

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

24 DECEMBER 2008

ISSUE AND LAPSE OF OPTIONS TO ACQUIRE ORDINARY FULLY PAID SHARES PURSUANT TO THE EDEN ENERGY EMPLOYEE SHARE OPTION PLAN

Eden Energy Ltd ("the Company") announces that it has issued 2,025,000 options in the Company, free of charge, each to acquire one fully paid ordinary share in the Company ("the Options") as per the terms and conditions of the Company's Employee Share Option Plan and as set out below:

1,475,000 Options will be exercisable at any time prior to 13 May 2013 at an exercise price of 68.5 cents.

50,000 Options will be exercisable at any time prior to 25 March 2011 at an exercise price of 31.0 cents.

500,000 Options will be exercisable at any time after they have vested and prior to 26 May 2013 at an exercise price of 38.5 cents. The vesting dates for the Options are:

- a. as to 100,000 Options ("the First Vested Option"), the date of the grant of the options (the "First Vesting Date");
- b. as to 100,000 Options ("the Second Vested Options"), 26 May 2009 (the "Second Vesting Date");
- c. as to 100,000 Options ("the Third Vested Options"), 26 May 2010 (the "Third Vesting Date");
- d. as to 100,000 Options ("the Fourth Vested Options"), 26 May 2011 (the "Fourth Vesting Date");
- e. as to 100,000 Options ("the Fifth Vested Options"), 26 May 2012 (the "Fifth Vesting Date").

The Options were issued to Company Employees free of charge under the terms and conditions of the Employee Share Option Plan. Accordingly no funds were raised by the issue.

The Company also announces that 800,000 options in the Company issued to Company Employees free of charge under the terms and conditions of the Employee Share Option Plan in August 2006 (500,000 exercisable at an exercise price of 25.0 cents per option on or before the 30 August 2009) and May 2007 (300,000 exercisable at an exercise price of 68.5 cents per option on or before the 13 May 2010) have now lapsed.



Aaron P Gates
Company Secretary

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

EDEN ENERGY LIMITED

ABN

58 109 200 900

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | |
|--|---|
| <p>1 +Class of +securities issued or to be issued</p> | <p>Options – 25 March 2011
Options – 13 May 2013
Options – 26 May 2013</p> |
| <p>2 Number of +securities issued or to be issued (if known) or maximum number which may be issued</p> | <p>Options 25 March 2011 – 50,000
Options 13 May 2013 – 1,475,000
Options 26 May 2013 – 500,00</p> |
| <p>3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p> | <p>Options – exercisable at 31 cents expiring 25 March 2011</p> <p>Options – exercisable at 68.5 cents expiring 13 May 2013</p> <p>Options – exercisable at 38.5 cents expiring 26 May 2013</p> |

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	N/A	
5	Issue price or consideration	Nil	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Issued as part of the Company’s Employee Share Option Plan	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	23 December 2008	
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		180,441,339	Ordinary fully paid shares
		87,177,585	Options – 30 September 2009

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	450,000	Options 25c expire 30 Aug 2009
		4,000,000	Options 20c expire 5 Jun 2009
		500,000	Options 58.5c expire 5 April 2012
		1,500,000	Options 70c expire 7 May 2010
		1,000,000	Options 68.5c expire 13 May 2010
		650,000	Options 68.5c expire 15 May 2010
		50,000	Options 31c expire 25 March 2011
		1,227,000	Options 45c expire 30 June 2011
		1,475,000	Options 68.5c expire 13 May 2013
		500,000	Options 38.5c expire 26 May 2013
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)		

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	

20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of *security holders	
25	If the issue is contingent on *security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do *security holders sell their entitlements <i>in full</i> through a broker?	
31	How do *security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	

- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) ☐ Securities described in Part 1
- (b) ☐ All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

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39 Class of +securities for which
quotation is sought

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40 Do the +securities rank equally in
all respects from the date of
allotment with an existing +class
of quoted +securities?

If the additional securities do not
rank equally, please state:

- the date from which they do
- the extent to which they
participate for the next
dividend, (in the case of a
trust, distribution) or interest
payment
- the extent to which they do
not rank equally, other than in
relation to the next dividend,
distribution or interest
payment

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41 Reason for request for quotation
now

Example: In the case of restricted securities, end
of restriction period

(if issued upon conversion of
another security, clearly identify
that other security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Print name: Aaron Philip Gates

Date: 23 December 2008

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