

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

3 July 2015

EDENCRETETM - US UPDATE

- GEORGIA DEPARTMENT OF TRANSPORT LABORATORY TESTS AND FIELD TRIAL
- FURTHER COMMERCIAL PROJECTS

Perth-based **Eden Energy Limited (ASX: EDE)** is pleased to announce further progress in the USA since the Company's ASX announcement on 5 June 2015, towards establishing large scale commercial production of EdenCreteTM in the US.

EdenCreteTM is Eden's 100% owned, proprietary carbon-strengthened concrete additive, one of the primary target markets for which is improving the performance of concrete used in the construction and maintenance of concrete roads, bridges and other infrastructure.

Georgia Department of Transport Laboratory Tests

As previously announced, preliminary discussions had taken place with the Georgia Department of Transport (**GDOT**) in relation to the proposed testing of EdenCreteTM. These preliminary discussions have progressed and the required sample of EdenCreteTM admixture for GDOT to conduct laboratory tests has been delivered by Eden Innovations (formerly named Hythane Co) to the GDOT test laboratory in Atlanta where tests are scheduled to start in the near future and continue over the next two-three months.

These initial tests are focused on a number of key performance characteristics where, based on past results, it is considered likely that EdenCreteTM could potentially deliver both performance and economic benefits to concrete used to build or repair concrete highways and other infrastructure.

GDOT intends to test the potential of EdenCreteTM for improving performance in a number of areas including both increasing the strength and reducing shrinkage (which causes cracking) of the concrete, collectively offering the potential to significantly extend the operational life of the road surface and reduce overall costs.

Georgia Department of Transport Field Trial

Concurrently with the GDOT laboratory tests, a field trial with GDOT is anticipated to take place as soon as convenient after the Independence Day (4th of July) holiday week and is tentatively being planned to occur within the next three-four weeks. The field trial will occur as a part of a scheduled maintenance programme on a badly worn section of infrastructure such as a sidewalk, road, highway or bridge decking that is scheduled to be torn up and re-laid by GDOT.

In the trial, one or more short sections of the replaced concrete is planned to be constructed using EdenCreteTM enriched concrete, so that both its initial benefits, including reduced shrinkage, and its longer term performance and durability can be monitored.

In addition to thousands of miles of concrete roads and highways, Georgia has in excess of 15,000 concrete bridges (ranging from small to large), a recent audit of which 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 in excess of \$300 million per year.

A successful outcome of these trials in Georgia is considered likely to accelerate the process of obtaining similar approvals by the Departments of Transport in other US states, with the objective being the opening up of the national infrastructure market.

Further Commercial Projects Planned

Additionally, further commercial projects using EdenCreteTM in both Colorado and Georgia are also planned to occur over the next one-two months. These are intended to cover a range of specific applications where the improved performance characteristics of EdenCreteTM are anticipated to be of value.

Establishment of Large, Commercial Scale US EdenCreteTM Production Capacity

Ongoing discussions with various interested parties and relevant authorities related to both the possible location and financing in the US of Eden's first proposed large scale EdenCreteTM production facility are continuing and two preliminary proposals have been received to date. Further proposals are expected with a final decision on the chosen location and method of financing still expected within the next two-three months.

Large Scale US Production Scale-Up Design Commences

A specialist engineering group has commenced work on the preliminary design work on a reactor capable of producing up to a targeted 250 tonnes of carbon nanotubes (**CNT**) per annum, which would be sufficient to produce enough EdenCreteTM to supply approximately 1% of the total US concrete market. The anticipated time to design and build this reactor is likely to be between 15-18 months.

Short Term US Production Scale-Up Underway

Steps are now underway to increase over the next three-six months the short term CNT production capacity at Eden Innovation's Colorado based facility, with a view to expanding this capacity as required to attempt to satisfy the targeted increase in demand for EdenCreteTM until the large scale facility comes on line.

Summary

The overall progress and in particular the development with GDOT, is highly encouraging. The GDOT laboratory tests and field trial, provided they replicate the results achieved in earlier tests and trials, are expected to offer the opportunity for EdenCreteTM, with its present first mover advantage, to achieve an early and potentially rapid penetration into the huge US infrastructure market.

Gregun marran

Gregory H. Solomon Executive Chairman