

CLEANSING NOTICE

This notice is given by Eden Energy Ltd (**Eden** or **Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (the **Act**).

Overview

Eden is undertaking a non-renounceable pro-rata rights offer to Eden shareholders (the **Offer**). The terms of the Offer are as follows:

1. The Offer is open to all Eden shareholders who are on the register as at 5.00pm WST on 10 September 2012 (the **Record Date**) and who have registered addresses in Australia or New Zealand (**Eligible Shareholders**).
2. Eden shareholders with registered addresses outside of Australia and New Zealand (**Non-Resident Shareholders**) are not entitled to participate in the Offer. Eden has determined, in accordance with the Act and Rule 7.7 of the Listing Rules of ASX Limited (the **Rules**) that it would be unreasonable to make the Offer to Non-Resident Shareholders having regard to the number of Non-Resident Shareholders in each country other than Australia and New Zealand, the number and value of the shares that would be offered to them and the cost of complying with the legal requirements in countries other than Australia and New Zealand.
3. Under the Offer each Eligible Shareholder will be entitled to be issued with one (1) new fully paid ordinary Eden share (**Share**) for every one (1) Share held by them as at the Record Date at a price of \$0.009 per Share.
4. The rights of Eligible Shareholders under the Offer are non-renounceable.

The Offer, if fully subscribed, will raise approximately \$2,956,571.95 and will result in the issue of 328,507,995 new Shares. The directors of Eden reserve the power of placement of any under subscriptions.

The Offer is being made without disclosure to investors under Part 6D.2 of the Act. The Offer is being made in accordance with section 708AA of the Act, and does not therefore require disclosure under a disclosure document. Eden is satisfied that it is entitled to rely on section 708AA of the Act.

As at the date of this notice, Eden has complied with:

1. the provisions of Chapter 2M of the Act as they apply to Eden; and
2. section 674 of the Act.

As at the date of this notice, there is no excluded information as described in section 708AA(8) and (9) of the Act.

Rights and liabilities attaching to the Shares

The Shares will rank equally with the 328,507,995 Shares already issued by Eden and quoted on the ASX (ASX code: EDE).

Impact on control

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

Shares currently on issue	328,507,995
Shares offered under the Offer (est.)	328,507,995
Total Shares on issue on completion of the Offer (est)*	657,015,990

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

** In addition to the Shares currently on issue, there are 69,640,963 listed Company options (ASX Code: EDEO) on issue by the Company (each exercisable at a price of \$0.20 per share) ("Listed Options") and 4,966,250 unlisted Company options on issue by the Company to directors of the Company and under the Company's Employee Share Option Plan (exercisable at prices ranging between \$0.10625 to \$0.385 per Share).

As the Offer is being made on a 1 for 1 basis, the maximum number of new Shares which may be issued under the Offer represents 100% of Eden's current Share capital.

Eligible Shareholders will be able to apply for additional Shares (over and above their entitlement) if all of the Shares under the Offer are not taken up by Eligible Shareholders (the Shares which are not taken up are hereinafter referred to as "the Shortfall"). The Offer is also partially underwritten by RM Corporate Finance Pty Ltd to the extent of \$1,500,000 and sub-underwritten to the extent of \$1,500,000 by Noble Energy Pty Ltd (a wholly owned subsidiary of Tasman Resources Ltd) ("Noble"). The Shortfall will be placed at the discretion of the sub-underwriter, and the sub-underwriter reserves the right to allot to an applicant a lesser number of the Shares comprising the Shortfall than the number for which the applicant applies or to reject an application.

Noble is an existing member of Eden, who currently holds 66,375,727 Shares (20.205% of the existing share capital) and 25,839,106 Listed Options (37.103% of the total Listed Options) of Eden.

If all of the Eligible Shareholders take up their entitlements under the Offer in full (i.e. this Offer is fully subscribed), there will be no appreciable change in each Eligible Shareholder's (including Noble's) voting power in the Company.

If not all of the Eligible Shareholders take up their entitlements under the Offer in full, then the Offer will have an effect on the control of the Company as follows:

- (a) Eligible Shareholders who have taken up their entitlement in full, may apply for Shares forming part of the Shortfall (thus increasing their proportionate interest in the Company); and
- (b) Noble's voting power in the Company will increase upon it taking up its entitlement under the Offer in full and its subscription for Shares under its sub-underwriting agreement. Assuming Noble is the only Eligible Shareholder who takes up its entitlement under the Offer (and it does so in full), Noble would:
 - (a) acquire 66,375,727 new Shares by taking up its entitlement under the Offer in full; and
 - (b) pursuant to its sub-underwriting agreement, be issued with 166,666,667 new Shares.

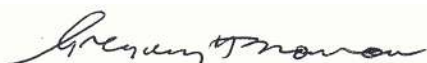
This would increase the number of Shares held by Noble to 299,418,121 Shares (there would be no change in the number of Listed Options held by Noble). This would result in Noble's voting power in Eden increasing from 20.205% to 53.32% of the enlarged share capital (the percentage of the Listed Options held by Noble would not increase). If some, but not all, of the Eligible Shareholders take up their entitlement, Noble's voting power in Eden will increase from its current percentage to an amount not exceeding 53.32%, depending on the extent to which Eligible Shareholders take up their rights and acquire any of the Shortfall.

Accordingly, whilst the Offer is pro-rata and non-renounceable, the Offer could have a material affect on the control of Eden.

Further, the proportional shareholdings of Non-Resident Shareholders will be diluted by the Offer because those shareholders are not entitled to participate in the Offer.

For further information please contact Greg Solomon, Executive Chairman, on 9282 5862.

Dated: 30 August 2012



Gregory H Solomon
Chairman