

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

5 June 2015

UPDATE ON PROGRESS IN USA TOWARDS ESTABLISHING COMMERCIAL PRODUCTION AND MARKETING OF EDENCRETE™

Perth-based **Eden Energy Limited (ASX: EDE)** is pleased to announce further progress in the USA since the Company's ASX announcement on 25 May 2015, towards establishing large scale commercial production of EdenCrete™, the Company's carbon-strengthened concrete additive.

Ongoing and Proposed Trials

- Colorado based Metro Mix, the first company to trial EdenCrete™ in the US, has undertaken a third commercial project in Colorado (see **Figures 1 and 2**), again confirming the high quality and workability of the EdenCrete™ concrete. A fourth project is expected soon.



Figure 1



Figure2

- Once four commercial projects have been completed and documented, Eden can then apply to the Department of Transport (DOT) in the State of Colorado or any other US States where their DOT may be interested, for a field trial to be conducted by the relevant DOT, which is the prerequisite to being added to the pre-approved product list of DOT. Of relevance, it may be possible for the approval by one State's DOT to be easily adopted by the DOT in another State.
- Initial discussions with the DOT in the State of Georgia have also taken place and resulted in the preliminary steps being initiated for field trials of EdenCrete™ to be undertaken in conjunction with the Georgia DOT. These trials are planned to take place within the next two months. In addition to many concrete highways and other concrete infrastructure, Georgia has in excess of 15,000 concrete bridges (ranging from small to large) and a recent audit indicated that over 4,000 were not suitable for repair and need to be replaced over the next 20 years, at an estimated annual cost of in excess of \$300 million per year.
- The second US concrete company (a large national company) to trial EdenCrete™ in Colorado has been satisfied with the results and has indicated possible interest in moving to commercial projects and discussions are anticipated in the short to medium term.
- A third US company that recently commenced trials of EdenCrete™ in Colorado has also achieved a significant increase in early compressive strength (an 18% increase in compressive strength after one day and a 24% increase after seven days). Consequentially, all four companies that have now trialled EdenCrete™ (three in the US and one in Australia) have all experienced encouraging increases of compressive and/or flexural or tensile strength.
- Two further concrete companies, each of which operates in a separate State of the US, have also expressed interest in trialling EdenCrete™.

Ongoing US Discussions in relation to the Establishment of Large Scale Commercial Production Capacity of EdenCrete™

- Ongoing discussions with various relevant parties related to both the possible location and financing in the US of Eden's first proposed large scale EdenCrete™ production facility have continued and a reasonably small number of possible alternatives have been shortlisted, with a final decision on the chosen location and method of financing still expected within the next two-three months.

Proposed US Production Scale-Up Timetable

- A specialist engineering group has been engaged to undertake the preliminary design work on a reactor capable of producing a targeted 250 tonnes of carbon nanotubes (CNT) per annum. The anticipated time to design and build this reactor is likely to be between 15-18 months.
- Initial planning to increase short term CNT production capacity at Eden Innovation's Colorado based facility is also underway, with a view to expanding this capacity as required to try and satisfy the targeted increase in demand for EdenCrete™ until the large scale facility comes on line.
- Subject to any unforeseen delays and a satisfactory conclusion to the ongoing discussions on site selection and financing, Eden has formulated a targeted 21-24 months' timetable for completion of:
 - the leasing of an existing factory or the construction of a new factory, and
 - completion of the design, building and commissioning of the equipment required for the first stage capable of producing up to 250 tonnes of carbon nanotubes (CNT) per annum, which should produce enough EdenCrete™ to supply up to 1% of the total annual US concrete market.

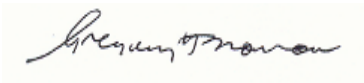
- The proposed factory is intended to have the capacity to accommodate expanded production of up to a total of 1000 tonnes per annum of CNT, and subject to sufficient future market demand in the US or elsewhere, this expansion is presently targeted to occur progressively over the next 4 years.

New US Subsidiary Company Established

- Eden has incorporated a new, wholly owned US subsidiary named EdenCrete Industries Inc. that will be used as the vehicle to undertake the production and marketing of EdenCrete™ in the US.

Summary

Although no agreement with any third parties related to the proposed scale up to a large commercial production capacity (other than as mentioned above) has yet been reached, the overall progress is encouraging and the directors remain hopeful of a successful outcome in this complex process.



Gregory H. Solomon
Executive Chairman