



ACN 109 200 900

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

23 May 2019

Market Clarification

Please see below to further elaborate on and clarify material in the third quarterly activities report announced on 30 April 2019.

Korea

Eden was advised by its Korean agent on 26 March 2019 that that KC Industry Co., Ltd. ("KC") had, to that date, not decided to use EdenCrete® in its precast operations, due to limited early strength gains being achieved after 12 hours with the particular concrete mix that it uses. KC had however presented a preliminary marketing plan for a proposed distributorship.

After consideration, as a result of this decision by KC that it is not going to use Eden's products, at least in the short term, and because KC does not have an established business for marketing concrete additives, Eden has commenced exploring other possible customers and distributors for EdenCrete® in South Korea.

The potential for future engagement with KC for both selling products to them and them becoming a distributor, remains open, as the agreement with KC has not been terminated.

Discussions with a number of companies that are both potential customers, and could possibly also be suitable as distributors, have commenced and are continuing, but to date no agreement has been reached with any of them.

High strength CNT enriched concrete

The three-year research project with Deakin University ("Deakin"), which is almost completed and has been partly funded by an Australian Research Council ("ARC") Linkage Grant into ultra-high strength carbon nanotube enriched concrete, continued during the March quarter with ongoing trial work with EdenCrete® enriched concrete.

When this project commenced nearly three years ago, reducing the use of reinforcing steel was one of the potential benefits that we hoped to show. This research project is now nearing completion and whilst some encouraging results have been achieved on various aspects, to date the results of the work carried out by the researchers are unlikely to support a reduction of steel reinforcing.

There is one final trial to be conducted that will be likely to commence in the next month that may be relevant to this issue, but based on the results to date the Company formed the view at the time of the preparation of the quarterly activities report that there is a reasonably low probability that the benefit of reducing the use of reinforcing steel will be an outcome from this research.

As is often the case in research projects, this targeted objective, although something that would be very worthwhile if it were possible to achieve, was nevertheless always considered to be ambitious.

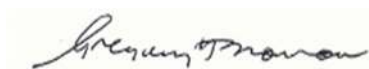
Whilst on at least one occasion with concrete used in repairs to a hard stand area in the US, the addition of EdenCrete® enabled the steel reinforcing to be omitted, it is not considered to be an outcome that would easily gain market acceptance due to a number of factors. These include the obvious risks and potential liabilities should a structure fail, the existence of building regulations that would require to be amended to facilitate such a change, and the inherently conservative approach adopted by most engineers when confronted with such an issue.

For these reasons we consider that not achieving this particular outcome from this research project will have essentially no impact on the future of Eden or upon the ultimate success of EdenCrete® as a product.

EdenPlast™ / CNT Enriched Polymers and Plastics

The three-year research project with the University of Queensland ("UQ") for the development of a new method for producing carbon nanotube ("CNT") enriched thermoplastic composites, and which is partly funded by an Australian Research Council ("ARC") Linkage Grant, continued during the quarter, with the focus still being on bringing this project to commercialisation as soon as possible.

A key highlight of the work completed during the duration of the project to date, has been that a concentrated master-batch of CNT- enriched plastic, containing a high concentration of CNT, was successfully prepared during the December quarter using a novel technique. This master batch was then diluted with more plastic, bringing the mix to a commercial concentration, the performance characteristics of which were then tested, confirming that the process resulted in a potentially commercially viable end- product.



Gregory H. Solomon
Executive Chairman