



A.C.N. 109 200 900

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

31 March 2014

Progress Report on OptiBlend[®] in USA

HIGHLIGHTS

Significant Increase in US OptiBlend[®] Dual Fuel System Sales

- **Record US OptiBlend[®] Sales for Q1 2014 – Orders received for 26 units having an aggregate value of US\$823,000 (A\$894,000)**
- **Aggregate value of orders for Financial Year (FY) 2013-14 to 31 March 2014 now exceeds US\$1.475million (A\$1.6million)**
- **Target markets – Oil and Gas Market, and Back-up Power (hospitals, essential services, data centres)**
- **Canadian and Latin American market interest growing**
- **Further increases in sales during FY 2014-15 anticipated**

5th Generation, Heavy Duty OptiBlend[®] Model Released

- **Heavy Duty Model Released- improved tolerance of extreme temperatures and vibration**
- **Suitable for use on gensets installed on drilling rigs and fracking trucks**

Certified Third Party Emissions Testing Results

- **Reduction in emissions shown when OptiBlend[®] unit used on diesel genset in conjunction with a diesel oxidation catalyst**
- **Oxides of Nitrogen (NO_x), Particulate Matter, Carbon Dioxide (CO₂), Non-Methane Hydrocarbons, and Carbon Monoxide (CO) all lowered**

US OptiBlend[®] Sales

Hythane Company, the wholly owned US subsidiary of Eden Energy, has seen record quarterly US sales for the quarter ended 31 March 2014 of the OptiBlend[®] dual fuel system which it developed for the diesel generator set (“genset”) market.

Orders were received in the US during the quarter for twenty six units, having an aggregate value of US\$823,000 (A\$894,000approx).

In comparison, during the previous six months ended 31 December 2013, orders for a total of 24 worth a total of US\$653,000 (A\$709,000approx) were received.

This brings the aggregate value of orders for Financial Year (FY) 2013-14 to 31 March 2014 to over US\$1.475million (approx. A\$1.6 million).

The rate of growth of the value of quarterly sales since 2012 is shown in Figure 1.

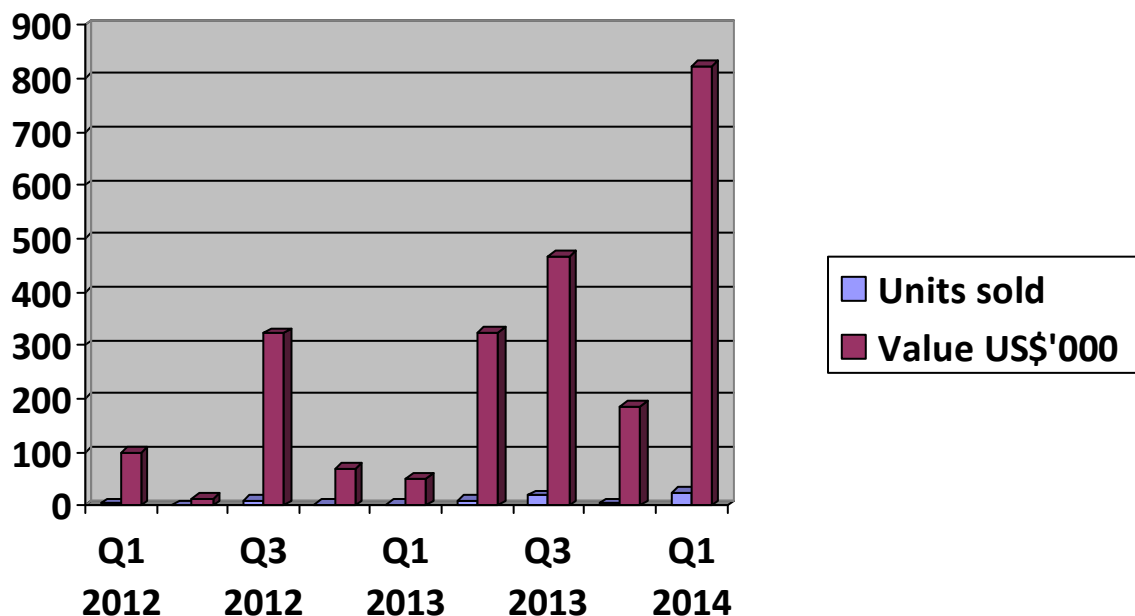


Figure 1. Quarterly US OptiBlend Sales Volume

Interest in Canada and South America for the OptiBlend[®] dual fuel system is emerging, and these new markets are expected over the next 12-24 months to generate a growing proportion of future sales.

The target markets continue to be the oil and gas exploration and production sectors, and back-up power where existing diesel powered gensets are converted to a lower cost dual fuel configuration. This latter market sector includes hospitals, essential services, and data centres which all maintain full electricity generating capacity to supply their power needs if the grid power should fail for any reason.

It is anticipated, based on growing market interest and an increasing number of distributors who have been appointed in USA by Hythane company to market and service the OptiBlend[®] system, that sales will continue to experience strong growth during 2014-2015.

5th Generation, Heavy Duty OptiBlend[®] Model Released

During the quarter Hythane Company released its fifth generation, heavy duty (HD) OptiBlend[®] dual fuel system (see Figures 2 and 3). This has been further enhanced for harsh operating conditions, to enable it to operate under a wider range of extreme operating conditions, such as are experienced on drilling rigs and fracking trucks, which frequently operate in either extreme heat or Arctic conditions and are constantly subject to extreme vibration.

The OptiBlend[®] dual fuel technology is continually being enhanced to improve both the control system and the system's operating capabilities, enabling it to retain its place as a market leader in this rapidly growing market sector.

The OptiBlend[®] system has always led the industry with its real time dynamic control, but with our latest software release in January 2014, our system now offers:

- The ability to adjust for variances in gas quality
- The ability to monitor and record catalyst health
- The ability to display real time diesel displacement
- The ability to balance gas delivery to each cylinder bank
- Remote monitoring capability
- Fast turnaround on custom engineering
- Standard Duty and Heavy Duty options custom sized per application.

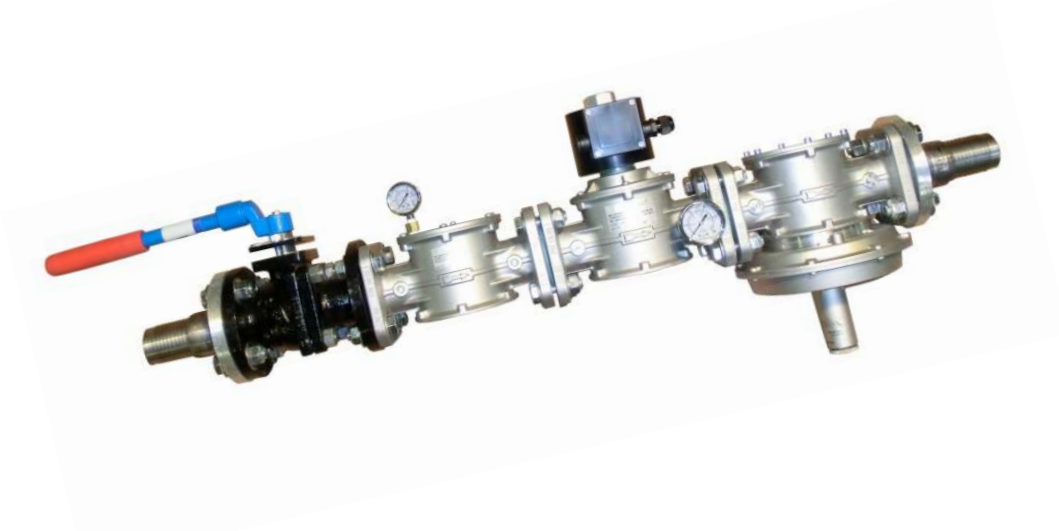


Figure 2. Typical OptiBlend[®] Heavy Duty Gas Train



Figure 3. New Heavy Duty OptiBlend[®] Control Panel

These improved features, which have been added with only a modest increase in price, place the OptiBlend© system in a very competitive position that is anticipated to translate into increasing sales for the foreseeable future.

Certified Third Party Emissions Testing Results

During the quarter, Hythane Company collaborated in having the exhaust emissions tested from one of its heavy duty OptiBlend© systems that had been installed on a large, modern diesel genset that was also fitted with a diesel oxidation catalyst.

The results showed that various emissions from the engine, when it was operating in dual fuel mode (ie whilst consuming both methane (natural gas) and diesel fuel), including oxides of nitrogen (NOx), particulate matter, carbon dioxide (CO₂), unburnt non-methane hydrocarbons, and carbon monoxide (CO) were all lowered compared with the level of emissions from the same engine whilst running on diesel fuel alone.

These are the first independent tests of the comparative emissions that have been obtained from an engine using an OptiBlend© dual fuel system and will provide a further competitive advantage as growing global concern over the effects of the level of these emissions, translates into stricter emissions regulations in the future.

A handwritten signature in black ink, appearing to read 'Gregory H Solomon', is positioned above the printed name and title.

Gregory H Solomon
Chairman