ACN 109 200 900

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

1 May 2014

Eden Extends Date for Completion of Formal Conditional Agreement to Merge UK Gas and Petroleum Assets with Existing UK Joint Venture Partner

With negotiations and drafting progressing satisfactorily, Perth based Eden Energy Ltd ("Eden") (ASX Code: EDE) has agreed to extend the final date for completion of the formal agreement with its existing UK gas and petroleum Joint Venture partners to merge their respective interests on the terms detailed in a Heads of Terms announced to the ASX on 25 March 2014.

It is now hoped that the formal agreement will be completed by 9 May 2014 or shortly thereafter.

The terms of the proposed merger include:

- Eden will transfer its wholly owned UK subsidiary, Adamo Energy (UK) Ltd ("Adamo UK") to UK Onshore Gas Limited ("UKOG") (the parent company of the two UK Joint Venture partners of Adamo UK).

- Eden will receive £1million in cash together with 33.33% of the aggregate shares then on issue in UKOG (before it undertakes any capital raising).

- UKOG will hold 100% of all the merged UK gas and petroleum licences.

- If the £1million cash is not paid to Eden by 30 September 2014, Eden may elect to forego the payment and increase its shareholding in UKOG from 33.33% to 40%.

- It is intended that UKOG will either:

  - list on AIM (possibly by way of reversal into an existing listed company) after or contemporaneously with it completing a raising of not less than £10million; or
  - complete an off-market capital raising into UKOF of not less than £10million.

- Eden must consent to any such transaction that places a value of less than £36million on the total issued capital of UKOG before such capital raising or takeover.

- The major shareholder in UKOG, Gerwyn Williams, will lend to UKOG funds to meet all operating expenses, transactional expenses and listing expenses.

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- Eden will appoint a director to the board of directors of UKOG.

- The Heads of Terms is conditional upon both a formal agreement being executed and also to approval by the shareholders of Eden.

More complete details of the Heads of Terms are detailed in Eden's ASX announcement of 25 March 2014.

Gregory H. Solomon
Executive Chairman