ACN 109 200 900

24 May 2018

ASX Compliance Pty Limited
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

Attention: Ms Elizabeth Harris **By Email: elizabeth.harris@asx.com.au**

Dear Ms Harris,

EDEN INNOVATIONS LTD ("the Company") – PRICE AND VOLUME QUERY

We refer to your letter of 24 May 2018, and in relation to the questions raised by you concerning the recent increase in both price and volume of trading in securities of the Company this morning, we comment as follows:-

1. Is the Company aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain recent trading in its securities?

No.

2. If the answer to question 1 is yes:

Not applicable.

3. If the answer to question 1 is "no", is there any other explanation that the Company may have for the recent trading in its securities?

The Directors of the Company believe that the recent increase in share price and volume may be due to the following matter:

(a) In the Quarterly Report lodged by the Company with the ASX on 30 April 2018, the Company advised as follows:

> **"**First GDOT Federally Funded Repair Project
>
> The Invitation to Bid (ITB) for the first major Federal /State funded repair project ("the Project") on the interstate Highway I-16 in Twiggs County, Georgia was issued in April 2018. The ITB included performance requirements intended to enable EdenCrete® to be used in this project, which would involve the replacement of sections along approximately 11 lane miles of concrete pavement, and could utilise US$525,000 worth of EdenCrete®."

(b) The ITB specified that the volume of concrete required for the Project was 10,500 cubic yards.

(c) On or about 11 May 2018 the Georgia Department of Transportation "GDOT") announced the list of the lowest tenderers (and their prices) for the Project, and the announcement included a Project completion date of 31 March 2019.

(d) On or about 11 May 2018, GDOT awarded the contract for the Project to, the lowest tenderer (the Successful Tenderer"), and published this information.

(e) During the tender process, the Company provided a quotation to supply 21,000 gallons of EdenCrete® worth US$525,000, to all the ready-mix concrete suppliers that were bidding to supply the concrete required for the Project.

(f) Once the Successful Tenderer has completed any necessary formalities with GDOT, it is anticipated that it will in due course issue a purchase order to its various subcontractors, which the Company anticipates will include issuing a purchase order to a ready-mix concrete supplier.

(g) The Company still believes that there is a very high probability that it, in turn, will receive in due course a purchase order ("the Purchase Order") to supply the quoted quantity of EdenCrete® from the successful ready-mix supplier that supplies the concrete for the Project, after that ready-mix supplier receives its purchase order from the Successful Tenderer. However, unless and until the Company receives the Purchase Order from the ready-mix supplier, it is not in a position to make any further announcement.

(h) Should the Purchase Order be received it will be a major milestone for the Company in its quest for EdenCrete® to penetrate the huge US infrastructure market, as it will represent not only the largest individual order that it will have received to date, but will be the first order from GDOT for a project that is jointly funded by the US Federal Highway Administration ("FHWA") and GDOT, which follows the FHWA approval of this process as was announced by the Company to the ASX on 21 September 2017.

4. ***Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1*.**

The Company confirms that it is in compliance with the listing rules and, in particular, listing rule 3.1.

5. Please confirm that EDE's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of EDE with delegated authority from the board to respond to ASX on disclosure matters.

The Company confirms that this response has been authorised and approved in accordance with its continuous disclosure policy.

Yours faithfully

Gregory H. Solomon
Executive Chairman

24 May 2018

Mr Aaron Gates
Company secretary
Eden Innovations Ltd
Level 15
197 St Georges Terrace
PERTH WA 6000

By email: agates@edenenergy.com.au

Dear Mr Gates

Eden Innovations Ltd (the "EDE"): price query

We note the change in the price of EDE's securities from an opening price of $0.064 today Thursday 24 May 2018 to an intraday high today of $0.078.

We also note the significant increase in the volume of EDE's securities traded today.

In light of this, ASX asks EDE to respond separately to each of the following questions and requests for information:

1. Is EDE aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

2. If the answer to question 1 is "yes":

   a) Is EDE relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

      Please note that the recent trading in EDE's securities would suggest to ASX that such information may have ceased to be confidential and therefore EDE may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.

   b) Can an announcement be made immediately?

      Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).

   c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?

3. If the answer to question 1 is "no", is there any other explanation that EDE may have for the recent trading in its securities?

4. Please confirm that EDE is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

5. Please confirm that EDE's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of EDE with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 2:00 pm WST today, Thursday 24 May 2018. If we do not have your response by then, ASX will have no choice but to consider suspending trading in EDE's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, EDE's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at Elizabeth.Harris@ASX.com.au and copied to tradinghaltsperth@ASX.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to EDE's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that EDE's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in EDE's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

[Sent electronically without signature]

Elizabeth Harris
Principal Adviser, Listings Compliance (Perth)

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