Application Money has been received and ASX has granted permission for the New Shares and New EDEO Options to be quoted.

All Application Money received before the New Shares and accompanying New EDEO Options are issued will be held in a special purpose trust account. After the New Shares and New EDEO Options are issued to Qualifying Shareholders, the funds in the account, plus accrued interest, will be received by the Company. All Application Moneys will be returned (without interest) if this Rights Issue is withdrawn or otherwise does not proceed.

If the New Shares and the New EDEO Options are not admitted to Quotation by ASX within 3 months after the date of this Prospectus (or any longer period permitted by ASIC), the Company will refund all Application Money in full.

2.5 Issue outside Australia and New Zealand

This Prospectus does not constitute an offer of Securities in any place outside Australia and New Zealand in which, or to any person to whom, it would not be lawful to make such an offer or to issue the Prospectus. The distribution of this Prospectus and the accompanying Acceptance Form in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus and the accompanying Acceptance Form (including nominees, trustees or custodians) should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

No action has been taken to register the Rights, the New Shares or New EDEO Options or this Prospectus or otherwise permit an offering of the New Shares or New EDEO Options or the Rights in any jurisdiction outside of Australia or New Zealand. Without limitation, the Rights and the New Shares and New EDEO Options have not been, and will not be, registered under the *US Securities Act 1933* (as amended) or the securities laws of any State of the United States of America and may not be offered in the United States of America or to, or for the account of or benefit of, US persons.

2.6 Treatment of Non-Qualifying Foreign Shareholders

The Offer in this Prospectus is not being extended to any Shareholder, as at the Record Date, whose registered address is not situated in Australia or New Zealand (Non-Qualifying Foreign Shareholders) because of the small number of such Shareholders, the small number and value of the Securities which would be offered to Non-Qualifying Foreign Shareholders and the cost of complying with applicable regulations in jurisdictions outside Australia and New Zealand.

Recipients may not send or otherwise distribute this Prospectus or the accompanying Acceptance Form to any person outside Australia or New Zealand (other than to Qualifying Shareholders).

2.7 ASX Quotation of New Shares and New EDEO Options

The Company has applied to the ASX for the New Shares and New EDEO Options offered under this Prospectus to be granted Quotation.

If approval for Quotation of the New Shares and New EDEO Options is not granted within 3 months after the date of this Prospectus (or any longer period permitted by ASIC), the Company will not allot or issue any New Shares (or accompanying New EDEO Options) pursuant to this Rights Issue and will repay all Application Moneys without interest as soon as practicable.

Subject to approval being granted by ASX, it is expected that the New Shares and New EDEO Options will be issued on 5 February 2016 and that Quotation of the New Shares and New EDEO Options will commence on ASX on a normal basis on 8 February 2016. It is the responsibility of all Qualifying Shareholders to determine their allocation prior to trading in New Shares and New EDEO Options. Qualifying Shareholders who trade or otherwise deal with New Shares and New EDEO Options before they receive holding statements will do so at their own risk. The Company disclaims all liability in tort (including negligence), statute or otherwise to persons who trade or otherwise deal with New Shares and New EDEO Options before receiving holding statements.

ASX takes no responsibility for the contents of this Prospectus. The fact that the ASX may approve Quotation of the New Shares and New EDEO Options is not to be taken in any way as an indication of the merits of the Company or the New Shares (or accompanying New EDEO Options) offered under this Prospectus.

2.8 Allotment of New Shares and New EDEO Options

Subject to ASX granting approval for Quotation of the New Shares and New EDEO Options, the allotment of the New Shares and New EDEO Options to Qualifying Shareholders will occur as soon as possible after this Rights Issue is closed, following which holding statements setting out the number of New Shares and New EDEO Options allotted to Qualifying Shareholders under this Prospectus will be despatched.

2.9 Minimum subscriptions and oversubscriptions

There is no minimum subscription to this Rights Issue, and no oversubscriptions will be accepted.

2.10 No Underwriting

This Rights Issue is not underwritten as at the date of this Prospectus and there are no present plans for such underwriting.

2.11 Shortfall

If not all Qualifying Shareholders take up their Entitlements under this Offer in full, the portion not taken up will form part of the Shortfall.

Qualifying Shareholders may, in addition to their Entitlement, apply for additional Shares (and accompanying Options) forming part of the Shortfall, regardless of the size of their present holding.

The offer of the Shortfall is a separate offer pursuant to this Prospectus. The issue price of any Shares comprising part of the Shortfall shall be \$0.055, being the price at which the Entitlement has been offered to Qualifying Shareholders pursuant to this Prospectus.

Qualifying Shareholders who wish to participate in the offer of the Shortfall by applying for Shares (and accompanying Options) above their Entitlement, should insert the number of additional Shares they wish to apply for in that section of the table in the Acceptance Form headed "Number of Shortfall Shares (if any) applied for in excess of the Entitlement shown above". Any additional Shares applied for must be paid in the same manner as the Entitlement Shares are paid for. A single payment should be made for the Application Moneys for any Shares you have applied for as part of your Entitlement and any additional Shares applied for as part of the Shortfall. It is an express term of the offer of the Shortfall that applicants for Shares comprised in the Shortfall will be bound to accept a lesser number of additional Shares (and accompanying Options) than the number applied for.

The Shortfall will be placed at the discretion of the Company, and the Company reserves the right to not allot any of the Shortfall or to allot to an applicant a lesser number of the Shares (and accompanying Options) comprising the Shortfall than the number for which the applicant applies or to reject an application. Qualifying Shareholders who apply for additional Shares (and accompanying Options) in excess of their Entitlement receive no guarantee that they shall receive all or any of those additional Shares (and accompanying Options) for which they apply. If a Qualifying Shareholder does not receive all or any of the additional Shares (and accompanying Options) they apply for, any excess application monies will be returned to them (without interest).

The Directors reserve the right to place the balance of the Shortfall (comprising the New Shares not subscribed for by Qualifying Shareholders under this Offer and accompanying New EDEO Options) which is not placed to Qualifying Shareholders under the offer of the Shortfall made pursuant to this section 2.11 within 3 months of the Closing Date at an issue price of not less than the issue price under this Offer, being \$0.055 per Share (together with one free attaching New EDEO Option for every 2 New Shares issued).

2.12 Purpose of the Issue

The purpose of this Rights Issue is to raise up to approximately \$5,500,847 (before expenses of the Offer). The funds raised under this Rights Issue will be utilised in the manner set out in section 6.5 of this Prospectus.

2.13 Market prices of Existing Shares and Existing EDEO Options on ASX

The highest and lowest market sale price of the Existing Shares and Existing EDEO Options during the 3 months immediately preceding the lodgement of this Prospectus with ASIC, and the last market sale price on the date before the lodgement date of this Prospectus, are set out below.

	<u>3-Month High</u>	<u>3-Month Low</u>	<u>Last Market Price</u>
Existing Shares	\$0.084 (on 13 October 2015)	\$0.048 (on 16 December 2015)	\$0.049 (on 17 December 2015)
Existing EDEO Options	\$0.050 (on 16 October 2015)	\$0.026 (on 16 December 2015)	\$0.026 (on 16 December 2015)

The approximate VWAP of the Existing Shares for the three month period prior to the date of lodgement of this Prospectus at ASIC was \$0.07.

The approximate VWAP of the Existing EDEO Options for the three month period prior to the date of lodgement of this Prospectus at ASIC was \$0.039.

The above information was sourced from E*trade Australia. E*trade Australia has not consented to the use of the above trading data reference in this Prospectus.

2.14 **Opening and Closing Dates**

Subscription lists will open on 13 January 2016 and will remain open until 5.00pm WST on 29 January 2016. Subject to the requirements of the Corporations Act and the Listing Rules, the Company may either close this Rights Issue at an earlier time and date or extend the closing time and date without prior notice. Qualifying Shareholders are encouraged to submit their Applications as early as possible.

No New Shares or New EDEO Options will be issued under this Prospectus later than 13 months after the date of this Prospectus.

2.15 **Indicative timetable**

Refer to the "Summary of Offer" at the beginning of this Prospectus for an indicative Offer timetable.

2.16 **Existing Shares**

There are currently 1,000,153,948 Shares on issue in the Company. If this Rights Issue is fully subscribed, and assuming that none of the Existing EDEO Options are converted to Shares before the Record Date, a total of approximately 1,100,169,343 Shares will be on issue in the Company at the conclusion of this Rights Issue.

2.17 **Existing Options**

There are currently 207,306,322 Existing EDEO Options on issue in the Company. If this Rights Issue is fully subscribed, and assuming that none of the Existing EDEO Options are converted to Shares before the Record Date, a total of approximately 257,314,019 EDEO Options will be on issue in the Company at the conclusion of this Rights Issue.

There are no unlisted Options on issue in the Company at the date of this Prospectus.

2.18 **Existing Optionholders**

Holders of all of the Existing EDEO Options on issue in the Company may participate in this Rights Issue by exercising any or all of their Existing EDEO Options in sufficient time for their funds to clear, and for the new Shares to be recorded on the register, on or prior to the Record Date.

All of the Existing EDEO Options on issue in the Company are capable of being exercised. If all of these Options were exercised before the Record Date, an additional 207,306,322 Shares would then be issued. In addition, in the event that all of the Rights in respect of these additional Shares were subscribed for, an additional 20,730,632 New Shares (together with 10,365,316 accompanying New EDEO Options) would be issued under this Rights Issue, and a further \$1,140,185 would be raised under this Rights Issue. As the price at which the Company's Shares are currently trading exceeds the price at which the Existing EDEO Options are exercisable, it is possible that some of the Optionholders may choose to exercise their Options (or some of them) prior to the Record Date.

2.19 **Effect on existing Shareholders and Optionholders**

For the effect this Rights Issue will have on Shareholders' and Optionholders' existing interests, please see section 6.3 of this Prospectus.

2.20 **No commission payable on New Shares and New Options**

No commission will be payable by the Company in connection with any New Shares and New EDEO Options which are issued under this Prospectus.

2.21 **No valuation**

No formal valuation has been completed of any of the assets, or the New Shares or New EDEO Options, of the Company.

2.22 **Risk factors**

In addition to the general risks applicable to all investments in listed companies, there are specific risks associated with an investment in the Company. Please see section 5 of this Prospectus for further information.

2.23 **Acknowledgment and Privacy Statement**

By accepting their Rights (either in whole or in part), each Qualifying Shareholder acknowledges that they have received and read this Prospectus.

As Qualifying Shareholders are already shareholders of the Company, the Company and its share registry (Advanced

Share Registry Services) have already collected certain personal information from Qualifying Shareholders. However, if Qualifying Shareholders apply for New Shares and New EDEO Options pursuant to this Prospectus, they may be supplying new, additional, or updated personal information (by its inclusion on the Acceptance Form) to the Company.

The information included on an Acceptance Form is used for the purposes of processing the Acceptance Form and to administer the Qualifying Shareholder's holding of Shares and Options. By submitting an Acceptance Form, each Qualifying Shareholder agrees that the Company may use the information provided by a Qualifying Shareholder on the Acceptance Form for the purposes set out in this privacy statement and may disclose it for those purposes to Advanced Share Registry Services and the Company's related bodies corporate, agents and contractors and third party service providers, including mailing houses, professional advisers (eg auditors, lawyers and accountants), technology support providers and to ASX and other regulatory authorities.

The Corporations Act requires the Company to include information about each Shareholder (including name, address and details of the Shares and Options held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate payments and corporate communications (including the Company's financial results, annual reports and other information that the Company wishes to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements.

Under the *Privacy Act 1998* (Cth), Shareholders have a right to gain access to personal information that the Company holds about that person, subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

If you are paying by cheque or money order and you do not provide the information required on the Acceptance Form, the Company may not be able to accept or process your Acceptance Form.

2.24 Enquiries In Relation to this Issue

This Prospectus provides information for Qualifying Shareholders and should be read in its entirety. Enquiries concerning the Acceptance Form or about subscribing for New Shares and accompanying New EDEO Options under this Rights Issue should be directed to the Company by telephone on (+618) 9282 5889 or facsimile on (+618) 9282 5866.

If after reading this Prospectus or contacting the Company you have any questions about any aspect of an investment in the Company, you should consult your stockbroker, accountant or independent financial advisor.

3. ACTION REQUIRED BY QUALIFYING SHAREHOLDERS

3.1 What you may do - choices available

If you are a Qualifying Shareholder, you may take any of the following actions:

- take up all of your Rights;
- take up part of your Rights and allow the balance to lapse; or
- do nothing.

Qualifying Shareholders may not sell or otherwise transfer all or part of their Rights to another person.

3.2 Taking up all or part of your Rights

If you are a Qualifying Shareholder and you wish to take up all or part of your Rights, you may either:

- Pay the Application Moneys for the Rights you are taking up by B-Pay by no later than 5.00 pm WST on 29 January 2016. Qualifying Shareholders who pay electronically (by B-Pay), do not need to return the Acceptance Form, and they will be taken to have accepted the Offer upon making payment by B-Pay. This acceptance cannot be withdrawn. Instructions on how to make a payment by B-Pay are set out on the Acceptance Form.
- Complete the personalised Acceptance Form accompanying this Prospectus in accordance with the instructions set out on that form and forward it, together with your cheque or money order for the Application Moneys for the Rights you are taking up, to reach one of the following addresses by no later than 5.00 pm WST on 29 January 2016:

By mail: **Eden Energy Limited**
 c/- Advanced Share Registry Services
 PO Box 1156
 Nedlands, Western Australia, 6909

By delivery: **Eden Energy Limited**
 c/- Advanced Share Registry Services
 110 Stirling Highway
 Nedlands, Western Australia, 6009

Cheques (drawn on and payable at any Australian bank) should be made payable to “Eden Energy Ltd – Rights Issue” and crossed “Not Negotiable”.

If you are paying by cheque or money order, New Shares and accompanying New EDEO Options will only be issued on receipt of an Acceptance Form which was issued together with this Prospectus. A completed and lodged Acceptance Form, together with payment for the number of New Shares and accompanying New EDEO Options accepted, cannot be withdrawn and constitutes a binding application for, and acceptance of, the number of New Shares and New EDEO Options specified in the Acceptance Form on the terms set out in this Prospectus. The Acceptance Form does not need to be signed to be binding.

Acceptance Forms which do not specify an Australian or New Zealand address for service (or which are accompanied by payment drawn on a foreign bank account) will be rejected and returned unless Qualifying Shareholders provide evidence which satisfies the Company that the issue of the New Shares and accompanying New EDEO Options will not contravene the laws of any other jurisdiction.

If the Acceptance Form is not completed correctly the Company may reject it or treat it as valid. The Company’s decision as to whether to reject the Acceptance Form or treat it as valid and how to construe, amend or complete it is final.

If the amount a Qualifying Shareholder pays by cheque, money order or B-Pay is insufficient to pay for their full Entitlement, they will be taken to have applied for such lower number of New Shares (and accompanying New EDEO Options) as that amount will pay for. If Qualifying Shareholders pay for more New Shares than their Entitlement, they will be deemed to have applied for their full Entitlement and for additional Shares under the offer of the Shortfall to the extent of the excess.

No brokerage or duty is payable by Qualifying Shareholders on the issue of New Shares and accompanying New EDEO Options.

If you are a Qualifying Shareholder and you take up part of your Rights only, the balance of your Rights will lapse.

3.3 **Consequences of doing nothing – rights not taken up**

Qualifying Shareholders who do not wish to take up any of their Entitlement do not need to take any action. Any Rights not taken up by Qualifying Shareholders will lapse at the expiration of the Offer Period.

3.4 **Overseas Shareholders (Non-Qualifying Foreign Shareholders)**

Shareholders with registered addresses outside Australia and New Zealand should refer to sections 2.5 and 2.6 of this Prospectus.

For personal use only

4. COMPANY OVERVIEW

4.1 Background

Eden was incorporated in Australia in May 2004 as a wholly owned subsidiary of Tasman Resources Ltd. Eden undertook an initial public offering pursuant to a prospectus in March 2006 and was admitted to the Official List of the ASX on 1 June 2006.

4.2 Directors

The current Directors of the Company are:

- Gregory Howard Solomon, LLB (Executive Chairman)
- Douglas Howard Solomon, B. Juris (Hons), LLB (Non-Executive Director)
- Guy Touzeau Le Page, B.A., B.Sc. (Hons), M.B.A., FFIN, MAusIMM (Non-Executive Director)
- Richard Jonathan Beresford FAICD FAIE (Non-Executive Director)

4.3 Projects

Nano-Carbon Project

Carbon nanotubes are nano sized tubes of carbon with a tensile strength of up to 200-300 times stronger than steel but a mass of only 17% that of steel. They are also extremely efficient conductors of heat and electricity.

Eden has developed an efficient, commercially competitive pyrolysis process to produce carbon nanotube (CNT) and carbon nano-fibres. Eden remains optimistic that it will develop suitable markets for the nano-carbon products that it can produce. Eden currently has established limited production capabilities at its subsidiary in Colorado that enable it to produce nano-carbon from a feedstock of natural gas (methane).

Eden has been working at developing large scale bulk applications for the CNT that it can produce and has been making encouraging progress in the areas of concrete, plastics and polymers and conductive coatings and films.

To date, EdenCrete™, Eden's carbon nanotube enriched concrete admixture has emerged as a significant commercial application.

Additionally, the only other major by-product from Eden's pyrolysis process is hydrogen, the real cost of which will be dependent upon the value of the carbon produced. The quantity of hydrogen produced will be 25% (by weight) of the quantity of carbon produced.

This hydrogen can be used either re-mixed with natural gas to create Hythane™ to fuel the pyrolysis reactor or applied for other similar purposes, or captured and fed into the various hydrogen/Hythane™ applications that Eden has been developing, to try and accelerate the commercial rollout of these hydrogen applications based on the relatively low cost hydrogen. The current cost of hydrogen is one of the major limiting factors holding back a broader rollout of hydrogen and Hythane™. Encouragingly, the hydrogen produced using the Eden pyrolysis process will generate only a relatively very small amount of greenhouse gas as a by-product compared with most other currently available methods of hydrogen production, and in consequence it is projected that the hydrogen is likely to be both commercially competitive and environmentally preferable.

Below is a summary of current progress being made on Eden's CNT projects:

EdenCrete™ - CNT Enriched Concrete

Various trials in USA and Australia during 2015 by a number of independent concrete manufacturers of EdenCrete™ have confirmed repeated increases in compressive and split tensile strength, greater abrasion resistance and reduced permeability in concrete to which EdenCrete™ has been added. Further, a field trial of EdenCrete™ in Augusta, Georgia, USA with the Georgia Department of Transportation ("GDOT") on Interstate Highway I-20 in August 2015 produced an increase of 45.8% in compressive strength and a 56% reduction in the rate of abrasion in concrete test cylinders, carried out after 56 days. In consequence, GDOT in December 2015:

- approved the use of EdenCrete™ in GDOT construction and maintenance projects in both GDOT's Class 24-Hour accelerated strength concrete mix applications and also its Class B concrete application, which together account for approximately 20% of GDOT's concrete usage; and
- classified EdenCrete™ as "Field Tests" (i.e. to undertake a further Field Test) in the applications of Portland cement concrete pavements (GDOT Specification Section 430 and/or 439) and concrete whitetopping (GDOT Specification Section 453) (replacing the surface of an asphalt or concrete pavement with a concrete surface layer). The new test is scheduled for early in 2016.

These are significant steps towards Eden achieving its longer term goal of having EdenCrete™ become a product that is widely used in the huge US infrastructure market.

Eden and Deakin University are negotiating to take over the collaborative Australian Research Council ("ARC") grant that Eden and Monash University were awarded to help funding of research into high strength CNT enriched concrete requiring little or even no reinforcing steel.

CNT Enriched Polymers and Plastics Project in Australia

The CNT enriched polymer and plastics project with the University of Queensland ("UQ") that is being headed by a well-qualified post-doctoral candidate from the US and which is partly funded by an ARC grant, commenced in 2014. This project is aiming to develop reinforced polymer composites for potential automotive and aerospace applications. UQ was awarded a \$255,000 grant by the Australian Research Council to partially fund this project. This collaboration project follows earlier preliminary encouraging results from the addition of Eden's carbon nanotubes into polypropylene.

Optiblend™ Project

Eden has developed an efficient dual fuel system that is capable of operating on diesel engines and displacing up to 70% of the diesel fuel with natural gas. If Hythane™ fuel (hydrogen enriched natural gas) is used in place of natural gas, the displacement of diesel fuel could be as high as 80%. The use of natural gas will greatly reduce greenhouse gas emissions and, in places where natural gas is cheaper than diesel, will also reduce fuel costs. It has significant market potential particularly in the diesel powered generator set ("genset") market.

After more than doubling the value of US sales for OptiBlend™ for calendar year 2014 over the previous year to over US\$2.22 million, Eden Innovations believed that this product had a strong outlook for further growth in calendar year 2015. However, the significant slowdown in oil and gas drilling as a result of the recent significant drop in the international oil price and the current oversupply, sales of OptiBlend™ units in US have slowed significantly since mid- January 2015.

UK Gas Project

Eden owns, through its wholly owned UK subsidiary, 50% joint venture interests in 9 Petroleum and Development Licences (PEDLs) in South Wales ("Eden's UK Licence Interests").

For the past 18 months Eden has been endeavouring to firstly sell these interests, and more recently merge its current UK gas interests with its UK joint venture partner, but to date this process has not been successful, and two conditional contracts previously entered into have not been completed due to failure of the conditions to be satisfied. Negotiations in relation to some other form of agreement are still on-going.

The UK gas exploration industry is currently experiencing significant opposition from opponents of hydraulic fracturing ("fracking"), and this is creating market uncertainty and making it far more difficult to secure investors, and as a result the prospects of a successful outcome on this project are unclear.

5. RISK FACTORS

There are a number of risk factors, both specific to the Company and of a general nature, which may affect the financial position, financial performance, cash flows, ability to pay dividends and growth prospects of the Company and the outcome of an investment in the Company. These risks are both specific to the Company and generally relate to an investment in the stock market. There can be no guarantee that the Company will achieve its stated objectives, or that forward looking statements will be realised.

5.1 Working capital

Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

The funds which are being raised under this Rights Issue will be augmented by funds which were raised by the Company pursuant to the placement which was undertaken on 18 December 2015, of \$422,200, and by funds which will be received by the Company's US and Indian subsidiaries during the period between January 2016 to May 2016 from completed sales of the Company's OptiBlend™ kits, estimated to be in the combined sum of approximately \$1 million. After taking into account these placement funds and this sales revenue, the Company is only raising sufficient funds pursuant to this Rights Issue, assuming it is fully subscribed, to cover approximately 9-12 months of working capital requirements. Subject to any additional revenue that the Company may be able to derive from further sales of its OptiBlend™ kits and from the sale of EdenCrete™, the Company may not be able to achieve financial self-sufficiency prior to this capital being exhausted. The Company may therefore have to raise further capital or borrow funds prior to this capital being exhausted.

If this Rights Issue is not fully subscribed, the Company is likely to have to raise further capital before the expiration of this 9-12 month period. There is no guarantee that such additional funds will be available to the Company. Further, any additional equity financing which is available may be dilutive to Shareholders.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

5.2 Risks associated with the commercialisation of new technologies

There is no guarantee that the Company's commercialisation of Hythane™, OptiBlend™, EdenCrete™ or its pyrolysis technology or proposed commercialisation of any other new technologies will be successful. Commercialisation may be impeded by, for example, adverse market conditions, unforeseen technical or environmental issues or the failure of patent applications to be granted. In addition, commercialisation may be impeded due to competition from competing technologies or products. Further, the Company may not be able to establish a market for the sale of its products (eg, carbon and hydrogen) which is of a sufficient size for it to achieve financial self-sufficiency.

5.3 Commodity price volatility and exchange rate risks

The revenue the Company will derive through the sale of commodities, including hydrogen, carbon and, if the Company achieves success in its exploration activities which results in a commercially viable deposit being discovered, methane or gas from its tenements, exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company, including supply and demand fluctuations for those commodities, technological advancements, forward selling activities and other micro and macro economic factors. International prices of various commodities are largely denominated in United States dollars. The Company also has overseas subsidiaries, whose sales and expenses are primarily affected in United States dollars or Indian rupees. As the Company is based in Australia, it will therefore be exposed to the fluctuations and volatility of the rate of exchange between the United States dollar/ Indian rupee and the Australian dollar.

5.4 Exploration success

The gas projects in which the Company has an interest summarised in this Prospectus are at various stages of exploration (for the most part they are largely unexplored). Gas exploration and development are high risk undertakings. There can be no assurance that exploration of the project areas described in this Prospectus, or any other licences or projects that may be acquired by the Company in the future, will result in the discovery of an

economic methane or gas deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be commercially exploited.

5.5 Title risks

The interests which the Company holds in exploration projects are governed by legislation. Each interest is for a specific term and carries with it annual expenditure or work and/or reporting conditions as well as other conditions requiring compliance. These conditions include the requirement for compulsory reduction in the area held under the interest from time to time. The Company could also lose an interest it holds if it, or any of its joint venture parties, does not meet attaching conditions or if insufficient funds are available to meet expenditure or work commitments. The loss of interests or the inability to renew the existing PEDLs or to obtain new interests may have a material adverse effect on the Company's financial position, financial performance, cash flows, growth prospects, ability to pay dividends and Share price.

5.6 Environmental risks

There are risks associated with the Company's ability to obtain planning approvals to conduct gas exploration of its UK gas projects. There is a high level of public and government concern in the UK over possible environmental problems that could be caused by the recovery of either coal seam gas or shale gas through fracking. As a result, there is no guarantee that the Company will be able to carry on any exploration of its UK gas PEDLs or that the PEDLs will be renewed upon expiration. Although the Company is not aware of any endangered species of fauna or flora within its gas and petroleum exploration areas, no definitive study has been carried out over the area, and if any were discovered this could prevent exploration occurring.

In relation to the carbon production project, whilst the Company has endeavoured to comply with all present and proposed laws and standards, Environmental Protection Authority approval in the US which is currently being sought, will be required before commercial sales of more than 10 tons of carbon can occur. Whilst it is anticipated that the Company will be able to comply with the necessary standards, there is no certainty that such approval will be obtained.

5.7 Operating risks

The operations of the Company may be affected by various factors including failure to locate or identify methane or gas deposits, failure to achieve predicted resources in exploration and production, operational and technical difficulties encountered in exploration and production and commercialisation of its technologies, difficulties in obtaining planning and environmental approvals, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, inadequate water supplies, unanticipated problems which may affect extraction costs, inability to obtain satisfactory joint venture partners, adverse weather conditions, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the cost of consumables, spare parts, plant and equipment. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests and/or commercialisation of its technologies. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

5.8 Joint Ventures

The Company (or its subsidiaries) are a party to a number of joint ventures. It is also possible that the Company may in the future enter into joint ventures with other third parties. Any future disputes or potential conflict with any such joint venture parties could have a material adverse effect on the Company's financial position, financial performance, cash flows, growth prospects, ability to pay dividends and Share price.

5.9 No formal valuation of Shares, Options or tenements

No formal valuations of any of the Shares or Options, or any of the assets in which the Company has an interest, have been carried out.

5.10 Share market conditions

The price of the New Shares and New EDEO Options when quoted on ASX will be influenced by international and

domestic factors affecting market conditions in equity, financial and commodity markets. These factors may affect the share price for all listed companies, and the price of the Company's Shares and Options may fall or rise, and the price of the New Shares may trade below or above the issue price of \$0.055 and the price of the New Shares and New EDEO Options may trade below or above their prevailing market prices as at the date of this Prospectus. The price of the Shares and Options may be subject to varied and unpredictable influences on the market for equities. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

5.11 General investment risks

In addition, there is a risk that the price of the Shares and Options and returns to Shareholders may be affected by changes in many general factors including local and world economic conditions and outlook, general movements in local and international stock markets, investor sentiment, interest rates, the rate of inflation, exchange rates, levels of tax, taxation law and accounting practice, government legislation or intervention, inflation or inflationary expectations, natural disasters, social disorder or war in Australia or overseas, international hostilities and acts of terrorism, as well as many other factors which are beyond the control of the Company.

5.12 Other risks

The above list of risk factors is not exhaustive of the risks faced by the Company and its Shareholders and investors. The above risks, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares and accompanying New EDEO Options offered under this Prospectus. Therefore, no assurances or guarantees of future profitability, distributions, payment of dividends, return of capital or performance of the Company or its Securities can be, or is, provided by the Company.

Before deciding to invest in the Company, potential investors should read this Prospectus in its entirety and, in particular, should consider the risk factors that could affect the financial performance of the Company. Qualifying Shareholders should carefully consider these factors in light of their personal circumstances and should consult their professional advisers (for example, their accountant, stockbroker, lawyer or other professional adviser) before deciding whether to invest.

Neither the Company nor its officers, employees, agents and advisers guarantee that any specific objectives of the Company will be achieved or that any particular performance of the Shares and Options, including the New Shares and New EDEO Options offered under this Prospectus, will be achieved.

6. EFFECT OF THE ISSUE

6.1 Introduction

Assuming this Rights Issue is fully subscribed, the gross proceeds that will be raised by the Company under this Rights Issue (before expenses of the Offer) will amount to approximately \$5,500,847 (on the assumption that none of the current EDEO Options are converted to Shares prior to the Record Date).

6.2 Pro-forma capital structure on completion of the Rights Issue

The pro-forma capital structure of the Company is set out below and reflects the issued and paid up capital structure of the Company assuming this Rights Issue is fully subscribed (and assuming that none of the Existing EDEO Options are converted to Shares prior to the Record Date or before completion of this Rights Issue).

Capital Structure

	Shares	Percentage	EDEO Options	Percentage
Existing Shares and EDEO Options	1,000,153,948	90.91%	207,306,322	80.57%
Maximum number of New Shares and New EDEO Options (estimated)	100,015,395	9.09%	50,007,697	19.43%
Total Shares and Options upon completion of the Issue (estimated)	1,100,169,343	100.00%	257,314,019	100.00%

On the assumptions set out above, a total of up to approximately 100,015,395 New Shares and up to approximately 50,007,697 New EDEO Options will be issued by the Company upon the successful completion of this Rights Issue. The maximum number of New Shares and New EDEO Options which may be issued under this Rights Issue cannot be calculated precisely until Rights have been determined following the Record Date because of the possibility that some Optionholders may exercise some or all of their Existing EDEO Options prior to the Record Date and because of the rounding up of fractional Entitlements.

6.3 Effect on Existing Shareholders and Optionholders

Qualifying Shareholders who hold Shares and who take up their Rights in full will not have their proportionate interest in the Company diluted by this Rights Issue. The proportionate interest of a Qualifying Shareholder who takes up their Entitlement in full and applies for (and is issued) additional Shares forming part of the Shortfall will increase.

Qualifying Shareholders who do not exercise their Rights will have their interest in the Company diluted.

Non-Qualifying Foreign Shareholders will have their interest in the Company diluted.

Existing Optionholders who do not exercise all or any of their Existing EDEO Options in sufficient time for their funds to clear, and for the new Shares to be recorded on the register, on or before the Record Date will not be entitled to participate in this Rights Issue with respect to those Existing EDEO Options (and, if those Existing EDEO Options are subsequently exercised, the interest which the Shares issued consequent upon the exercise of the Existing EDEO Options will confer in the Company will have been diluted by this Rights Issue).

6.4 Impact on Control

The New Shares will represent up to 9.09% of the expanded issued share capital upon completion of the Rights Issue (depending on the level of take up of the Rights).

The Company's largest Shareholder, Noble Energy Pty Ltd (a wholly owned subsidiary of Tasman Resources Ltd (ASX code: TAS)), indicated to the Company prior to the date of this Prospectus that it presently intends to take up all, or a large portion of, its Entitlement by way of subscription of further funds and by way of satisfaction and release of existing debt (but does not intend to take up any of the Shortfall) (see section 6.5 below).

The following table summarises the potential increase in Noble Energy Pty Ltd's shareholding in the Company if it were to take up its Rights in full.

	Noble Energy Pty Ltd	% of total Shares on issue (current and maximum)	% of total Options on issue (current and maximum)
Existing Shares held	439,207,543	43.914%	
Maximum Shares held on completion of this Rights Issue (estimated)*	483,128,297*	46.273**	
Existing EDEO Options held	89,396,401		43.083%
Maximum Options held on completion of this Rights Issue (estimated)*	111,356,778*	51.451%***	48.571%**

*On the assumption that Noble Energy Pty Ltd takes up its Rights in full.

**On the assumption that Noble Energy Pty Ltd is the only Qualifying Shareholder to take up its Rights under this Rights Issue

***On the assumption that Noble Energy Pty Ltd is the only Qualifying Shareholder to take up its Rights under this Rights Issue and subsequently exercises all of its Options (including the New EDEO Options it acquires under this Rights Issue) (and is the only person to exercise any Options).

Noble Energy Pty Ltd does not have any present intention to change the Company's main activities, business or directors.

6.5 Purpose of this Rights Issue and use of funds raised under this Rights Issue

The gross proceeds to be raised by the Company under this Offer (i.e. before expenses of the Offer) will be up to approximately \$5,500,847 (on the assumption that none of the Existing EDEO Options are converted to Shares prior to the Record Date and this Offer is fully subscribed).

Whilst there is no minimum subscription to this Offer, as at the date of this Prospectus, Noble Energy Pty Ltd (the Company's largest shareholder) and the majority of the Company's Directors have indicated to the Company that they presently intend to take up (and to procure that companies which are associated with them take up) all (or a large portion) of their Entitlements. Noble's present intention is to take up its full Entitlements by subscription of further funds and by way of satisfaction and release of existing debt (see numbered paragraph 2 below). The Company is aware that the present intention of these parties is prefaced on market conditions remaining stable, and not significantly deteriorating, during the Offer Period and that no firm commitment has been given by any of these parties to take up their Entitlements (in whole or in part).

The funds raised under this Rights Issue are to augment the existing funds which are held by the Company, the funds which were raised by the Company pursuant to the placement which was undertaken on 18 December 2015, of \$422,200, and funds which will be received by the Company's US and Indian subsidiaries between the period from January 2016 to May 2016 from completed sales of the Company's OptiBlend™ kits, estimated to be in the combined sum of approximately \$1 million.

It is the Company's intention, subject to sufficient funds being raised, to apply the funds which are raised under this Offer in the following order and for the following purposes:

1. Firstly, to fund the costs of the Offer;
2. Secondly, if Noble takes up its Rights, to the extent of the existing debt owing by the Company to Noble (as at 31 January 2016, being \$1,801,403, including interest) the subscription amount will not be received in cash but by way of satisfaction and release of the said debt;
3. Thirdly, to provide the Company with sufficient working capital to fund the on-going operations of the Company and its subsidiaries for the next 9-12 months; and
4. Fourthly, to provide funds to enable the Company to expand its current production plant in Colorado, or to commence preliminary engineering work towards establishing a new large commercial plant in the US, to produce its EdenCrete™ admixture.

Set out below is a table summarising how, subject to the qualifications above, the Directors intend to apply the proceeds of this Rights Issue against the above four use categories, in each of the following scenarios:

- (a) this Rights Issue raises approximately \$2,415,641 (on the assumption that Noble Energy Pty Ltd ("Noble"), noting the qualification above, is the only Qualifying Shareholder to take up its Rights and that it does so in full) (Noble holds 43.914% of the Company's Shares as at the date of this Rights Issue). If Noble takes up its Rights, it is its present intention that the first \$1,801,403 of the subscription price for its New Shares will (as noted above) not be received by the Company in cash but by way of satisfaction and release of the Company's existing debt to Noble and that any amount subscribed by it over and above this amount (of up to \$614,238) will be subscribed by it in cash);
- (b) this Rights Issue raises \$3,958,244 (being the mid-point between the figures set out in paragraphs (a) and (c)); and
- (c) this Rights Issue raises \$5,500,847 (on the assumption it is fully subscribed).

	Paragraph (a) above	Paragraph (b) above	Paragraph (c) above
Funds raised under this Rights Issue	\$2,415,641	\$3,958,244	\$5,500,847
Intended Allocation of Funds:			
Costs of the Offer	\$35,127 (1.4%)	\$38,619 (1.0%)	\$42,000 (0.8%)
Release and satisfaction of debt to Noble*			
- Principal Sum	\$1,731,074 (71.7%)	\$1,731,074 (43.7%)	\$1,731,074 (31.4%)
- Interest (to 31 January 2016)	\$70,329 (2.9%)	\$70,329 (1.8%)	\$70,329 (1.3%)
General working capital**	\$579,111 (24.0%)	\$1,000,000 (25.3%)	\$1,907,444 (34.7%)
Expansion/Establishment of Plant for Production of EdenCrete™ admixture	(0%)	\$1,118,222 (28.2%)	\$1,750,000 (31.8%)

*Noble is the Company's largest shareholder, holding approximately 43.914% of the Company's Shares. The principal amount owing by the Company to Noble (\$1,731,074) was contributed during 2015 (with most of it having been provided since July 2015) on the basis that it would be repaid out of future capital raisings. The Company wishes to procure the release and satisfaction of this debt in order to clean up its balance sheet – the Company consider this will facilitate its ability to raise further funds in the future should that be required for ongoing working capital or expansion purposes.

As noted earlier in the "Summary of Offer", the Company reserves the right, subject to the Corporations Act and the Listing Rules, to withdraw this Rights Issue and Prospectus at any time, without prior notice. If Noble withdraws its support for this Rights Issue due to market conditions deteriorating during the Offer Period:

- For personal use only
- (a) the Directors will give consideration to withdrawing this Offer;
 - (b) should the Offer not be withdrawn, all funds which are raised from Qualifying Shareholders other than Noble will be applied solely to meet the Company's working capital requirements – that is, no portion of the funds which are raised from other Qualifying Shareholders will be applied to repay Noble's loan (or any interest thereon).

** The working capital funds will be used to provide additional operating costs as required from time to time for the Company's US and Indian subsidiaries and to meet ongoing expenses of the Company in Australia. The rate at which the funds will be required by the US and Indian subsidiaries is uncertain as it will depend upon the level of revenue that each subsidiary is able to generate from their sales of products and services.

Given the speculative nature of the Company's business, the intended allocation of funds as set out above may change depending upon market conditions.

Based on the information available to it, and its current plans and budgets (and subject to any changes thereto), and provided this Rights Issue is fully subscribed, the Directors believe that the Company will be able to pay its debts as and when they fall due, and fund ongoing working capital requirements for approximately 9-12 months after completion of this Rights Issue. Any further expansion of EdenCrete™ production beyond the initial expansion in Colorado, or the acquisition of any land for that purpose, would require further fund raising by the Company which is presently anticipated would be wholly or partly sourced in the US.

However, if only a limited number of Qualifying Shareholders take up their Entitlement, the Company's expenditure will necessarily be more limited in extent and the Company may, depending on the cash flow generated by the Company from OptiBlend™ sales in the US, need access to further funding earlier than noted above.

6.6 Effect on the Company's financial position

Upon the successful completion of this Rights Issue and assuming this Rights Issue is fully subscribed, the Company's cash reserves will increase by approximately \$5,500,847, minus Offer expenses.

Set out below for illustrative purposes are the historical consolidated balance sheet as at 30 June 2015 and an unaudited pro forma consolidated balance sheet as at 30 June 2015 after the Rights Issue. The pro forma consolidated balance sheet has been prepared on the basis of the accounting policies normally adopted by the Company and having regard to the basis and assumptions set out below.

	Consolidated Group	Unaudited Proforma Consolidated Group
	2015	2015
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	507,504	4,699,477
Other assets	71,857	71,857
Inventories	552,797	552,797
Trade and other receivables	67,050	67,050
	<u>1,199,208</u>	<u>5,391,181</u>
Assets held for sale	647,131	647,131
TOTAL CURRENT ASSETS	<u>1,846,339</u>	<u>6,038,312</u>
NON-CURRENT ASSETS		
Intangibles	1,804,923	1,804,923
Property, plant and equipment	184,875	184,875
TOTAL NON-CURRENT ASSETS	<u>1,989,798</u>	<u>1,989,798</u>
TOTAL ASSETS	<u>3,836,137</u>	<u>8,028,110</u>
CURRENT LIABILITIES		
Trade and other payables	688,500	340,563
Interest bearing liabilities	250,000	0
Provisions	140,512	140,512
	<u>1,079,012</u>	<u>481,075</u>
Liabilities directly associated with the assets held for sale	595,818	595,818
TOTAL CURRENT LIABILITIES	<u>1,674,830</u>	<u>1,076,893</u>
TOTAL LIABILITIES	<u>1,674,830</u>	<u>1,076,893</u>
NET ASSETS	<u>2,161,307</u>	<u>6,951,217</u>
EQUITY		
Issued capital	55,567,452	62,347,488
Reserves	2,499,224	2,499,224
Accumulated losses	(55,905,369)	(57,895,495)
TOTAL EQUITY	<u>2,161,307</u>	<u>6,951,217</u>

Assumptions:

1. The Rights Issue is fully subscribed raising \$5,500,847.
2. The costs of the Offer total \$42,000.

The unaudited pro forma consolidated balance sheet set out above has been prepared on the basis and assumption that there has been and will be no material movements in the assets and liabilities of the consolidated entity between 1 July 2015 and the Closing Date other than:

- The issue of 30,061,627 Shares and 30,061,627 Existing EDEO Options, in satisfaction of \$420,863 of outstanding debt;
- The issue of 16,554,203 Shares pursuant to the exercise of EDEO Options and ESOP Options, raising \$480,126;
- The issue of 7,676,364 Shares and 3,838,182 Existing EDEO Options, pursuant to a placement made by the Company on 18 December 2015, raising \$422,200;
- the issue of approximately 100,015,395 New Shares and 50,007,697 New EDEO Options under this Prospectus raising \$5,500,847 before expenses of the Offer and on the assumption that this Rights Issue is fully subscribed; and
- payment of estimated expenses of the Offer of \$42,000 is included in "Trade and Other Payables" and to be paid, net of GST.

7. ADDITIONAL INFORMATION

7.1 Nature of this Prospectus

This Prospectus is issued under the special prospectus content rules for continuously quoted securities in section 713 of the Corporations Act. That section enables listed disclosing entities to issue a prospectus with less rigorous disclosure requirements if:

- the securities offered by the prospectus are in a class of securities that have been quoted enhanced disclosure securities at all times in the 3 months before the date of the prospectus or are options to acquire such securities; and
- the company is not subject to certain exemptions or declarations prescribed by the Corporations Act during the period during which the securities have been quoted or the 12 months before the date of the prospectus (whichever is the shorter period).

Securities are quoted enhanced disclosure securities if:

- the company is included in the official list of ASX; and
- the Listing Rules apply to those securities.

The information in this Prospectus principally concerns the terms and conditions of this Rights Issue and the information necessary to make an informed assessment of:

- the effect of this Rights Issue on the Company; and
- the rights and liabilities attaching to the New Shares and New EDEO Options offered under this Prospectus.

The Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. This Prospectus does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that was not already listed on a stock exchange. Qualifying Shareholders should therefore also have regard to the other publicly available information in relation to the Company before making a decision whether or not to subscribe for New Shares and accompanying New EDEO Options.

7.2 Regular reporting and disclosure obligations

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules.

These obligations require the Company to notify ASX of information about specified events and matters as they arise for the purposes of ASX making that information available to the stock market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information of which it becomes aware concerning the Company which a reasonable person would expect to have a material effect on the price or value of securities in the Company. The Company is required to lodge with ASX quarterly reports which include details about its production, development and exploration activities.

As the Company has been listed on ASX since June 2006, a large amount of information concerning the Company has previously been notified to ASX and is therefore publicly available. All announcements made by the Company are available from ASX.

The Company is also required to prepare and lodge with ASIC both yearly and half yearly financial statements accompanied by a Directors' statement and report and an auditors report. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office.

A summary of the Company's current and recent activities, transactions and projects and the financial performance and position of the Company is set out in the Company's annual report lodged with ASX on 25 September 2015 and subsequent ASX releases.

7.3 Right to obtain copies of Company documents

Under section 713(4) of the Corporations Act, any person has the right to obtain from the Company, free of charge, a copy of any of the following documents during the Offer Period:

- the Company's annual financial report for the year ended 30 June 2015 as lodged with ASIC;
- any continuous disclosure notices given by the Company after lodgement of the annual financial report for the year ended 30 June 2015 (i.e. on 25 September 2015) and before lodgement of this Prospectus with ASIC (i.e. on 18 December 2015). Headlines for such notices are as follows:

Date	Headline
18 December 2015	Cleansing Notice
18 December 2015	Appendix 3B
15 December 2015	Placement and Pro-Rata Non-Renounceable Rights Issue
10 December 2015	Trading Halt
10 December 2015	EdenCrete Project – US Update
9 December 2015	Appendix 3B
25 November 2015	Results of Meeting
25 November 2015	AGM Presentation
25 November 2015	2015 AGM Chairman's address to shareholders
23 November 2015	EdenCrete Project – US Update
10 November 2015	OptiBlend Dual Fuel System Sales Update
2 November 2015	Appendix 3B
30 October 2015	First Quarter Cash Flow Report
27 October 2015	Notice of Annual General Meeting/Proxy Form
26 October 2015	EdenCrete Project – US Update
22 October 2015	Cleansing Notice
22 October 2015	Appendix 3B
16 October 2015	Discussions regarding the possible sale of UK gas assets
13 October 2015	First Quarter Activities Report
1 October 2015	Appendix 3B
1 October 2015	EdenCrete Project – US Update
25 September 2015	Appendix 4G and Corporate Governance Statement
25 September 2015	Annual Report to Shareholders

These documents can also be viewed and downloaded from ASX's website www.asx.com.au under ASX Code: EDE.

7.4 Constitution and rights and liabilities attaching to Shares

Full details of the rights and liabilities attaching to Shares are set out in the Company's constitution, a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

All Shares issued pursuant to this Prospectus will, from the time they are issued, rank equally with all of the Company's Existing Shares.

Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares (at present there are none), at meetings of Shareholders of the Company:

- each Shareholder entitled to attend and vote may vote in person or by proxy, attorney or representative;
- on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote (save that where a Shareholder has appointed more than one person as proxy,

attorney or representative, none of the proxies, attorneys or representatives, is entitled to vote, and where a Shareholder is present in more than one capacity, that Shareholder is entitled only to one vote); and

- (c) on a poll, every person present who is a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid shares, shall have such number of votes as bears the same proportion of the amount paid up or agreed to be considered as paid up on the total issue price of that Share at the time the poll is taken bears to the total issue price of the Share.

Rights on winding up

Subject to the rights of holders of shares with special rights in a winding up (at present there are none) and the constitution of the Company, on a winding up of the Company all assets that may be legally distributed among members will be distributed in proportion to the number of Shares held by them (and a partly paid share is counted as a fraction of a Share equal to the amount paid on it, divided by the total issue price of the Share).

Transfer of shares

Subject to the constitution of the Company, the Corporations Act, the Listing Rules and any other laws, Shares are freely transferable.

Future increases in capital

The allotment and issue of any Shares is under the control of the Board. Subject to the requirements of the Listing Rules, the constitution of the Company and the Corporations Act, the Directors may allot or otherwise dispose of Shares on such terms and conditions as they see fit.

Variation of rights

Under the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders, vary or abrogate the rights attaching to shares. If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of the issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the sanction of a special resolution of the Company and with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

Dividend rights

Subject to the rights of holders of shares issued with special, preferential or qualified rights (at present there are none), the profits of the Company that the Directors determine to distribute by way of dividend are divisible among the holders of Shares and is payable on each Share on the basis of the proportion which the amount paid is of the total amounts paid, agreed to be considered to be paid or payable on the Share. A dividend may be declared at a rate per annum in respect of a specified period but no amount paid on a Share in advance of calls is to be treated as paid on that Share.

7.5 Rights and liabilities attaching to New EDEO Options

The New EDEO Options will be issued on the following terms and conditions.

- (1) The Options are exercisable at any time prior to 5.00pm WST 30 September 2018 ("the Time of Expiry"). Options not exercised on or before the Time of Expiry will automatically lapse.
- (2) The Options may be exercised wholly or in part by completing a notice of exercise of options substantially in the form attached to the option certificate ("Notice of Exercise") to be delivered to the Company's registered office and received by it any time prior to the Time of Expiry.
- (3) The Options entitle the holder to subscribe (in respect of each Option held) for one Share at an exercise price per Option of \$0.03.
- (4) Upon the exercise of the Options and receipt of all relevant documents and payment, Shares will be issued ranking equally with the then issued Shares. If at the date of exercise of the Options the Shares of the Company are quoted on the ASX, the Company will apply to ASX to have the Shares so issued granted Quotation.

- For personal use only
- (5) A summary of the terms and conditions of the Options including the Notice of Exercise will be sent to all holders of Options when they are issued.
 - (6) Any Notice of Exercise received by the Company prior to the Time of Expiry will be deemed to be a Notice of Exercise as at the last Business Day of the month in which such notice is received.
 - (7) There are no participating entitlements inherent in the Options to participate in new issues of capital, which may be offered to Shareholders during the currency of the Options. Prior to any new pro rata issue of securities to Shareholders, holders of Options will be notified by the Company and will be afforded 10 business days before the Record Date (as defined in the Listing Rules) (to determine entitlements to the issue), to exercise Options.
 - (8) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Time of Expiry, the number of Options or the exercise price of the Options or both shall be reconstructed (as appropriate) in a manner which will not result in any benefits being conferred on holders of Options which are not being conferred on Shareholders and (subject to the provisions with respect to rounding of entitlements as sanctioned by the meeting of Shareholders approving the reconstruction of capital), in all respects, the terms for the exercise of Options shall remain unchanged. For these purposes the rights of the Option holder may be changed from time to time to comply with the Listing Rules applying to a reorganisation of capital at the time of reorganisation.
 - (9) The Options may be transferred at any time prior to the Time of Expiry.
 - (10) Shares issued pursuant to the exercise of an Option will be issued not more than 14 days after the Notice of Exercise.

The New EDEO Options issued pursuant to this Prospectus will, from the time they are issued, rank equally with all of the Existing EDEO Options.

The Company does not currently have on issue any unlisted Options.

7.6 **Interests of Directors**

Other than as set out below or as set out elsewhere in this Prospectus, no Director has, or had within two years before lodgement of this Prospectus with the ASIC, any interest in:

- (a) the promotion or formation of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its promotion or formation or the offer of New Shares and New EDEO Options under this Prospectus; or
- (c) the offer of New Shares and New EDEO Options under this Prospectus,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director other than as set out below:

- (a) to induce them to become, or to qualify them, as a Director; or
- (b) for services rendered by them in connection with the formation or promotion of the Company or the offer of New Shares and New EDEO Options under this Prospectus.

7.6.1 **Shareholdings of Directors**

As at the date of this Prospectus all of the directors (either personally, or through associated companies or trusts) hold Shares and Options in the Company. The Directors are all Qualifying Shareholders and will therefore receive Rights to subscribe for New Shares (and accompanying New EDEO Options) pursuant to this Rights Issue.

The relevant interest of each of the Directors in the Shares and Options of the Company as at the date of this Prospectus, and assuming they take up their Rights in full by applying for all of the New Shares (and accompanying New EDEO Options) to which they are entitled under this Rights Issue, is as follows:

	Gregory Solomon (and associated entities)	Douglas Solomon (and associated entities)	Guy Le Page (and associated entities)	Richard Beresford (and associated entities)
Shares held	25,138,676	21,484,609	1,910,072	3,500,000
New Shares offered under this Rights Issue (estimated)	2,513,868	2,148,461	191,008	350,000
Maximum Shares held on completion of this Rights Issue (estimated)	27,652,544	23,633,070	2,101,080	3,850,000
Existing EDEO Options held	11,835,373	10,425,309	1,910,072	700,000
New EDEO Options offered under this Rights Issue (estimated)	1,256,934	1,074,231	95,504	175,000
Maximum EDEO Options held on completion of this Rights Issue (estimated)	13,092,307	11,499,540	2,005,576	875,000

Nothing in this Prospectus will be taken to preclude any of the Directors, officers or employees of the Company or any of their subsidiary companies from applying for New Shares and accompanying New EDEO Options on the terms which are offered pursuant to this Prospectus.

The following table shows the percentage increase in each Director's relevant interest in the Company if they were to take up (and to procure that companies associated with them take up) their Entitlement in full (but do not apply for any of the Shortfall). As at the date of this Prospectus, a majority of the Company's Directors have indicated to the Company that they presently intend to take up (and to procure that companies which are associated with them take up) all (or a large portion) of their Entitlement (refer section 6.5 of this Prospectus)

	Gregory Solomon (and associated entities)	% of total (current and maximum)	Douglas Solomon (and associated entities)	% of total (current and maximum)	Guy Le Page (and associated entities)	% of total (current and maximum)	Richard Beresford (and associated entities)	% of total (current and maximum)
Existing Shares held	25,138,676	2.513%	21,484,609	2.148%	1,910,072	0.191%	3,500,000	0.350%
Maximum Shares held on completion of this Rights Issue (estimated)*	27,652,544*	2.758%**	23,633,070	2.358%**	2,101,080*	0.210%**	3,850,000	0.385%
Existing EDEO Options held	11,835,373	5.709%	10,425,309	5.029%	1,910,072	0.921%	700,000	0.338%
Maximum EDEO Options held on completion of this Rights Issue (estimated)*	13,092,307*	6.277%**	11,499,540	5.519%**	2,005,576*	0.967%**	875,000	0.422%

*On the assumption that the Directors and their associated entities take up their Rights in full.

**On the assumption that the Directors and their associated entities are the only Qualifying Shareholders to take up their Rights under this Rights Issue.

Some of the Directors also hold a relevant interest in shares of Tasman Resources (which, as at the date of this Prospectus, holds, through its wholly-owned subsidiary Noble Energy Pty Ltd, 439,207,543 (43.914%) of the Shares of the Company), as follows:

Director	Shares Held	Options Held
Gregory Solomon	63,023,520	22,473,775
Douglas Solomon	62,001,259	22,109,244
Guy Le Page	1,784,821	-
Richard Beresford	-	-

As noted earlier, Noble Energy Pty Ltd's present intention is to take up all (or a large portion) of its Entitlement (of 43,920,754 New Shares and 21,960,377 accompanying New Options) under this Offer (see section 6.5 of this Prospectus) .

It is not anticipated that the Offer will have any effect on the future of the Company, as neither the current Directors of the Company (nor, to the knowledge of the Directors, their associated companies) have any present intention to change the Company's main activities, business or direction.

7.6.2 Directors' remuneration

Non-executive directors' fees not exceeding an aggregate of \$156,000 per annum have been approved by the Company in general meeting. Levels of these fees may be varied by the Company in general meeting according to its constitution at any time. The Company is currently paying non-executive directors' fees of \$36,000 per annum plus superannuation for each non-executive director.

The remuneration of any executive director will be fixed by the Directors and may be paid by way of fixed salary or based on agreed hourly rates according to time spent, up to an agreed maximum amount. At the date of this Prospectus, the Company has resolved to pay to Gregory Solomon an annual fee of \$172,500 plus superannuation for acting as executive chairman.

7.6.3 Directors' and officers' indemnity

In accordance with the Company's constitution and to the extent permitted by law, the Company must indemnify each Director and other officers of the Company out of the assets of the Company against any liability incurred by them in or arising out of the conduct of the business of the Company or in or arising out of the discharge of the duties of the officer, unless the liability was incurred by the officer through his or her own dishonesty, negligence, lack of good faith or breach of duty.

7.6.4 Other Interests of Directors

Gregory Solomon and Douglas Solomon are partners in the legal firm Solomon Brothers that will receive legal fees of approximately \$5,000 (plus disbursements, plus GST) for services performed in relation to the preparation of this Prospectus. Please see section 7.7 of this Prospectus for further details of the legal fees which have been paid to Solomon Brothers in the 2 year period prior to the date of this Prospectus.

Further, the Company has engaged the services of Princebrook Pty Ltd, a company of which Gregory Solomon and Douglas Solomon are shareholders and directors, to provide all office, accommodation, use of office equipment, accounting, secretarial and management services to the Company at a current cost of \$15,450 per month plus GST plus an administration fee of 5% plus GST. The term of this contract commenced on 1 January 2015 and continues until terminated by either party giving three months' notice of termination to the other, which notice may be given at any time (or until terminated consequent upon the other party's default).

Guy Le Page is also a director of and beneficial shareholder in RM Capital Pty Ltd, an Australian Financial Services Licensee, which has and will continue to receive normal professional fees for services provided to the Company.

7.7 Interests of named persons

Other than as set out below or elsewhere in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, promoter or stockbroker to the Company has, or had within two years before lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the offer of New Shares and New EDEO Options under this Prospectus; or
- (c) the offer of New Shares and New EDEO Options under this Prospectus,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the offer of New Shares and New EDEO Options under this Prospectus.

Solomon Brothers, a legal firm of which Gregory Solomon and Douglas Solomon are partners, will receive professional fees of approximately \$5,000 (plus disbursements, plus GST) for legal work undertaken by them in connection with this Prospectus and for work performed in relation to the due diligence process. In addition, Solomon Brothers have received legal fees on account of professional services rendered to the Company of approximately \$119,702 (excluding disbursements, GST and the legal fees for preparing this document) for the two-year period ending 30 November 2015.

7.8 Consents

The following persons have consented to being named in the Prospectus but have not made any statements that are included in the Prospectus or statements identified in this Prospectus as being based on any statements made by those persons and take no responsibility for any part of the Prospectus other than their consent to be named in the Prospectus, and have not withdrawn their consent before the lodgement of this Prospectus with ASIC:

- (1) Solomon Brothers as solicitors to the Company; and
- (2) Advanced Share Registry Services as Share Registry.

7.9 Expenses of the Issue

It is estimated that approximately \$42,000 will be payable by the Company in respect of legal, printing, postage and other costs arising from this Prospectus and this Rights Issue if the Offer is fully subscribed (excluding GST), as follows:

ASIC prospectus lodgement fee	\$2,320
ASX quotation fee	\$19,652
Legal fees and expenses	\$5,000
Other expenses (including printing)	<u>\$15,028</u>
Total	\$42,000

7.10 Dividends

The Board is not able to indicate when and if dividends will be paid in the future, as payment of any dividend will depend on the future profitability, financial position and cash requirements of the Company.

7.11 Australian and New Zealand taxation implications

The acquisition and disposal of New Shares and New EDEO Options in the Company will have tax consequences in both Australia and New Zealand that will differ depending upon the individual financial affairs of each Qualifying Shareholder. The Directors consider that it is not appropriate to give Qualifying Shareholders advice regarding the taxation consequences of subscribing for New Shares and New EDEO Options under this Prospectus. All Qualifying Shareholders applying for New Shares and New EDEO Options are therefore first urged to obtain independent financial advice about the consequences of acquiring the New Shares and New EDEO Options from a taxation viewpoint and generally. Qualifying Shareholders should consult their own professional tax advisers in connection with subscribing for New Shares and New EDEO Options under this Prospectus.

7.12 Litigation

The Company is not currently engaged in any litigation or arbitration proceedings, nor, so far as the Directors are aware, are any such proceedings pending or threatened against the Company.

8. GLOSSARY NAMES AND TERMS

Applicant means a person who submits an Application;

Application means a valid application to subscribe for New Shares and accompanying New EDEO Options;

Acceptance Form means the personalised entitlement and acceptance form attached to and forming part of this Prospectus.

Application Moneys means the sum of \$0.055 per New Share payable on submission of an Application pursuant to this Prospectus;

ASIC means Australian Securities and Investments Commission;

ASX means ASX Limited (A.C.N 008 624 691) or the Australian Securities Exchange, as the context requires;

Board means the board of Directors unless the context indicates otherwise;

Business Day means a day other than a Saturday or Sunday on which banks are open for business in Perth, Western Australia;

Closing Date means the date on which the Offer closes;

Company means Eden Energy Ltd;

Corporations Act and **Act** means the *Corporations Act 2001* (Cth);

Directors means the directors of the Company from time to time;

Dollars or **\$** means Australian dollars unless otherwise stated;

Eden means Eden Energy Limited A.C.N. 109 200 900;

Entitlement means a Qualifying Shareholder's entitlement to subscribe for New Shares (and accompanying New EDEO Options) under the Offer;

Existing EDEO Options means all listed Options on issue in the Company as at the date of this Prospectus, each to acquire 1 Share at an exercise price of \$0.03 at any time up to and including 30 September 2018 (ASX Code: EDEO);

Existing Shares means Shares on issue in the Company as at the Record Date;

Glossary means this glossary;

Issue means the issue of New Shares and New EDEO Options pursuant to this Prospectus;

Listing Rules means the Listing Rules of ASX;

New EDEO Option means an Option to subscribe for 1 Share in the Company at \$0.03 on or before 30 September 2018 and otherwise on the terms and conditions set out in section 7.5 of this Prospectus to be issued under this Prospectus;

New Share means a Share to be issued under this Prospectus;

Non-Qualifying Foreign Shareholder means a Shareholder whose registered address at the Record Date is not in Australia or New Zealand;

Offer means the offer contained in this Prospectus to each Qualifying Shareholder of 1 New Share for every 10 Existing Shares held by that Qualifying Shareholder at the Record Date at an issue price of \$0.055 per New Share, together with 1 free attaching New EDEO Option for every 2 New Shares issued under this Prospectus;

Offer Period means the period commencing on the Opening Date and ending on the Closing Date;

Official List means the Official List of the ASX;

Opening Date means the date on which the Offer opens;

Option means a right to acquire a Share in the Company;

Optionholder means a holder of Options;

Prospectus means this Prospectus dated 18 December 2015 for the issue of up to approximately 100,015,395 New Shares and up to approximately 50,007,697 New EDEO Options;

Qualifying Shareholder means a holder of Shares registered at 5:00pm WST on the Record Date and whose registered address is in Australia or New Zealand;

Quotation means quotation of the New Shares or the New EDEO Options on ASX (as the case may be);

Record Date means 5.00pm WST on 8 January 2016;

Rights means the right to subscribe for New Shares (with attaching New EDEO Options) under this Prospectus;

Rights Issue has the same meaning as Offer;

Securities means the New Shares and New EDEO Options to be issued under this Prospectus;

Share means one fully paid ordinary share in the Company;

Shareholder means the holder of Shares;

Shortfall means, if all Qualifying Shareholders do not accept their Entitlement in full, those Shares under the Offer not accepted by Qualifying Shareholders as part of their Entitlement by the Closing Date;

Tasman and **Tasman Resources** means Tasman Resources Limited A.C.N 009 253 187;

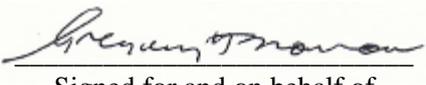
WST means Western Standard Time, Perth, Western Australia.

VWAP means, for a particular period, the volume weighted average price of trading in the Shares or Options (as the case requires) on the ASX market over that period, excluding block trades, large portfolio trades, permitted trades during the pre-trading hours period, permitted trades during the post trading hours period, out of hour trades and exchange traded option exercises.

9. CONSENT BY DIRECTORS

Each of the Directors of Eden Energy Limited has consented to the lodgement of this Prospectus in accordance with section 720 of the Corporations Act.

Dated the 18th day of December 2015



Signed for and on behalf of
Eden Energy Ltd
By Gregory Howard Solomon (Chairman)

For personal use only

10. CORPORATE DIRECTORY

Directors: Gregory H. Solomon, LLB (Executive Chairman)
Douglas H. Solomon, B.Juris LLB (Hons) (Non-executive)
Guy T. LePage, B.A, B.Sc. (Hons), M.B.A, ASIA, MAusIMM (Non-executive)
Richard J. Beresford, FAICD FAIE (Non-Executive Director)

Company Secretary: Aaron Gates, B.Com CA AGIA

Registered Office: Level 15
197 St Georges Terrace
Perth
Western Australia

Tel: (+618) 9282 5889
Fax: (+618) 9282 5966
e-mail: mailroom@edenenergy.com.au
website: www.edenenergy.com.au

Share Registry: Advanced Share Registry Services
110 Stirling Highway
Nedlands
Western Australia

Tel: (+618) 9389 8033
Fax: (+618) 9389 7871

Solicitors to the Company: Solomon Brothers
Level 15
197 St Georges Terrace
Perth
Western Australia

Tel: (+618) 9282 5888
Fax: (+618) 9282 5855

For personal use only

ACCEPTANCE FORM

ENTITLEMENT AND ACCEPTANCE FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCKBROKER OR LICENSED PROFESSIONAL ADVISER.

EDEN ENERGY LTD
A.C.N. 009 253 187
 REGISTERED OFFICE
 Level 15
 197 St Georges Terrace
 Perth, Western Australia

Sequence No: <<_____>>

Sub-Register	:
HIN/SRN	:
Shareholding at Record Date 5.00pm WST 8 January 2016	:
Entitlement to New Shares on a 1 for 10 basis	:
Amount payable on acceptance at \$0.055 per New Share	:

A non-renounceable pro-rata rights issue of one (1) New Share for every ten (10) Existing Shares held as at 5.00pm WST on the Record Date, at an issue price of \$0.055 per Share (together with one (1) free accompanying New EDEO Option for every two (2) New Shares acquired).

To the Directors:

1. I/We, the above mentioned, being registered on the Record Date as the holder(s) of Shares in your Company hereby accept the below mentioned Shares (and accompanying New EDEO Options) issued in accordance with the Prospectus dated 18 December 2015;
2. I/We hereby authorise you to place my/our name(s) on the registers of shareholders and optionholders in respect of the number of Shares (and accompanying New EDEO Options) allotted to me/us; and
3. I/We agree to be bound by the Constitution of the Company.

(A) NUMBER OF SHARES ACCEPTED (being not more than the Entitlement shown above)	(B) NUMBER OF SHORTFALL SHARES (if any) APPLIED FOR in excess of the Entitlement shown above*	(C) = (A) + (B) Amount enclosed at \$0.055 per Share

***You should only complete (B) if you have applied for all of your Entitlement (as shown above) and, in addition thereto, you wish to apply for additional further new Shares if there is a Shortfall. Refer section 2.11 of the Prospectus as to how applications for the Shortfall will be dealt with.**

Payment can be made by cheque, money order or by B-Pay for the amount shown, being payment at the rate of \$0.055 per Share. Cheques should be made payable to "Eden Energy Ltd – Rights Issue". If paying by cheque or money order, please return this form and your cheque or money order for the required amount to "Eden Energy Ltd – Rights Issue", crossed "NOT NEGOTIABLE" and forwarded to Eden Energy Ltd, C/- Advanced Share Registry Services, PO Box 1156, Nedlands WA 6909 or C/- Advanced Share Registry Services, 110 Stirling Highway Nedlands WA 6009 to arrive no later than **5.00pm WST on 29 January 2016**.

PLEASE ENTER CHEQUE DETAILS THANK YOU	Drawer	Bank	Branch or BSB	Amount
	You can pay by BPAY. If you choose to pay by BPAY, you do not need to return this form, but you are encouraged to do so if you have applied for any Shortfall Shares in addition to your Entitlement (for reconciliation purposes)			

For personal use only

My/Our contact details in the case of inquiry are:

Telephone () Fax () Contact Name

Complete this panel and sign below only if a change of address is to be registered with the Company.

New Address:

Signature(s): Date:

Please indicate your correct title : Director / Secretary /

CHESS HOLDERS CAN ONLY AMEND THEIR ADDRESS BY ADVISING THEIR SPONSORING BROKER

THE DIRECTORS RESERVE THE RIGHT TO MAKE AMENDMENTS TO THIS FORM WHERE APPROPRIATE

EXPLANATION OF ENTITLEMENT

1. The front of this form sets out the number of Shares which you are entitled to apply for.
2. Your entitlement may be accepted either in full or in part. There is no minimum acceptance.
3. The price payable on acceptance of each Share is \$0.055.

APPLICATION INSTRUCTIONS

1. The issue price of \$0.055 per Share is payable in full upon application.
2. Payments must be made in Australian currency by cheque or money order drawn on and payable at a bank within Australia (accompanied by this Acceptance Form). Cheques drawn on banks outside Australia in either Australian currency or in foreign currency will not be accepted. Payment can also be made by B-Pay.
4. If paying by cheque or money order, this form together with the appropriate payment in Australian currency should be forwarded to **Advanced Share Registry Services at PO Box 1156, Nedlands WA 6909 or C/- 110 Stirling Highway Nedlands WA 6009**. This form does not need to be returned if payment is being made by B-Pay.
6. Acceptances (or payment by B-Pay) must be received by Eden Energy Ltd no later than **5.00pm WST on 29 January 2016**.

ENQUIRIES

Any enquiries should be directed to:

Eden Energy Ltd (attention Aaron Gates) by telephone on (+618) 9282 5889 or facsimile on (+618) 9282 5866.

For personal use only