



ACN 109 200 900

Second Annual Report

Arthur Hill Anticline Project

PEL 183

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SUBMITTED TO: PIRSA
DUE DATE FOR SUBMISSION: 3rd April 2009
PROSPECTS:
COMMODITY(s): Petroleum

Distribution:

- PIRSA Petroleum
- Eden Energy Ltd

Submitted by : EDEN ENERGY LTD, 29th September 2010

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1. Introduction

1.1 Background

PEL 183 is located over a portion of north-eastern section of the Stuart Shelf, approximately 100km north north-east of Olympic Dam, within Stuart Creek, Billa Kalina and Finnis Springs stations (Figure 1).

The prospectivity of the area was brought to the attention of Eden Energy following the release of seismic data from a large traverse conducted by Geoscience Australia and PIRSA in 2004. Subsequent review of the data by Eden suggested that there may be potential for hydrocarbon traps within a thick sequence of interpreted Neoproterozoic sediments, overlying older basement rocks of relatively deep parts of the Stuart Shelf.

Despite the considerable age of the sediments, there is evidence, from elsewhere that certain parts of the interpreted stratigraphy are likely to contain hydrocarbons.

1.2 Licence Data

PEL 183 was granted to Eden Energy Limited on 4th February 2008 for a term of five years and to expire on 3rd February 2013. PEL183 covers an area of 3977km²

Figure 1 shows the location of the licence.

1.3 Period

In accordance with Section 33 of the Petroleum and Geothermal Energy Regulations 2000, this report details work conducted during the second permit year of this PEL.

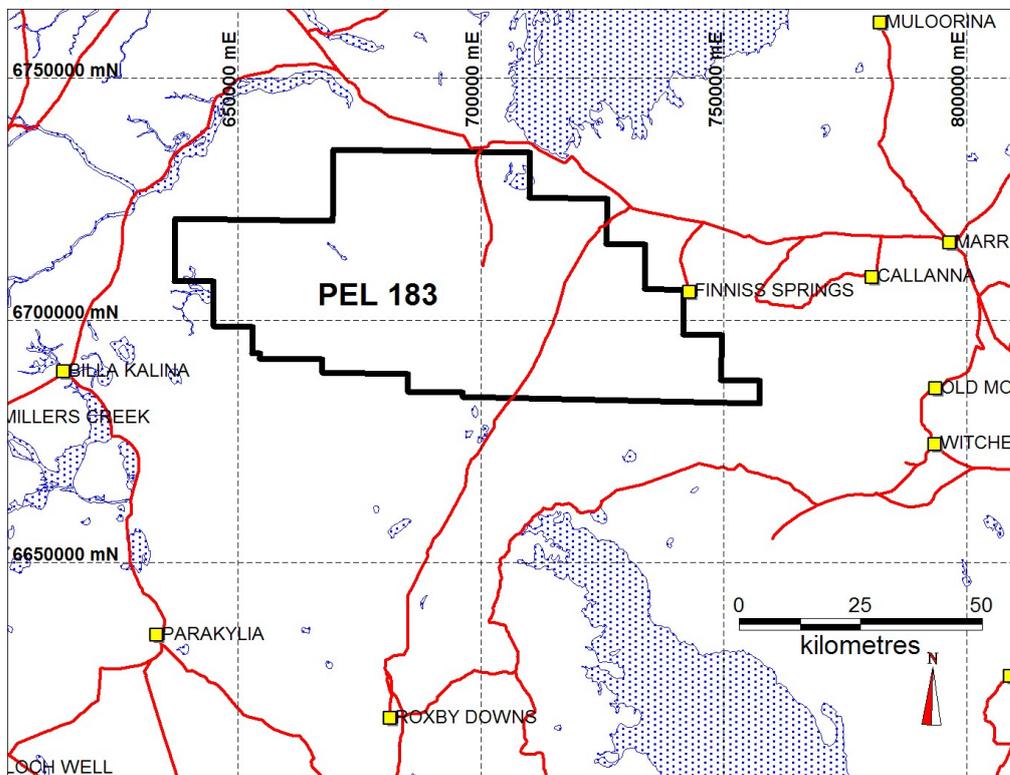


Figure 1: Location map of PEL 183

2. Work Requirements

The minimum work requirements over the five years of the licence are provided in the following table:

Year of Term of Licence	Minimum Work Requirements
One	Seismic Reprocessing Geological and Geophysical Studies
Two	Geological and Geophysical Studies
Three	Acquisition of geophysical and geological data
Four	Prospect generation and target definition
Five	Drill one well

3. Work Conducted

The work completed by Eden in Year 2 of PEL183 focussed on better defining the costs to test the target and seeking potential partners to fund the drilling.

Eden held discussions with a range of consultants on issues including:

- well design and permitting;
- the range of drilling options available, particularly focussing on slimline and underbalanced drilling permutations;
- preliminary costing of the various drilling options; and,
- discussions with the landholders concerning access to water for drilling.

The prospectivity of the target and the expectations of potential farm-in partners were also the subject of deliberations by Eden.

Expenditure for Year 2 is presented in Appendix 1.

4. Year Three Work Programme

The Year 3 work that has been agreed with PIRSA will involve:

- Acquisition of geophysical and geological data.

A key unknown for the target in PEL183 is whether and where closure on the anticlinal structure shown on the GA seismic occurs. To address this issue in Year 3 Eden plans to undertake a HISEIS VSP reflection seismic survey to provide additional information about the likely 3D structure of the target feature in PEL 183.

5. Compliance with the Petroleum Act (Reg. 33)

5.1 Summary of the regulated activities conducted under the licence during the year

No regulated activities were conducted during the year

5.2 Report for the year on compliance with the Act, these Regulations, the licence and any relevant Statement of Environmental Objectives

See 6.1 above

5.3 Statement concerning any action to rectify non-compliance with obligations imposed by the Act, these regulations or the license, and to minimise the likelihood of the recurrence of any such non-compliance

See 6.1 above

5.4 Summary of any management system audits undertaken during the relevant licence year, including information on any failure or deficiency identified by the audit and any corrective action that has, or will be, taken

See 6.1 above

5.5 List of all reports and data relevant to the operation of the Act generated by the licensee during the relevant licence year

No new reports were generated during the second year of the licence.

Informal discussions were held with a range of consultants on issues including:

- well design and permitting;
- the range of drilling options available, particularly focussing on slimline and underbalanced drilling permutations;
- preliminary costing of the various drilling options; and,
- discussions with the landholders concerning access to water for drilling.

5.6 Report on any Incidents reportable to the Minister under the Act and Regulations during the relevant Licence Year

No reportable incidents occurred.

5.7 Report on any reasonably foreseeable threats (other than threats previously reported on) that reasonably present, or may present, a hazard to facilities or activities under the licence, and a report on any corrective action that has, or will be, taken

No threats have been identified.