



AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

5 January 2016

DISPATCH OF LETTERS TO SHAREHOLDERS

In accordance with the timetable for the Non-Renounceable Rights Issue which was announced on 15 December 2015 the letters to eligible and ineligible shareholders (copies attached) are being dispatched today, 5 January 2016.

Gregory H Solomon
Chairman



ACN 109 200 900

5 January 2016

Dear Shareholder

NON-RENOUNCEABLE PRO-RATA RIGHTS ISSUE

Eden Energy Ltd (the **Company**) has announced to ASX Limited (**ASX**) a non-renounceable pro-rata rights offer to the Company's shareholders (the **Offer**).

This letter is not an offer document but rather gives advance notice of some of the key terms and conditions of the Offer. Full details of the Offer are set out in the prospectus for the Offer (Prospectus). A copy of the Prospectus, together with a personalised acceptance form setting out each eligible shareholder's entitlement under the Offer, will be mailed to each eligible shareholder on 13 January 2016.

Overview

Under the Offer the Company will issue to each eligible shareholder, at a price of \$0.055 per share, one (1) new fully paid ordinary Company share for every ten (10) fully paid ordinary Company shares held by the eligible shareholder as at 5.00pm WST on 8 January 2016 (the **Record Date**). In addition, one (1) free EDEO option will attach to every two (2) new fully paid ordinary Company shares issued under the Offer, exercisable at \$0.03 at any time on or before 5.00pm WST on 30 September 2018 (the **Options**). In calculating entitlements under the Offer, fractions will be rounded up to the nearest whole number. The Offer, if fully subscribed, will raise approximately \$5,500,847 (before expenses of the Offer).

The Company lodged the Prospectus with ASIC (and provided a copy to ASX) on 18 December 2016.

If fully subscribed (and assuming none of the EDEO options currently on issue are exercised before the Record Date), the Offer will result in the issue of approximately 100,015,395 ordinary shares in the Company and 50,007,679 EDEO Options.

All of the shares issued under the Offer will rank equally with the Company's existing quoted shares (ASX Code: EDE). All of the Options issued under the Offer will rank equally with the Company's existing quoted options (ASX Code: EDEO).

The funds raised under this Rights Issue are to augment the existing funds held by the Company, the funds which were raised by the Company pursuant to the placement which was undertaken on 18 December 2015, of \$422,200, and funds which will be received by the Company's US and Indian subsidiaries between the period from January 2016 to May 2016 from completed sales of the Company's OptiBlend™ kits, estimated to be in the combined sum of approximately \$1 million, and will be applied as follows:

- (a) Firstly, to fund the costs of the Offer;
- (b) Secondly, if the Company's largest shareholder, Noble Energy Pty Ltd (a wholly owned subsidiary of Tasman Resources Ltd (ASX code: TAS)) (who holds 43.9% of the Company's shares), takes up its Rights (up to a total value of approximately \$2,415,641), to the extent of the existing debt owing by the Company to Noble (as at 31 January 2016, being \$1,801,403, including interest) the subscription amount will not be received in cash but by way of satisfaction and release of the said debt (with any surplus amount subscribed by Noble over and above this amount (of up to \$614,238) being subscribed by it in cash);
- (c) Thirdly, to provide the Company with sufficient working capital to fund the on-going operations of the Company and its subsidiaries for the next 9-12 months; and
- (d) Fourthly, to provide funds to enable the Company to expand its current production plant in Colorado, or to commence preliminary engineering work towards establishing a new large commercial plant in the US, to produce its EdenCrete™ admixture.

Given the speculative nature of the Company's business, the intended allocation of funds as set out above may change depending upon market conditions.

The Offer is not presently underwritten. If not all entitlements are taken up under the Offer, the portion not taken up will form part of the shortfall. Eligible shareholders who take up their entitlement in full may, in addition thereto, also apply for additional shares comprising part of the shortfall (the shortfall will be placed at the discretion of the Company). The directors of the Company also reserve the power of placement of any shortfall shares not issued to eligible shareholders under this offer of the shortfall.

Eligibility

Only shareholders whose registered addresses are in Australia or New Zealand as at the Record Date are eligible to participate in the Offer (**Eligible Shareholders**). The Company has determined, in accordance with the *Corporations Act 2001* (the **Act**) and ASX Listing Rule 7.7, that it would be unreasonable to make the Offer to shareholders whose registered addresses are outside of Australia and New Zealand (**Non-Resident Shareholders**) having regard to the number of Non-Resident Shareholders in each country other than Australia or New Zealand, the number and value of Company shares (and accompanying Options) that would be offered to them and the cost of complying with the legal requirements in other countries.

Details of the Offer will be contained in the Prospectus, which will be mailed to all Eligible Shareholders on 13 January 2016. The entitlement of each Eligible Shareholder will be set out in the personalised entitlement and acceptance form which will accompany the Prospectus. Eligible Shareholders should read the Prospectus carefully.

A copy of the prospectus has been lodged with the ASX and is available on the ASX website, www.asx.com.au, and on the Company's website at www.edenenergy.com.au.

Disclosure

The Offer is being made in accordance with section 713 of the Act. This means that the Prospectus that will be mailed to Eligible Shareholders will not be required to, and will not, contain all of the information that is generally required to be set out in a prospectus, including general information in relation to the assets and liabilities, financial position, profits and losses or prospects of the Company. The Prospectus will generally only contain information in relation to the effect of the Offer on the Company and the rights and liabilities attaching to the shares and Options offered to Eligible Shareholders under the Offer.

Action required by Eligible Shareholders

You may take up your entitlement (in whole or in part) or do nothing in respect of your entitlement. As this Offer is non-renounceable, you may not sell or otherwise transfer your entitlement.

You should ensure that you understand the tax consequences of any action that you take or of doing nothing.

Take up an Entitlement

If you wish to take up all or part of your entitlement, you will need to complete and return the personalised acceptance form together with the requisite application monies, or alternatively pay your application monies using BPAY, in each case by following the instructions set out on the personalised acceptance form which will accompany the Prospectus. Applications and application monies must be received by Advanced Share Registry by 5:00pm WST on 29 January 2016.

Do nothing

If you do not take up all or any of your entitlements, the entitlements not taken up will lapse at the end of the Offer period.

Effect on capital structure

The capital structure of the Company on completion of the Offer will be as follows*:

Shares (ASX Code: EDE)

Shares currently on issue	1,000,153,948
Shares offered under the Offer (est)	100,015,395
Total shares on issue on completion of the Offer (est)	1,100,169,343

Options (ASC Code: EDEO)

Options currently on issue	207,306,322
Options offered under the Offer (est)	50,007,697
Total Options on issue on completion of the Offer (est)	257,314,019

* Assuming the Offer is fully subscribed and none of the options currently on issue are exercised before the Record Date.

Offer timetable

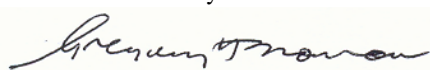
The timetable and important dates of the Offer are set out below:

Offer announcement	15 December 2015
Lodgement of Prospectus at ASIC, and Prospectus and Appendix 3B with ASX	18 December 2015
Notice sent to shareholders	5 January 2016
Ex date	6 January 2016
Record Date for determining entitlements	8 January 2016
Offer document despatched to Qualifying Shareholders	13 January 2016
Closing date of the Offer	29 January 2016
Securities quoted on a deferred settlement basis	1 February 2016
Company notifies ASX of under subscriptions	3 February 2016
Issue Date and Despatch of holding statements	5 February 2016

Further information

If you require further information about the Offer, you should contact the Company Secretary.

Yours faithfully



Gregory H Solomon
Chairman



ACN 109 200 900

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The Company lodged the prospectus for the Offer with ASIC (and provided a copy to ASX) on 18 December 2015.

If fully subscribed (and assuming none of the EDEO options currently on issue are exercised before the Record Date), the Offer will result in the issue of approximately 100,015,395 ordinary shares in the Company and 50,007,679 EDEO Options. All of the shares issued under the Offer will rank equally with the Company's existing quoted shares (ASX Code: EDE). All of the Options issued under the Offer will rank equally with the Company's existing quoted options (ASX Code: EDEO).

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As a consequence, you are not entitled to participate in the Offer and will not be sent a copy of the Prospectus. You should contact the Company Secretary should you have any queries.

A copy of the prospectus has been lodged with the ASX and is available on the ASX website, www.asx.com.au, and on the Company's website at www.edenenergy.com.au.

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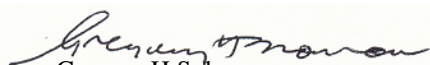
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