



AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

23 May 2016

SUCCESSFUL A\$10.35 MILLION CAPITAL RAISING TO FUND EXPANSION IN COLORADO AND GEORGIA

The directors of Eden Energy Ltd (Eden) are pleased to advise that Eden has raised A\$10,350,000 additional capital through the placement to two US investment funds of 45 million fully paid ordinary shares at an issue price of A\$0.23 per share together with 22.5 million free options, exercisable at A\$0.31 at any time before 11.59pm on 19 May 2019.

Proposed Use of Funds

The funds raised are broadly intended to be used as follows:

- Approximately US\$2 million to fund the completion, by early 2017, of the expansion of the current EdenCrete™ (Eden's proprietary carbon nanotube enriched concrete admixture) production facility at Eden Innovations' plant in Colorado, to a targeted annual output of approximately 2-2.4 million gallons of EdenCrete™ ;
- Approximately US\$3 million to fund the Eden Group's ongoing working capital requirements including funding a detailed marketing plan, and
- The balance will be applied towards 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™.

Maxim Group LLC, a full service US based investment bank, acted as the US placement agent for the transaction. A placement fee of 6% is payable to Maxim Group LLC in respect of the funds raised in the placement. In addition, Maxim Group LLC has been issued with 2,250,000 options to acquire ordinary shares in Eden at an exercise price of A\$0.2875 per share, expiring 19 May 2019 and 1,125,000 options to acquire ordinary shares in Eden at an exercise price of A\$0.3875, expiring 19 May 2019 ("Placement Fee Options") in connection with the transaction.

Post Placement Capital Structure

The following is a summary of the post placement capital structure of Eden.

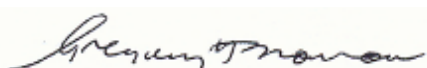
| | Shares | EDEO Options | ESOP Options | New \$0.31 Options | New \$0.2875 Options | New \$0.3875 Options | Total |
|---------------------------------------|----------------------------------|-------------------------------|-----------------------------|------------------------------|-----------------------------|-----------------------------|-----------------------------------|
| Existing (% fully diluted) | 1,112,595,406 (78.4%) | 227,580,500 (16.1%) | 6,550,000 (0.5%) | | | | 1,346,725,906 (95.0%) |
| New Placement | 45,000,000 (3.2%) | | | 22,500,000 (1.6%) | | | 67,500,000 (4.8%) |
| Placement Fee | | | | | 2,250,000 (0.1%) | 1,125,000 (0.1%) | 3,375,000 (0.2%) |
| Total | 1,157,595,406 (81.6%) | 27,580,500 (16.1%) | 6,550,000 (0.5%) | 22,500,000 (1.6%) | 2,250,000 (0.2%) | 1,125,000 (0.1%) | 1,417,600,906 (100.0%) |

The 45 million additional shares represent 3.2% of Eden's current expanded issued share capital of 1,157,595,406 shares.

On a fully diluted basis (i.e. assuming all existing options on issue by Eden plus the 3,375,000 placement fee options referred to above have been exercised), the total of 67.5 million shares that will have been issued to the US investment funds (assuming the exercise of the 22.5 million options referred to above):

- will represent 4.8% of the expanded fully diluted share capital of Eden,
- for which a total consideration (including the exercise price of A\$6.975 million for the 22.5 million options) of A\$17.325million will have been paid.

There is of course, no guarantee that these options or any of the other options on issue will be exercised.



Gregory H. Solomon
Executive Chairman