



AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

26 August 2016

GROUP INCENTIVE PLAN INCREASE OF ISSUE OF ESOP OPTIONS

The directors advise that they have resolved increase the size of the Eden Energy Ltd Employee Share Option Plan ("ESOP") option issue from up to 16,500,000 (previously announced on 12 August 2016), to up to 28,000,000 unlisted ESOP options exercisable at \$0.27 and expiring 28 February 2020. All these options will be subject to the rules contained in the ESOP.

The total number of options will be divided between all employees and key consultants of all the Eden Group companies, including all senior US executives as well as several new staff members expected to be appointed in the immediate future.

These options will vest over a three year period for each employee / consultant, in three equal annual tranches on 31 August 2017, 31 August 2018 and 31 August 2019 (each will receive one third of their total entitlement each year), subject to them still being employed on each vesting date.

No other equity performance or incentive package is planned for any of these employees / consultants during this crucial three year period of the company's development, unless there is a change in an individual employee's function or level of responsibility. Future employees may also be added to this plan from time to time.

No directors of the company (or their related parties) will receive any of these ESOP options.

Aaron P Gates
Company Secretary