
EDEN ENERGY LTD
ACN 109 200 900

**NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

EXPLANATORY STATEMENT

AND

PROXY FORM

TO BE HELD ON

**28 OCTOBER 2016
COMMENCING AT 10.00AM**

AT

**Cliftons Perth
Ground Floor, Parmelia House,
191 St Georges Terrace, Perth
WESTERN AUSTRALIA**

EDEN ENERGY LTD
(ACN 109 200 900)

NOTICE OF MEETING

Notice is hereby given that an Annual General Meeting of shareholders of Eden Energy Ltd (the **Company**) will be held on the Ground Floor, Parmelia House, 191 St Georges Terrace, Perth on Wednesday the 28th of October 2016 at 10:00am.

AGENDA

1. Annual Reports

To table the Annual Financial Report for the financial year ended 30 June 2016 and the Director's Report and Auditor's Report for that financial year.

2. Resolution 1 – Adoption of Remuneration Report

To consider, and if thought fit pass, with or without amendment, the following Resolution as a **non-binding resolution**:

"That for the purposes of section 250R(2) of the Corporations Act 2001 (Act) and for all other purposes, the Company be authorised to adopt the Remuneration Report contained in the Annual Financial Report".

Short Explanation: In accordance with section 249L(2) of the Act, a resolution that the Remuneration Report be adopted must be put to the vote. The effect of section 250R(3) of the Act is that the vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Company will disregard any votes cast on this Resolution 1 by the members of the Company's key management personnel, details of whose remuneration is included in the Remuneration Report and their respective associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

3. Resolution 2 – Election of Director

To consider, and if thought fit pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That Mr Richard Beresford being a Director of the Company who retires by rotation pursuant to the Company's Constitution, and being eligible offers himself for re-election is hereby re-elected as a Director of the Company."

4. Resolution 3 – Election of Director

To consider, and if thought fit pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That Mr Guy Le Page being a Director of the Company who retires by rotation pursuant to the Company's Constitution, and being eligible offers himself for re-election is hereby re-elected as a Director of the Company."

5. Resolution 4 – Change of Company name

To consider, and if thought fit pass, with or without amendment, the following resolution as a **special resolution**:

"That, for the purposes of s.157(1) and 136(2) of the Act and for all other purposes, the name of the Company be changed from Eden Energy Ltd to Eden Innovations Ltd and that paragraph 1 of the Company's constitution be modified by deleting the definition of "Company" and inserting in lieu thereof the following definition:-

"Company" means Eden Innovations Ltd."

6. Resolution 5 – Approval of the Company's Employee Share Option Plan

To consider, and if thought fit pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, for the purposes of Exception 9 of Listing Rule 7.2 and for all other purposes, the issue of options under the Company's Employee Share Option Plan (the ESOP) is approved."

The Company will disregard any votes cast on this Resolution 5 by the Directors of the Company (except Directors who are ineligible to participate in the ESOP) and their respective associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

7. Resolution 6 - Ratification and Approval of Issue of Shares and Options by Directors – December 2015 Placement

To consider, and if thought fit pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rules 7.1 and 7.4 and for all other purposes, shareholders ratify and approve the issue to nine (9) investors to whom a disclosure document was not required to be provided by virtue of s.708(1), s.708(8) or s.708(11) of the Act on 17 December 2015 of:

- (a) 7,676,364 ordinary fully paid shares in the Company (**Shares**) at an issue price of \$0.055 per Share, which Shares rank pari passu with all other Shares currently on issue by the Company, raising \$422,200 (before the expenses of the issue); and*
- (b) 3,838,182 free attaching EDEO Options (each to acquire one Share at an exercise price of \$0.03 at any time before 30 September 2018)."*

The Company will disregard any votes cast on this Resolution 6 by the investors who participated in the placement the subject of this Resolution 6 and any associates of any of these investors. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

8. Resolution 7 – Ratification and Approval of Issue of ESOP Options by Directors – March 2016 ESOP Options

To consider, and if thought fit pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"That, for the purpose of ASX Listing Rules 7.1 and 7.4 and for all other purposes, shareholders ratify and approve the issue to 19 employees and key consultants of the Company and of its subsidiaries, free of charge, of 6,750,000 options under the Company's employee share option plan (**ESOP**), each to acquire one Share at an exercise price of \$0.095 at any time on or before 28 February 2019 and otherwise on the terms and conditions set out in the attached explanatory statement."*

The Company will disregard any votes cast on this Resolution 7 by the employees and key consultants who participated in the ESOP issue the subject of this Resolution 7 and any associates of any of these recipients. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

9. Resolution 8 - Ratification and Approval of Issue of Shares and Options by Directors – May 2016 US Placement

To consider, and if thought fit pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rules 7.1 and 7.4 and for all other purposes, shareholders ratify and approve the issue, on 20 May 2016, of:

- (a) 45,000,000 Shares at an issue price of \$0.23 per Share raising \$10,350,000 (less expenses of the issue), to two US investors pursuant to a US placement; and*
- (b) 22,500,000 options, each to acquire one Share at an exercise price of \$0.31 at any time before 19 May 2019 (**31 cent Options**), to the two US investors who participated in the US placement; and*
- (c) 1,125,000 options, each to acquire one Share at an exercise price of \$0.3875 at any time before 19 May 2019 (**38.75 cent Options**) to Maxim Partners LLC, as part of the placement fee payable to Maxim Partners LLC in connection with the US placement; and*
- (d) 2,250,000 options, each to acquire one Share at an exercise price of \$0.2875 at any time before 19 May 2019 (**28.75 cent Options**) to Maxim Partners LLC, as part of the placement fee payable to Maxim Partners LLC in connection with the US placement."*

The Company will disregard any votes cast on this Resolution 8 by all of the persons who participated in the above securities issue and any associates of any of them. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

10. Resolution 9 - Ratification and Approval of Issue of ESOP Options by Directors – September 2016 ESOP Options

To consider, and if thought fit pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rules 7.1 and 7.4 and for all other purposes, shareholders ratify and approve the issue, on 12 September 2016, to 26 employees and key consultants of the Company and of its subsidiaries, free of charge, of 25,521,269 options under the Company's ESOP, each to acquire one Share at an exercise price of \$0.27 at any time on or before 28 February 2020 and otherwise on the terms and conditions set out in the explanatory statement."

The Company will disregard any votes cast on this Resolution 9 by the employees and key consultants who participated in the ESOP issue the subject of this Resolution 9 and any associates of any of these recipients. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

11. Resolution 10 - Ratification and Approval of Issue of Shares by Directors – September 2016 Placement to Sophisticated and Professional Investors

To consider, and if thought fit pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rules 7.1 and 7.4 and for all other purposes, shareholders ratify and approve the issue, on 21 September 2016, to 18 institutional and sophisticated and professional investors (being persons to whom a disclosure document is not required to be provided by virtue of s.708(8) to s.708(11) of the Act) who are clients of Bell Potter Securities Ltd of 50,000,000 Shares at a price of \$0.18 per Share, which Shares rank pari passu with all other Shares currently on issue by the Company, raising \$9,000,000 (before the expenses of the issue)."

The Company will disregard any votes cast on this Resolution 10 by the institutional and sophisticated and/or professional investors who participated in the share issue under this Resolution 10 and any associates of any of these recipients. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

12. Resolution 11 - Approval of New Issue of Shares to Sophisticated and Professional Investors

To consider, and if thought fit pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Directors are authorised to issue up to a further 33,333,333 Shares to the 18 institutional and sophisticated and professional investors to whom the Shares the subject of Resolution 11 were issued (being clients of Bell Potter Securities Ltd and persons to whom a disclosure document is not required to be provided by virtue of s.708(8) to s.708(11) of the Act) , at an issue price of \$0.18 per Share, by way of placements, to raise a further \$6,000,000 and otherwise on the terms and conditions set out in the attached explanatory statement."

Note: The Shares the subject of this Resolution 11 will be issued no later than three months from the date of this meeting.

The Company will disregard any votes cast on this Resolution 11 by the 18 institutional and sophisticated and professional investors who may participate in the proposed share issue under this Resolution 11 and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this Resolution 11 is passed and any associates of any of these recipients. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

13. General

To transact any business which may be brought before the meeting in accordance with the Constitution of the Company, the Act, or otherwise.

PROXIES

In accordance with section 249L of the Act, shareholders are advised each shareholder has a right to appoint a proxy, the proxy need not be a shareholder of the Company and a shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

In accordance with section 250BA of the Act the Company specifies the following for the purposes of receipt of proxy appointments:

By post or hand delivery to the Company's Registered Office:

Level 15, 197 St Georges Terrace, Perth, Western Australia 6000

By Post to PO Box 7055, Cloisters Square, Perth, Western Australia 6850

By facsimile to: (08) 9282 5866

Each shareholder entitled to vote at the Annual General Meeting has the right to appoint a proxy to vote on each particular Resolution. A shareholder may specify the way in which the appointed proxy is to vote on a particular Resolution or may allow the appointed proxy to vote at its discretion. Where a shareholder appoints the Chairman as their proxy and does not expressly direct the Chairman to vote 'For' or 'Against' a resolution or to abstain from voting on a resolution, the Chairman intends to vote in favour of such resolution. Notwithstanding the Chairman's voting intention, a shareholder can (where they have appointed the Chairman as their proxy) expressly direct the Chairman to vote for or against such resolution, or to abstain from voting on such resolution, by marking the appropriate box on their proxy form. That is, a shareholder can direct the Chairman to vote as their proxy in a manner which is contrary to the Chairman's stated voting intentions. If a shareholder does not mark any of the 'For', 'Against' or 'Abstain' boxes on the proxy form for Resolution 1 (Adoption of Remuneration Report), that shareholder will thereby be taken to have directed the Chairman to vote in accordance with the Chairman's stated voting intention (that is, to vote in favour of such resolution).

The instrument appointing the proxy must be received by the Company as provided in its Constitution no later than 48 hours prior to the time of the commencement of the Annual General Meeting. This proxy form may be sent by facsimile transmission to the number identified on the proxy form.

A corporation may elect to appoint a representative in accordance with the Act in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to the Company before the meeting.

For the purposes of Regulation 7.11.37 of the *Corporations Regulations 2001* the Company determines that shareholders holding ordinary shares at 5.00pm WST on 26 October 2016 will be entitled to attend and vote at the Annual General Meeting.

Except where the contrary intention appears, all defined terms used in this Notice of Meeting have the meanings set out in the glossary of the Explanatory Statement accompanying this Notice.

By Order of the Board of Directors

A P Gates

Secretary

Dated this 27th day of September 2016

EDEN ENERGY LTD

(ACN 109 200 900)

EXPLANATORY STATEMENT FOR SHAREHOLDERS

This Explanatory Statement is intended to provide shareholders of the Company with sufficient information to assess the merits of each Resolution contained in the accompanying Notice of Annual General Meeting of the Company.

The Directors recommend that shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions. The following information should be noted in respect of the various matters contained in the accompanying Notice of Meeting.

1 – RECEIVE AND CONSIDER THE ANNUAL REPORTS

The first agenda item is to receive and consider the Annual Financial Report, Director's Report and Auditor's Report for the Company for the financial year ended 30 June 2016. No Resolution is required in respect of this agenda item. However, it provides shareholders with the opportunity to ask questions of the Company's Directors and auditors in relation to the Company's results and operations for the financial year.

2 – REMUNERATION REPORT

The Annual Financial Report for the financial year ended 30 June 2016 contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 249L(2) of the Act, a resolution that a Remuneration Report be adopted must be put to the vote. However, pursuant to section 250R(3) of the Act, the vote on the Resolution is advisory only and will not require the Directors or the Company to alter any arrangements detailed in the Remuneration Report, should the Resolution not be passed.

Voting exclusion statement

The Company will disregard any votes cast on this Resolution 1 by the members of the Company's key management personnel, details of whose remuneration is included in the Remuneration Report and their respective associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

3 – RE-ELECTION OF DIRECTOR

In accordance with the Company's Constitution, Mr Richard Beresford retires by rotation and, being eligible, offers himself for re-election as a Director of the Company.

Mr Beresford has been a Board member since May 2007. Mr Beresford began his career in engineering and has since gained 25 years' experience in the international energy business spanning research, technology commercialisation, strategic planning, operations, business development, capital raising, acquisitions, marketing and general management. He is currently chairman of ASX-listed LNG Limited. He has led or played a key role in the development and commercialisation of energy technologies including fuel cells, natural gas vehicles and cryogenic natural gas sweetening processes and in several renewable energy businesses.

The Board recommends that shareholders vote in favour of this Resolution.

4 – RE-ELECTION OF DIRECTOR

In accordance with the Company's Constitution, Mr Guy T Le Page retires by rotation and, being eligible, offers himself for re-election as a Director of the Company.

Mr Le Page has been a Board member since May 2004. Mr Le Page is currently a corporate adviser at RM Capital Pty Ltd specialising in resources. He is actively involved in a range of corporate initiatives from mergers and acquisitions, initial public offerings to valuations, consulting and corporate advisory roles. Mr Le Page was Head of Research at Morgan Stockbroking Limited (Perth) prior to joining Tolhurst Noall as a Corporate Adviser in July of 1998. As Head of Research, Mr Le Page was responsible for the supervision of all Industrial and Resources research. As a Resources Analyst, Mr Le Page published detailed research on various mineral exploration and mining companies listed on the ASX. The majority of this research involved valuations of both exploration and production assets.

Prior to entering the stockbroking industry he spent 10 years as an exploration and mining geologist in Australia, Canada and the United States. His experience spans gold and base metal exploration and mining geology and he has acted as a consultant to private and public companies. This professional experience included the production of both technical and valuation reports for resource companies.

The Board recommends that shareholders vote in favour of this Resolution.

5 – CHANGE OF COMPANY NAME

The Board has decided, subject to Shareholder approval, to change the name of the Company from Eden Energy Ltd to Eden Innovations Ltd.

The Board is of the opinion that the new name reflects its focus on new innovations. In order for the Company to change its name, section 157(1)(a) of the Act requires the passing of a special resolution.

As detailed in Resolution 4 of the Notice of Meeting, a corresponding change to the Company's constitution will also be required to reflect any change of the Company's name. By s.136(2) of the Act a special resolution is required to be passed in order for the Company to modify its Constitution.

6 – APPROVAL OF THE COMPANY'S EMPLOYEE SHARE OPTION PLAN

In 2006, the Company's ESOP was established to allow the Company's employees to participate in the ownership of the Company and to provide employees with both short and long term incentives to achieve growth in shareholder wealth.

Listing Rule 7.1 prohibits an entity from issuing or agreeing to issue equity securities in any 12-month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities.

However, Listing Rule 7.2 provides that Listing Rule 7.1 does not apply in relation to, among other things, an issue under an employee incentive scheme if within 3 years before the date of the issue the holders of the entity's ordinary securities approve the issue of securities under the scheme as an exception to Listing Rule 7.1.

The Listing Rules define "employee incentive scheme" to include a scheme for the issue or acquisition of equity securities in an entity to be held by, or for the benefit of, participating employees or non-executive directors of the entity or a related entity. Under the Listing Rules, equity securities include options over issued or unissued shares in an entity. The ESOP is therefore an employee incentive scheme for the purposes of the Listing Rules.

As at the date of the Notice, 32,271,269 Options have been issued under the ESOP since the date of the last approval. Shareholders are being asked to ratify and approve the issue of all of these Options in Resolutions 7 and 9 for the purpose of reinstating the Company's 15% placement capacity to the extent of these Options.

If this Resolution is passed, Options issued under the ESOP during the next 3 years will be excluded in determining the 15% limit under Listing Rule 7.1. This would assist the Company by providing additional fundraising flexibility.

The following information is provided for the purposes of Listing Rule 7.2 Exception 9(b):

1. A summary of the terms of the ESOP is set out in Schedule 1.
2. The number of Options issued under the ESOP since the date of the last approval is 32,271,269.
3. The Company will disregard any votes cast on this Resolution by a Director of the Company (except one who is ineligible to participate in the ESOP) or any of his or her associates. However, the Company need not disregard a vote if:
 - 3.1 it is cast by a Director (even if the Director is eligible to participate in the ESOP) as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - 3.2 it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Board recommends that shareholders vote in favour of this Resolution.

7. RATIFICATION OF ISSUE OF SHARES AND OPTIONS BY DIRECTORS, DECEMBER 2015 PLACEMENT

Resolution 6 seeks shareholder approval and ratification, for the purposes of ASX Listing Rules 7.1 and 7.4 and for all other purposes, to the issue to nine (9) investors to whom a disclosure document was not required to be provided by virtue of s.708(1), s.708(8) or s.708(11) of the Act, on 17 December 2015, of:

- (a) 7,676,364 Shares at an issue price of \$0.055 per Share, which Shares rank pari passu with all other Shares currently on issue by the Company, raising \$422,200 (less the expenses of the issue); and
- (b) 3,838,182 free attaching EDEO Options (each to acquire one Share at an exercise price of \$0.03 at any time before 30 September 2018).

In relation to paragraph (b) above, each participant in this placement was issued with one free attaching EDEO Option for every two Shares subscribed for by them. This placement was made without disclosure in accordance with the exemptions in s.708(1), s.708(8) and s.708(11) of the Act. A commission of 6% was payable to RM Corporate Finance Pty Ltd in respect of the funds raised under this placement by RM Corporate Finance Pty Ltd.

The 7,676,364 Shares and 3,838,182 EDEO Options were issued by the Company under the 15% placement rule in ASX Listing Rule 7.1.

Listing Rule 7.1 prohibits a company from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities.

Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and holders of ordinary securities subsequently approve it.

Equity securities issued with the approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are not then required to be included in the 15% limit imposed by Listing Rule 7.1. Accordingly, if this Resolution 6 is

passed, the Company's 15% placement capacity will be reinstated to the extent of the equity securities the subject of this Resolution 6.

The Company's total issued capital immediately prior to the issue of these 7,676,364 Shares and 3,838,182 EDEO Options on 17 December 2015 was as follows:

Class	Number
Shares	992,477,584
EDEO Options	203,468,140

The issue of these 7,676,364 Shares and 3,838,182 EDEO Options represented (in the aggregate) 1.16 % of the Company's then issued Share capital (of 992,477,584 Shares), and represents 0.97% of the Company's issued Share capital as at the date of this Notice (of 1,218,391,110 Shares).

The Company seeks shareholder approval and ratification to the issue of the 7,676,364 Shares and 3,838,182 EDEO Options to the nine (9) investors pursuant to Listing Rules 7.1 and 7.4.

The following information is provided in accordance with Listing Rule 7.5:

1. 7,676,364 Shares and 3,838,182 EDEO Options were issued by the Company to nine (9) investors on 17 December 2015.
2. The Shares were issued at an issue price of \$0.055 per Share, raising \$422,200 less the expenses of the issue. The EDEO Options were issued free of charge.
3. The Shares were issued on the same terms as, and rank pari passu with, the existing issued Shares of the Company and are quoted on the ASX (ASX Code: EDE). The EDEO Options were issued on the same terms as, and rank pari passu with, the existing issued options of the Company and are quoted on the ASX (ASX Code: EDEO).
4. The Shares and EDEO Options were all issued to investors to whom a disclosure document was not required to be provided by virtue of s.708(1), s.708(8) or s.708(11) of the Act. The recipients of the Shares and EDE Options are not related parties of the Company.
5. \$422,200 (less the expenses of the issue) was raised from the issue of the Shares, which has been applied to the Company's ongoing working capital requirements. Any funds which are raised from the exercise of the EDEO Options will also be applied for the same purpose.

Voting exclusion statement

The Company will disregard any votes cast on this Resolution 6 by the investors who participated in the placement the subject of this Resolution 6 and any associate of any of these recipients. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

8. RATIFICATION OF ISSUE OF ESOP OPTIONS BY DIRECTORS, MARCH 2016 ESOP OPTIONS

Resolution 7 seeks shareholder approval and ratification, for the purposes of ASX Listing Rules 7.1 and 7.4 and for all other purposes, to the issue, on 16 March 2016, of 6,750,000 options under the Company's ESOP, free of charge, to 19 employees and key consultants of the Company and of its subsidiaries. Each option entitles the holder to acquire one Share at an exercise price of \$0.095 at any time on or before 28 February 2019 (**9.5 cent ESOP Options**).

All of the 6,750,000 9.5 cent ESOP Options were issued on the following terms and conditions:

1. The Options are subject to the rules of the Company's ESOP, a summary of which is set out in Schedule 1.
2. All of the options vested immediately on grant (and are therefore capable of being exercised immediately).

No directors of the Company (or their related parties) received any of the 9.5 cent ESOP options.

As at the date of this Notice, 200,000 of these 9.5 cent ESOP Options have lapsed (due to an employee leaving the employment of a subsidiary of the Company), leaving 6,550,000 9.5 cent ESOP Options now on issue.

All of the 9.5 cent ESOP Options were issued by the Company under the 15% placement rule in ASX Listing Rule 7.1.

Listing Rule 7.1 prohibits a company from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities.

Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and holders of ordinary securities subsequently approve it.

Equity securities issued with the approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are not then required to be included in the 15% limit imposed by Listing Rule 7.1. Accordingly, if this Resolution 8 is passed, the Company's 15% placement capacity will be reinstated to the extent of the equity securities the subject of this Resolution 8.

The Company's total issued capital immediately prior to the issue of the 6,750,000 9.5 cent ESOP Options under the Company's ESOP on 16 March 2016 was as follows:

Class	Number
Shares	1,101,396,444 ⁽¹⁾
EDEO Options	238,779,462 ⁽¹⁾

- (1) These figures include the Shares and EDEO Options which were issued to investors on 17 December 2015 and which are the subject of Resolution 6 above; they also include a further 12,765,463 Shares which were issued in the period between 17 December 2015 and 16 March 2016 consequent upon the exercise of EDEO Options (and reflect a corresponding reduction in the number of EDEO Options on issue) and a further 88,477,033 Shares, and 44,238,603 EDEO Options, issued on 5 February 2016 pursuant to a pro-rata rights issue.

The issue of these 6,750,000 9.5 cent ESOP Options represented 0.61% of the Company's then issued share capital (of 1,101,396,444 Shares), and represents 0.55% of the Company's issued share capital as at the date of this Notice (of 1,218,391,110 Shares).

The Company seeks shareholder approval and ratification to the issue of the 6,750,000 9.5 cent ESOP Options under the Company's ESOP pursuant to Listing Rules 7.1 and 7.4.

The following information is provided in accordance with Listing Rule 7.5:

1. 6,750,000 9.5 cent ESOP Options were issued by the Company on 16 March 2016 to 19 employees and key consultants of the Company and of its subsidiaries.
2. All of the 9.5 cent ESOP Options were issued free of charge; each 9.5 cent ESOP Option is exercisable at an exercise price of \$0.095 at any time on or before 28 February 2019.
3. The 9.5 cent ESOP Options were issued under the Company's ESOP, and are unlisted. Any Shares which are issued consequent upon the exercise of any of these options will rank pari passu with the existing issued Shares of the Company and will be quoted on the ASX.
4. The 9.5 cent ESOP Options were issued to 19 employees and key consultants of the Company and of its subsidiaries. The recipients of the 9.5 cent ESOP Options are not related parties of the Company.
5. No funds were raised from the issue of these 9.5 cent ESOP Options: they were issued to encourage the employees and key consultants of the Company and of its subsidiaries to remain in the employment of the Company. Any funds which are raised from the exercise of these 9.5 cent ESOP Options will be applied towards the Company's ongoing working capital requirements.

Voting exclusion statement

The Company will disregard any votes cast on Resolution 7 by the employees and key consultants who participated in the ESOP issue the subject of this Resolution 7 and any associates of any of these recipients. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

9. RATIFICATION OF ISSUE OF SHARES AND OPTIONS BY DIRECTORS, MAY 2016 US PLACEMENT

Resolution 8 seeks shareholder approval and ratification, for the purposes of ASX Listing Rules 7.1 and 7.4 and for all other purposes, of the issue, on 20 May 2016, of:

- (a) 45,000,000 Shares at an issue price of \$0.23 per Share raising \$10,350,000, to two US investors pursuant to a US placement; and
- (b) 22,500,000 options, each to acquire one Share at an exercise price of \$0.31 at any time before 19 May 2019 (**31 cent Options**), to the two US investors who participated in the US placement; and
- (c) 1,125,000 options, each to acquire one Share at an exercise price of \$0.3875 at any time before 19 May 2019 (**38.75 cent Options**) to Maxim Partners LLC, as part of the placement fee payable to Maxim in connection with the US placement; and
- (d) 2,250,000 options, each to acquire one Share at an exercise price of \$0.2875 at any time before 19 May 2019 (**28.75 cent Options**) to Maxim Partners LLC, as part of the placement fee payable to Maxim in connection with the US placement.

The 45,000,000 Shares rank pari passu with all other Shares currently on issue by the Company.

The 22,500,000 31 cent Options, 1,125,000 38.75 cent Options and 2,250,000 28.75 cent Options are unlisted and must be exercised on or before 19 May 2019. The material terms and conditions of these options are summarised in Schedule 2.

In addition to the 1,125,000 38.75 cent Options and 2,250,000 28.75 cent Options which were issued to Maxim Partners LLC, a placement fee of 6% was payable to Maxim Partners LLC in respect of the funds raised under the US placement.

The 45,000,000 Shares, 22,500,000 31 cent Options, 1,125,000 38.75 cent Options and 2,250,000 28.75 cent Options were all issued by the Company under the 15% placement rule in ASX Listing Rule 7.1.

Listing Rule 7.1 prohibits a company from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities.

Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and holders of ordinary securities subsequently approve it.

Equity securities issued with the approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are not then required to be included in the 15% limit imposed by Listing Rule 7.1. Accordingly, if this Resolution 8 is passed, the Company's 15% placement capacity will be reinstated to the extent of the equity securities the subject of this Resolution 8.

The Company's total issued capital immediately prior to the issue of the 45,000,000 Shares, 22,500,000 31 cent Options, 1,125,000 38.75 cent Options and 2,250,000 28.75 cent Options on 20 May 2016 was as follows:

Class	Number
Shares	1,112,595,406 ⁽¹⁾
EDEO Options	227,580,500 ⁽¹⁾
9.5 cent ESOP Options	6,550,000 ⁽²⁾

(1) These figures include the Shares and EDEO Options which were issued to investors on 17 December 2015 and which are the subject of Resolution 6 above. They also include a further 11,198,962 Shares which were issued in the period between 16 March 2016 and 20 May 2016 consequent upon the exercise of EDEO Options (and reflect a corresponding reduction in the number of EDEO Options on issue).

(2) These are the 6,750,000 9.5 cent ESOP Options which were issued to employees and key consultants of the Company on 16 March 2016, less 200,000 that subsequently lapsed, and are the subject of Resolution 7.

The issue of these 45,000,000 Shares, 22,500,000 31 cent Options, 1,125,000 38.75 cent Options and 2,250,000 28.75 cent Options represented (in the aggregate) 6.37% of the Company's then issued Share capital (of 1,112,595,406 Shares), and represents 5.82% of the Company's issued share capital as at the date of this Notice (of 1,218,391,110 Shares).

The Company seeks shareholder approval and ratification to the issue of 45,000,000 Shares, 22,500,000 31 cent Options, 1,125,000 38.75 cent Options and 2,250,000 28.75 cent Options pursuant to Listing Rules 7.1 and 7.4.

The following information is provided in accordance with Listing Rule 7.5:

1. The Company issued 45,000,000 Shares, 22,500,000 31 cent Options, 1,125,000 38.75 cent Options and 2,250,000 28.75 cent Options.
2. The 45,000,000 Shares were issued at an issue price of \$0.23 per Share, raising \$10,350,000 less the expenses of the issue. The 22,500,000 31 cent Options, 1,125,000 38.75 cent Options and 2,250,000 28.75 cent Options were issued free of charge; these options are exercisable at a price of 31 cents, 38.75 cents and 28.75 cents respectively before 19 May 2019.
3. The 45,000,000 Shares rank pari passu with the existing issued Shares of the Company and are quoted on the ASX. The 22,500,000 31 cent Options, 1,125,000 38.75 cent Options and 2,250,000 28.75 cent Options are unlisted: any Shares which are issued consequent upon the exercise of any of these options will rank pari passu with the existing issued Shares of the Company and will be quoted on the ASX.
4. The 45,000,000 Shares and the 22,500,000 31 cent Options were issued to two US investors; the 1,125,000 38.75 cent Options and 2,250,000 28.75 cent Options were issued to Maxim Partners LLC. The recipients of the Shares, 31 cent Options, 38.75 cent Options and 28.75 cent Options are not related parties of the Company.
5. The \$10,350,000 (less the expenses of the issue) which was raised from the issue of the 45,000,000 Shares is broadly intended to be applied as follows:
 - a. to fund the completion of the expansion of the current EdenCrete™ (Eden's proprietary carbon nanotube enriched concrete admixture) production facility at Eden's plant in Colorado, to a targeted annual output of approximately 2-2.4 million gallons of EdenCrete™;
 - b. to fund the Company's ongoing working capital requirements including funding a detailed marketing plan, and
 - c. to fund the initial expenses for site works, design and engineering for the first stage of the proposed large scale EdenCrete™ production facility to be built in Augusta, Georgia and which is scheduled to be in production early in 2019 with a targeted initial annual output of approximately 12.5 million gallons of EdenCrete™.

Any funds which are raised from the exercise of the 22,500,000 31 cent Options, 1,125,000 38.75 cent Options and 2,250,000 28.75 cent Options will be applied to the Company's ongoing working capital requirements.

Voting exclusion statement

The Company will disregard any votes cast on this Resolution 8 by all of the persons who participated in the above securities issue and associates of any of these persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

10. RATIFICATION OF ISSUE OF ESOP OPTIONS BY DIRECTORS, SEPTEMBER 2016 ESOP OPTIONS

Resolution 9 seeks shareholder approval and ratification, for the purposes of ASX Listing Rules 7.1 and 7.4 and for all other purposes, to the issue, on 12 September 2016, to 26 employees and key consultants of the Company and of its subsidiaries, free of charge, of 25,521,269 options under the Company's ESOP, each to acquire one Share at an exercise price of \$0.27 at any time on or before 28 February 2020 (**27 cent ESOP Options**).

All of these 25,521,269 27 cent ESOP Options were issued on the following terms and conditions:

1. The options are subject to the rules of the Company's ESOP, a summary of which is set out in Schedule 1.
2. The options granted to each holder vest over a 3 year period, in three equal tranches, on 31 August 2017, 31 August 2018 and 31 August 2019 respectively, subject to the holder still being employed on each vesting date.

No other equity performance or incentive package is planned for any of the employees or key consultants to whom these 27 cent ESOP Options were issued during the next three year period of the Company's development, unless there is a change in an individual employee's function or level of responsibility.

No directors of the Company (or their related parties) received any of the 27 cent ESOP Options.

All of these 25,521,269 27 cent ESOP Options were issued by the Company under the 15% placement rule in ASX Listing Rule 7.1.

Listing Rule 7.1 prohibits a company from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities.

Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and holders of ordinary securities subsequently approve it.

Equity securities issued with the approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are not then required to be included in the 15% limit imposed by Listing Rule 7.1. Accordingly, if this Resolution 9 is passed, the Company's 15% placement capacity will be reinstated to the extent of the equity securities the subject of this Resolution 9.

The Company's total issued capital immediately prior to the issue of these 25,521,269 27 cent ESOP Options under the Company's ESOP on 12 September 2016 was as follows:

Class	Number
Shares	1,168,391,110 ⁽¹⁾
EDEO Options	216,784,796 ⁽¹⁾
9.5 cent ESOP Options	6,550,000 ⁽²⁾
31 cent Options	22,500,000 ⁽³⁾
38.75 cent Options	1,125,000 ⁽³⁾
28.75 cent Options	2,250,000 ⁽³⁾

- (1) These figures include:

- the Shares and EDEO Options which were issued to investors on 17 December 2015 and which are the subject of Resolution 6 above.
- the Shares which were issued under the US placement on 20 May 2016 and which are the subject of Resolution 8 above.

They also include a further 10,795,704 Shares which were issued in the period between 20 May 2016 and 9 September 2016 consequent upon the exercise of EDEO Options (and reflect a corresponding reduction in the number of EDEO Options on issue).

- (2) These are the options which were issued to employees and key consultants of the Company on 16 March 2016, less 200,000 that subsequently lapsed, and are the subject of Resolution 7.
- (3) These are the options which were issued in connection with the US placement on 20 May 2016 and are the subject of Resolution 9.

The issue of these 25,521,269 27 cent ESOP Options represented 2.18% of the Company's then issued share capital (of 1,168,391,110 Shares), and represents 2.09% of the Company's issued share capital as at the date of this Notice (of 1,218,391,110 Shares).

The Company seeks shareholder approval and ratification to the issue of the 25,521,269 27 cent ESOP Options under the Company's ESOP pursuant to Listing Rules 7.1 and 7.4.

The following information is provided in accordance with Listing Rule 7.5:

1. 25,521,269 27 cent ESOP Options were issued by the Company to 26 employees and key consultants of the Company and of its subsidiaries on 9 September 2016.
2. All of the 27 cent ESOP Options were issued free of charge; each 27 cent ESOP Option is exercisable at an exercise price of \$0.27 at any time after their respective vesting date and on or before 28 February 2020.

3. The 27 cent ESOP Options were issued under the Company's ESOP, and are unlisted. Any Shares which are issued consequent upon the exercise of any of these options will rank pari passu with the existing issued Shares of the Company and will be quoted on the ASX.
4. The 27 cent ESOP Options were all issued to employees or key consultants of the Company and of its subsidiaries under the Company's ESOP. The recipients of the 27 cent ESOP Options are not related parties of the Company.
5. No funds were raised from the issue of the 27 cent ESOP Options: they were issued to encourage the employees of the Company and of its subsidiaries to remain in the employment of the Company. Any funds which are raised from the exercise of these 27 cent ESOP Options will be applied to the Company's ongoing working capital requirements.

Voting exclusion statement

The Company will disregard any votes cast on this Resolution 9 by the employees and key personnel who participated in the ESOP issue the subject of this Resolution 9 and any associates of any of these recipients. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

11. RATIFICATION OF ISSUE OF SHARES BY DIRECTORS – SEPTEMBER 2016 PLACEMENT TO SOPHISTICATED AND PROFESSIONAL INVESTORS

Resolution 10 seeks shareholder approval and ratification, for the purposes of ASX Listing Rules 7.1 and 7.4 and for all other purposes, to the issue to 18 institutional and sophisticated and/or professional investors (being persons to whom a disclosure document is not required to be provided by virtue of s.708(8) to s.708(11) of the Act), on 21 September 2016, of 50,000,000 Shares at an issue price of \$0.18 per Share, raising \$9,000,000 (less the expenses of the issue).

All of the 50,000,000 Shares rank pari passu with all other Shares currently on issue by the Company. This share issue was made without disclosure to investors in accordance with section 708 of the Act. A commission of 6% of the value of the funds raised was payable to Bell Potter Securities Ltd in connection with this placement.

These 50,000,000 Shares were issued by the Company under the 15% placement rule in ASX Listing Rule 7.1.

Listing Rule 7.1 prohibits a company from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities.

Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and holders of ordinary securities subsequently approve it.

Equity securities issued with the approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are not then required to be included in the 15% limit imposed by Listing Rule 7.1. Accordingly, if this Resolution 10 is passed, the Company's 15% placement capacity will be reinstated to the extent of the equity securities the subject of this Resolution 10.

The Company's total issued capital immediately prior to the issue of the 50,000,000 Shares to these institutional and sophisticated and/or professional investors on 21 September 2016 was as follows:

Class	Number
Shares	1,168,391,110 ⁽¹⁾
EDEO Options	216,784,796 ⁽¹⁾
9.5 cent ESOP Options	6,550,000 ⁽²⁾
31 cent Options	22,500,000 ⁽³⁾
38.75 cent Options	1,125,000 ⁽³⁾
28.75 cent Options	2,250,000 ⁽³⁾
27 cent ESOP Options	25,521,269 ⁽⁴⁾

- (1) These figures include:
 - the Shares and EDEO Options which were issued to investors on 17 December 2015 and which are the subject of Resolution 7 above.
 - the Shares which were issued to under the US placement on 20 May 2016 and which are the subject of Resolution 9 above.

No additional Shares were issued in the period between 9 September 2016 and 21 September 2016 consequent upon the exercise of EDEO Options.
- (2) These are the options which were issued to employees and key consultants of the Company on 16 March 2016, less 200,000 that subsequently lapsed, and are the subject of Resolution 8.
- (3) These are the options which were issued in connection with the US placement on 20 May 2016 and are the subject of Resolution 9.
- (4) These are the options which were issued to employees and key consultants of the Company on 9 September 2016 and are the subject of Resolution 10.

The issue of 50,000,000 Shares to these institutional and sophisticated and/or professional investors represented 4.28% of the Company's then issued share capital (of 1,168,391,110 Shares) , and represents 4.1% of the Company's issued share capital as at the date of this Notice (of 1,218,391,110 Shares).

The Company therefore seeks shareholder approval and ratification to the issue of the 50,000,000 Shares to institutional and sophisticated and/or professional investors pursuant to Listing Rules 7.1 and 7.4.

The following information is provided in accordance with Listing Rule 7.5:

1. 50,000,000 Shares were issued by the Company to 18 institutional and sophisticated and/or professional investors on 21 September 2016.
2. The Shares were issued at an issue price of \$0.18 per Share, raising \$9,000,000 less the expenses of the issue.
3. The Shares were issued on the same terms as, and rank pari passu with, the existing issued Shares of the Company and are quoted on the ASX.
4. The Shares were issued to 18 institutional and sophisticated and/or professional investors who are clients of Bell Potter Securities Ltd. The recipients of the Shares are not related parties of the Company.
5. \$9,000,000 (less the expenses of the issue) was raised from the issue of the Shares, which will be applied for general working capital purposes to fund the ongoing operations of the Company, to the purchase of the freehold of the land in Colorado on which Eden's production facility is located and to Stage 1 construction of the plant in Augusta, Georgia.

The Company will disregard any votes cast on this Resolution 10 by the institutional and sophisticated and/or professional investors who participated in the share issue under this Resolution 10 and any associates of any of these recipients. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

12. APPROVAL OF ISSUE OF NEW SHARES TO SOPHISTICATED OR PROFESSIONAL INVESTORS

Resolution 11 seeks shareholder approval, for the purposes of ASX Listing Rule 7.1 and for all other purposes, to authorise the Directors to issue up to a further 33,333,333 Shares in the Company to the 18 institutional and sophisticated and/or professional investors to whom the Shares the subject of Resolution 10 were issued (being clients of Bell Potter Securities Ltd and persons to whom a disclosure document is not required to be provided by virtue of s.708(8) to s.708(11) of the Act), at an issue price of \$0.18, by way of placements.

A. Background

The Company has secured a firm commitment from these 18 institutional and sophisticated and/or professional investors to subscribe for a further 33,333,333 Shares at an issue price of \$0.18 per Share, subject to the Company obtaining the approval of its shareholders at this AGM.

This issue will raise a further \$6,000,000 (less the expenses of the issue). These funds, together with the funds which were raised under the placement the subject of Resolution 10, will be applied for general working capital purposes to fund the ongoing operations of the Company, to the purchase of the freehold of the land in Colorado on which Eden's production facility is located and to Stage 1 of construction of the plant in Augusta, Georgia.

The Company's total issued capital on the date of this Notice was as follows:

Class	Number
Shares	1,218,391,110 ⁽¹⁾
EDEO Options	216,784, 796 ⁽¹⁾
9.5 cent ESOP Options	6,550,000 ⁽²⁾
31 cent Options	22,500,000 ⁽³⁾
38.75 cent Options	1,125,000 ⁽³⁾
28.75 cent Options	2,250,000 ⁽³⁾
27 cent ESOP Options	25,521,269 ⁽⁴⁾

- (1) These figures include:
 - the Shares and EDEO Options which were issued to investors on 17 December 2015 and which are the subject of Resolution 6 above.
 - the Shares which were issued under the US placement on 20 May 2016 and which are the subject of Resolution 8 above.
 - the Shares which were issued to institutional and sophisticated and professional investors on 21 September 2016 and which are the subject of Resolution 10 above.

No additional Shares were issued in the period between 21 September 2016 and the date of this Notice consequent upon the exercise of EDEO Options.
- (2) These are the options which were issued to employees of the Company on 16 March 2016 and are the subject of Resolution 8.

- (3) These are the options which were issued in connection with the US placement on 20 May 2016 and are the subject of Resolution 8.
- (4) These are the options which were issued to employees and key consultants of the Company on 9 September 2016 and are the subject of Resolution 9.

B. Listing Rule 7.1

Listing Rule 7.1 prohibits a company from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities.

Further, equity securities issued with approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are not then required to be included in the 15% limit imposed by Listing Rule 7.1.

As set out above, the Company proposes to issue a further 33,333,333 Shares to institutional and sophisticated and professional investors, which represents 2.76% of its current issued capital (of 1,218,391,110 Shares). The further 33,333,333 Shares which the Company proposes to issue to institutional and sophisticated and professional investors, when aggregated with the equity securities the subject of Resolutions 6 to 10 above, will amount to 16.25% of its current issued capital. The Company therefore seeks shareholder approval to issue up to a further 33,333,333 Shares the subject of this Resolution 12 pursuant to Listing Rule 7.1.

The following information is provided in accordance with Listing Rule 7.3:-

1. The (maximum) number of Shares the Company proposes to issue to institutional and sophisticated and/or professional investors pursuant to this shareholder approval is 33,333,333 Shares.
2. The Shares will be issued within three months of the date of this Annual General Meeting.
3. The issue price for the Shares will be A\$0.18 per Share.
4. The Shares will be issued to the 18 institutional and sophisticated and/or professional investors to whom the Shares the subject of Resolution 10 were issued (being clients of Bell Potter Securities Ltd and persons to whom a disclosure document is not required to be provided by virtue of s.708(8) to s.708(11) of the Act). The recipients of the Shares are not related parties of the Company.
5. The Shares will be issued on the same terms as, and rank pari passu with, the existing issued Shares of the Company and will be quoted on the ASX.
6. The purpose of the proposed placement is to raise further funds for general working capital purposes to fund the ongoing operations of the Company, to the purchase of the freehold of the land in Colorado on which Eden's production facility is located and to Stage 1 construction of the plant in Augusta, Georgia.
7. The Company anticipates allotting all of the 33,333,333 Shares at the same time immediately after this AGM (should this Resolution 11 be approved).

The Company will disregard any votes cast on this Resolution 11 by the 18 institutional and sophisticated and/or professional investors who may participate in the proposed share issue under this Resolution 11 and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this Resolution 11 is passed and any associates of any of these recipients. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

GLOSSARY

In this Explanatory Statement the following words have the meanings hereinafter ascribed, unless inconsistent with the context:-

Act means the *Corporations Act 2001 (Cth)*.

ASIC means Australian Securities and Investments Commission;

ASX means the Australian Securities Exchange, or ASX Limited A.C.N. 008 624 691 (as the case requires).

Board means the board of Directors of the Company;

Company or **Eden** means Eden Energy Ltd A.C.N. 109 200 900.

Constitution means the constitution of the Company.

Director means a director of the Company.

EDEO Option means a listed option to acquire a Share at an exercise price of 3 cents to be exercisable at any time on or before 30 September 2018 (ASX Code: EDEO).

ESOP means the Company's employee share option plan, a summary of the terms of which is set out Schedule 1.

9.5 cent ESOP Option means an unlisted option, issued under the Company's ESOP, to acquire a Share at an exercise price of 9.5 cents to be exercisable at any time on or before 28 February 2019.

27 cent ESOP Option means an unlisted option, issued under the Company's ESOP, to acquire a Share at an exercise price of 27 cents to be exercisable at any time after their respective vesting dates and on or before 28 February 2020.

28.75 cent Option means an unlisted option to acquire a Share at an exercise price of 28.75 cents to be exercisable at any time on or before 19 May 2019.

31 cent Option means an unlisted option to acquire a Share at an exercise price of 31 cents to be exercisable at any time on or before 19 May 2019.

38.75 cent Option means an unlisted option to acquire a Share at an exercise price of 38.75 cents to be exercisable at any time on or before 19 May 2019.

Explanatory Statement means the information attached to the Notice of Meeting which provides information to shareholders about the Resolutions contained in the Notice of Meeting;

Listing Rules means the ASX Listing Rules and **Listing Rule** has a corresponding meaning;

Notice means the notice to which this Explanatory Statement is attached.

Share means an ordinary fully paid share in the Company (ASX Code: EDE).

Shareholders means the shareholders of the Company.

VWAP means in relation to particular securities for a particular period, the volume weighted average price of trading in those securities on the ASX and the Chi-X Market over that period, excluding block trades, large portfolio trades, permitted trades during the pre-trading hours period, permitted trades during the post-trading hours period, out of hours trades and exchange traded option exercises.

Unless a contrary intention appears, terms defined in the Notice of Meeting have the same meaning in this Explanatory Statement.

SCHEDULE 1

SUMMARY OF TERMS OF ESOP

1. The Board may offer free Options to full or part time employees or a director or officer of the Company or of associated bodies corporate of the Company who is determined by the Board to be an Eligible Employee for the purposes of the Plan or any other person who is declared by the Board to be an Eligible Employee for the purposes of the Plan. (**Eligible Employees**).
2. In accordance with Listing Rule 10.14, Options under the ESOP can only be issued to Directors, and/or associates of the Directors, with the approval of the holders of ordinary securities by a resolution passed at a general meeting.
3. There is no issue price for the Options. The exercise price for the Options will be the greater of:
 - 3.1 125% of the weighted average market price of Shares sold on the ASX on the 5 trading days immediately before the date the Board approves the issue of the Options to the Eligible Employee under the ESOP (the **Date of Issue**); or
 - 3.2 any other price determined by the Board at the Date of Issue.
4. Shares issued on exercise of Options will rank equally with other Shares of the Company.
5. Options may not be transferred without the approval of the Board. Quotation of Options on ASX will not be sought. However, the Company will apply to ASX for official quotation of the Shares issued on the exercise of the Options.
6. The Board may not offer Options under the ESOP if the total number of Shares which would be issued were each Option accepted, together with the number of Shares of the same class or Options to acquire such Shares issued pursuant to all employees or executive share schemes during the previous 5 years, exceeds 5% of the total number of issued Shares in that class as at the date of the offer.
7. Options may only be issued or exercised within the limitations imposed by the Act and the Listing Rules.
8. Options may be issued which impose conditions that will result in the Options lapsing if those conditions are satisfied and may also be issued with restrictions on the disposal of Shares acquired by an option holder as a result of the exercise of the Options.
9. Subject to the paragraphs below, Options must be exercised in the period commencing on the second anniversary and ending on the fifth anniversary of the date of grant, or as otherwise determined by the Company at the time the Options are granted (**Exercise Period**).
10. If an Eligible Employee leaves the employment of the Company:
 - 10.1 2 years or more after Options are issued to them; or
 - 10.2 because of retirement at or after 55 years of age, permanent disablement, retrenchment, death or any other circumstances approved by the Board,the Options may be exercised within 30 days (or 3 months in the case of death), or any longer period permitted by the Board. If not exercised in that time, the Options lapse.
11. If an Eligible Employee leaves the employment of the Company or of a related body corporate of the Company earlier than 2 years after Options are issued to them and paragraph 10.2 above does not apply, the Options lapse.
12. If any Eligible Employee acts fraudulently, dishonestly or in breach of obligations to the Company or any subsidiary then, at the Board's discretion, Options issued to that person will lapse.
13. Options will automatically lapse at the expiration of the Exercise Period.
14. The holders of Options will only participate in new issues, including bonus issues, if they have exercised the Options at that time and provided such exercise is permitted by the terms of the Option.
15. If the Company makes a bonus issue of securities to ordinary shareholders, each unexercised Option will, on exercise, entitle its holder to receive additional Shares.
16. If the Company makes a pro rata rights issue of ordinary Shares for cash to its ordinary shareholders, then there is provision for adjustment of the exercise price of unexercised Options to reflect the diluting effect of the issue.
17. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the Option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.
18. The Board may determine within 7 days of the exercise of an Option not to allot or issue Shares under the Option but to refund the tendered exercise price for the Option and either to pay to the Option holder an amount equal to the difference between the market price of the shares as at the date of exercise and the exercise price of the Option, or issue that number of Shares having a market value at the date of exercise of the Option equal to the difference between the market price of the shares as at the date of exercise and the exercise price for the Option.
19. Subject to the Listing Rules the Board may from time to time amend, vary or supplement the rules of the ESOP by resolution of the Board without the consent of any Eligible Employee or participant. Any amendment to the rules will apply to all Options granted under the rules which have not yet been exercised. No variation of the ESOP will be effective unless and until all applicable requirements of the Act and the Listing Rules in relation to that variation have been fully complied with by the Company.

SCHEDULE 2

SUMMARY OF TERMS OF THE 31 CENT OPTIONS, 38.75 CENT OPTIONS AND 28.75 CENT OPTIONS

1. The options are unlisted.
2. The options must be exercised before 11.59pm, Perth time, on 19 May 2019.
3. Each option entitles the holder to acquire one Share (those Shares will be in the same class and on the same terms as all other Shares of the Company quoted on ASX immediately on issue of those Shares).
4. On or before the third trading day following the date on which the Company has received from the holder both an exercise notice and the aggregate exercise price in cleared funds (or, if applicable, notice of a Cashless Exercise (see paragraph 8 below) (**Share Delivery Date**) in respect of the options which the holder desires to exercise, the Company is required, subject to the Act and Listing Rules to issue and allot the Shares, in accordance with the CHESS Rules, to the holder's custodian's nominated CHESS account.
5. The Company must immediately following the issue of any Shares consequent upon the exercise of any of the options and in respect of those Shares, give ASX a cleansing statement or lodge a prospectus with ASIC that qualifies the Shares for resale under section 708A(11) of the Act.
6. The Company must use its best efforts to apply to ASX for official quotation of the Shares issued upon exercise of any of the options.
7. If the Company fails for any reason or for no reason to comply with its obligations under paragraphs 3 or 4 above on or prior to the Share Delivery Date (an **Exercise Failure**), then the Company shall pay to the holder an amount equal to 2.0% of 10% of the aggregate exercise price for each trading day (pro-rata for partial trading days, calculated having regard to the proportion which the number of trading hours on which an Exercise Failure subsists bears to the total number of trading hours in that trading day) that:
 - a. an Exercise Failure has occurred and is occurring; and
 - b. the VWAP of the Shares on that trading day is less than the exercise price, until it has complied with all of the said obligations.
8. Subject to the Act and the Listing Rules, if the Shares, either directly or through an American depositary receipt program sponsored by the Company, become listed on an eligible market that is located in the United States (**US Listing Date**) and if after the date that is six (6) months after the US Listing Date, a registration statement covering the resale of the Shares that are the subject of an exercise notice (**Unavailable Shares**) is not available for the resale of such Unavailable Warrant Shares, the holder may, in its sole discretion, exercise their options in whole or in part and, in lieu of paying the aggregate exercise price and receiving the total number of Shares for the options being exercised, elect instead by notice given when the exercise notice is given to receive upon such exercise the "Net Number" of Shares (if any) determined according to the following formula (a **Cashless Exercise**):
$$\text{Net Number} = \frac{A \times (B - C)}{C}$$

Where:

A= the total number of Shares with respect to which the options are being exercised.

B= the arithmetic average of the VWAP of the Shares for the five (5) consecutive trading days ending on the date immediately preceding the date of receipt in Australia of the exercise notice.

C= the exercise price.

The holder may not exercise the options pursuant to a Cashless Exercise if the exercise price is less than the arithmetic average of the VWAP of the Shares for the five (5) consecutive trading days ending on the date immediately preceding the date of receipt in Australia of the exercise notice.
9. If the Shares, either directly or through an American depositary receipt program sponsored by the Company, become registered pursuant to Section 12 of the *U.S. Securities Exchange Act of 1934*, then thereafter the Company shall not effect the exercise of any of the options, and the holder shall not have the right to exercise any portion of the options, and any such exercise shall be null and void and treated as if never made, to the extent that after giving effect to such exercise, the holder together with its other attribution parties collectively would beneficially own in excess of 4.99% (at the election of the holder, able to be increased or decreased by notice to the Company to any other percentage not in excess of 9.99%) of the number of Shares outstanding immediately after giving effect to such exercise.
10. The holder is not entitled to participate in new issues of capital offered during the currency of the options, except upon exercise of the options.
11. Other than as set out in the option agreement or the Listing Rules (while the Company is on the Official List of the ASX), the options do not confer the right to a change in the exercise price or a change in the number of underlying securities over which the options can be exercised.
12. In the event of any reorganisation of the issued capital of the Company, the options will be reorganised as required by the Listing Rules but in all other respects the terms of exercise will remain unchanged.
13. Subject to the Act, the options may be sold, transferred, pledged or assigned without the consent of the Company. If the options are transferred, the holder must assign and novate the option agreement to the transferee on the same terms and conditions as if the transferee were the original holder thereunder.
14. The option agreement is governed by the laws of Western Australia.
15. If any provision of the option agreement, is inconsistent with the Listing Rules, that provision is severed from the option agreement to the extent of the inconsistency.

EDEN ENERGY LTD
(ACN 109 200 900)

PROXY FORM
ANNUAL GENERAL MEETING

The Company Secretary
Eden Energy Ltd
Level 15, 197 St Georges Terrace
Perth WA 6000
Fax +(618) 9282 5866

Shareholder Name
Shareholder Address

Share Registry Website:
www.advancedshare.com.au

I/We
being a member/members of Eden Energy Ltd entitled to attend and vote at the meeting, hereby
Appoint
Name of proxy

or failing the person so named or, if no person is named, the Chairman of the meeting or the Chairman's nominee, to vote in respect of ____% of my/our voting rights in accordance with the following directions, or if no directions have been given, as the proxy sees fit at the Annual General Meeting of the company, to be held on Friday the 28th of October 2016 and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

In the case of Resolution 1 (Approval of Remuneration Report), if you do not mark one of the 'For', 'Against' or 'Abstain' boxes, you will thereby be taken to have directed the Chairman to vote in accordance with the Chairman's stated voting intention (that is, to vote in favour of Resolution 1).

	FOR	AGAINST	ABSTAIN
Ordinary Resolutions:			
1. Approval of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Mr R Beresford as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Mr G Le Page as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution:			
4. Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolutions:			
5. Approval of the Company's Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Ratification and approval of issue of shares and options – December 2015 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Ratification and approval of issue of ESOP options – March 2016 ESOP Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Ratification and approval of issue of shares and options – May 2016 US Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Ratification and approval of issue of ESOP options – September 2016 ESOP Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Ratification and approval of issue of shares – September 2016 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Approval of new issue of shares to sophisticated and professional investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not intended to be counted in computing the required majority on a poll.

Signed this _____ day of _____ 2016
Individuals and joint holders

Signature

Signature

Signature

Companies (affix common seal if appropriate)

Director

Director/Company Secretary

Sole Director and Sole Company Secretary

The Chairman intends to vote undirected proxies in favour of each item of business.

If you do not wish to direct your proxy how to vote please place a mark in the box.

☐

By marking this box you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

Notes:

1. To be effective, this proxy and the power of attorney (if any) under which it is signed must be received at the Registered Office of the Company, Level 15, 197 St Georges Terrace, Perth, WA 6000 not less than 48 hours before the time for holding the meeting, or any adjournment thereof.
2. If the member is a corporation, the form of proxy should be signed under seal if appropriate.

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this Annual General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed either in accordance with the Constitution of the company or under the hand of an officer of the company or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by all of the joint shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this Annual General Meeting, that is by 10.00am WST on 26 October 2016, by post or facsimile to the respective addresses stipulated in this proxy form.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
 - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
 - (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
 - (c) if the proxy is Chairperson, the proxy must vote on a poll and must vote that way, and
 - (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a shareholder, or acts as proxy for any other shareholder, the proxy can cast any votes the proxy holds as a shareholder or as proxy for any other shareholder in any way that the proxy, or that other shareholder, sees fit.

7. The Chairperson intends to vote in favour of all resolutions set out in the Notice of Annual General Meeting.