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AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

17 October 2017

EDENCRETE® - TEXAS

OPERATION OF FIRST BULK SUPPLY AGREEMENT EXTENDED

HIGHLIGHTS

- Existing 3 year, EdenCrete® bulk supply contract with a leading Texas pre-cast / pre-stressed concrete manufacturer extended to supply 3 plants.

DETAILS

Eden Innovations Ltd ("Eden") (ASX: EDE) is pleased to announce that it has agreed with Valley Prestress Products, Inc. ("Valley") to extend the coverage of the first bulk, three year, EdenCrete® supply agreement entered into by Eden with Valley at the end of March 2017 (see ASX Announcement ASX: EDE 3 April 2017). Valley is a significant Texas based manufacturer of pre-stressed concrete beams that are used in the construction of bridges in Texas for the Texas Department of Transportation (TxDOT) (see Figure 1 below).

Under the extended contract, in addition to supplying the main Valley plant, Eden will also supply two additional plants owned by Valley, subject to first developing concrete mixes incorporating EdenCrete® that are suitable for the range of pre-stressed and precast concrete products that each of the two plants will use to produce a range of products for TxDOT.

Although the extended contract contains no minimum sales requirements and the aggregate annual sales of EdenCrete® to be supplied pursuant to it is uncertain, Eden has been advised, based on past sales levels from these three plants, that the estimated aggregate annual EdenCrete® sales to Valley could increase to perhaps US\$1.4 million.

By way of background, after nearly six months of work with Eden, Valley developed two concrete mixes that each included EdenCrete®, added at a dosage rate of 0.5 US gallon/ cubic yard (2.476 litres/ cubic metre) of concrete respectively that were approved by TXDOT for use in pre-cast / pre-stressed bridge applications (see ASX Announcement ASX: EDE 3 April 2017) and which:

1. Reduced the total cost of the concrete;
2. Achieved a more workable and less sticky concrete mix that achieves all the required break strengths for the particular applications for which the concrete was used;
3. Resulted in a smoother finish with fewer bug holes, that looks better and required less patching and/or repairs;

4. Enabled Valley to reduce the cementitious content of the mixes which in turn lowered the cost of production of the products; and
5. Enabled Valley to meet the new standards that TxDOT has introduced, partly driven by an emerging shortage of fly ash, requiring a lower cementitious content (cement and fly ash) in the concrete used in bridge construction.



Figure 1. Typical prestressed bridge beam being fabricated

The precast concrete market represents a large portion of the total US concrete market. In particular, in addition to precast building products for low and high rise construction, the use of precast products is particularly common in the construction and maintenance of bridges, and the US bridge market is a primary target for the possible future use of EdenCrete®.

In July 2015, the US Federal Department of Transportation published a State-by-State analysis of the condition of Federal roads and bridges in the USA ⁽¹⁾, and concluded that of the 604,000 bridges in the USA, over 124,000 were functionally obsolete or structurally deficient. Relevantly, Texas has both the most bridges (52,561) of any State, representing 8.68% of all the bridges in the USA, of which 9,998 (or 19% of all the bridges in Texas) were determined by the US Federal Department of Transportation to be functionally obsolete or structurally deficient.

Relevantly to the TxDOT bridge beam market, Eden has also been recently approached by, and is in discussion with, a number of other TxDOT approved, concrete pre-stressed beam manufacturers in relation to possibly adding EdenCrete® into their TxDOT approved mix designs used for concrete pre-stressed bridge beams, to help them to also achieve the reduced levels of cementitious materials that TxDOT is requiring the manufacturers to achieve.

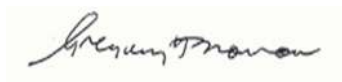
Conclusion

This extension of the coverage of the first bulk supply agreement for the sale of EdenCrete® into the huge Texas infrastructure market, is a further important milestone in Eden's quest to achieve broad penetration by EdenCrete® into the huge US concrete and infrastructure markets.

BACKGROUND

EdenCrete® is Eden's 100% owned, proprietary carbon-strengthened concrete additive, that enhances a wide range of performance characteristics of the concrete including compressive strength, flexural strength, tensile strength, abrasion resistance, reduced permeability and reduced shrinkage, thereby delivering stronger, tougher, more durable and longer lasting concrete.

One of the primary target markets for EdenCrete® is improving the performance of concrete used in the construction and maintenance of concrete roads, bridges and other infrastructure, particularly where it is subject to heavy wear, freeze/thaw weather conditions and/or high levels of added salt. Additionally, it has potential for use in most other concrete applications including high-rise building construction, marine and coastal applications, water storage and pipelines, hardstand areas, and pre-stressed and pre-cast concrete structures and products.



Gregory H. Solomon
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