



AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

14 May 2015

Proposal to discharge most of Eden Energy's outstanding debts by issuing securities.

As part of Eden Energy's plans to endeavour to attract collaboration from parties in the United States to establish a plant in the US for the manufacturing of its carbon nanotube enriched concrete admixture, the Company has agreed to settle most of the long outstanding debts owed to its major shareholder for a loan (\$250,000), to most of its directors for directors' fees and to the party providing management services to the Company, by issuing securities in the Company, rather than paying the same in cash. These debts cover the period from June 2014 up to 30 April 2015.

The proposal will be subject to ASX approval (if required), and also subject to approval by shareholders in a General Meeting that will be convened once the necessary notice of meeting and any required reports have been prepared.

The total amount of the debts that are proposed to be repaid by the issuing of securities will be \$651,709.13, which will leave Eden Energy with only \$15,000 that remains owing as at 30 April 2015 to one director for unpaid director's fees.

The Company is proposing to convert the above debts into equity at an issue price of 1.4 cents per share, being the closing price of the Company's shares on 13 May 2015, together with 1 free attaching 30 September 2018 option (ASX Code: EDEO). This proposed share price is at a 0.4 cents (\$0.004) per share premium to the price at which shares and accompanying options were recently issued under the Company's pro-rata renounceable rights issue which closed on 19 March 2015 (which was undertaken at an issue price of 1 cent per share together with 1 free attaching 30 September 2018 option), providing a strong endorsement by the parties converting their entitlements to securities, of their faith in the long term prospects of the Company.

Gregory H. Solomon
Executive Chairman