



ACN 109 200 900

Fourth Annual Report

Mungerannie Project

GEL 177

Reporting Period 10 January 2008 to 9 January 2009

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1. Introduction

1.1 Background

The Mungerannie Project area is located in the Eromanga Basin west of Moomba. The licence area is located on the Birdsville Track (see Figure 1). There is extensive cover and the area is relatively poorly explored with minimal seismic (2D) coverage and only one petroleum well drilled within the tenement (Mulkarra West 1).

1.2 Licence Data

Geothermal Exploration Licence 177 was granted on the 9th January 2005 for an initial term of five years. The total area of the tenement is 497 km².

Figure 1 shows the location of the licence.

1.3 Period

In accordance with Section 33 of the Petroleum Regulations 2000, this report details work conducted during the fourth permit year of this licence, that being 10 January 2008 to 9 January 2009. As this is the final annual report to be submitted for this licence, this report includes data submission requirements that fall outside this reporting period.

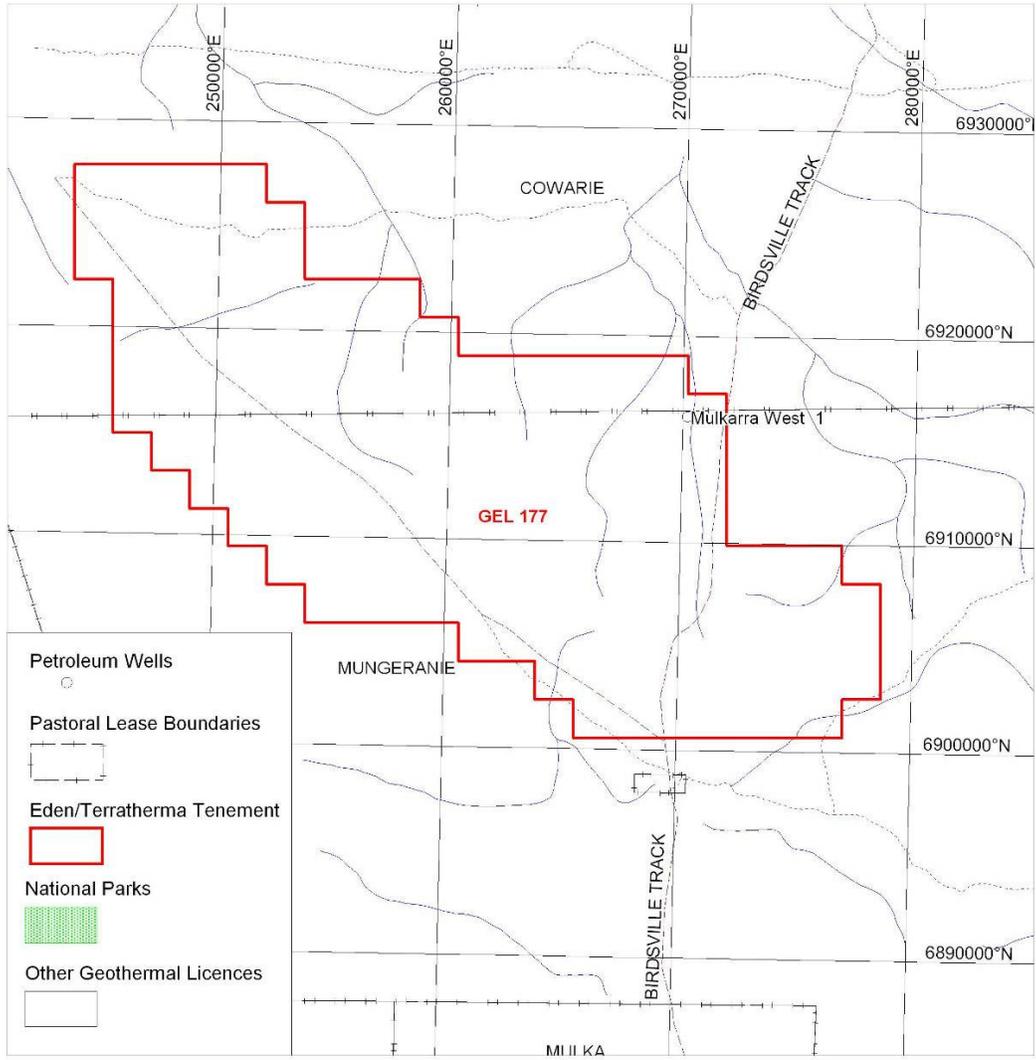


Figure 1 Location map of GEL 177

2. Work Requirements

Licence Year	Licence dates	Minimum Work Program
Year 1	10 January 2005 – 9 January 2006	Geological and geophysical studies
Year 2	10 January 2006 – 9 January 2007	Geological and geophysical studies
Year 3	10 January 2007 – 9 January 2008	Review of Seismic Data, acquisition and modelling of Magnetotelluric data
Year 4	10 January 2008 – 9 January 2009	Geological and geophysical studies, preliminary feasibility study, drill one slimline prospecting well (~500 m)

The Year 4 work programme negotiated by Eden with PIRSA for GEL 177 comprised:

- Geological and geophysical data reviews in an attempt to define drilling targets
- Magnetotelluric survey final interpretations;
- Preliminary feasibility study.

3. Work Conducted

An MT survey was completed across three of Eden's geothermal exploration licences between 18 January 2008 and 18 February 2008. One line was completed within the GEL177, Mungerannie Project from 11 - 16th February 2008 with results of the inversions arriving in April 2008. These inversions confirmed the expectation that the crystalline basement is at relatively shallow depths across the tenement (Figure 2).

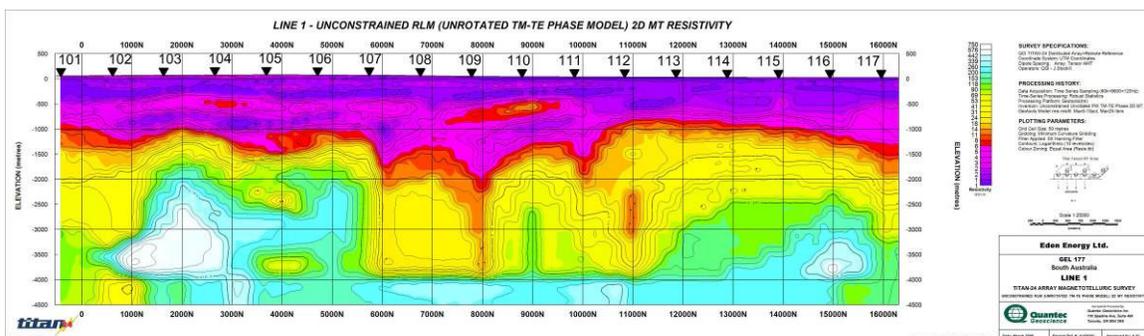


Figure 2. Image showing inversion results of the MT line through GEL 177

Hot Dry Rocks Pty Ltd was also engaged to undertake a comprehensive review of GEL 177 in late 2008. HDRPL provided EDE with a report on a risk analysis of the reservoir and temperature aspect of the geothermal play identified within GEL 177, and an outline of the work required to allow for the calculation of an inferred resource that would be compliant with the *Australian Geothermal Reporting Code, 2008*, for this area.

Based on technical and logistical reviews of this area it was decided to relinquish the tenement holding.

4. Year 4 Expenditure

Table 1: GEL 177 Mungerannie Project Expenditure 10/01/08 – 9/01/09

Commercial in Confidence

5. Year Five Work Programme

Eden has decided that there is little scope for advancement of this tenement holding for the development of commercially viable geothermal resources at this point in time, especially considering the current market conditions. EDE has made the decision to relinquish their tenure over GEL 177.

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

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

Eden undertook a magnetotelluric (MT) survey during the reporting year.

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

The relevant SEO for the MT acquisition activity is - *Statement of environmental objectives for ground geophysical operations (non-seismic) in South Australia.*" PIRSA August 2007. All SEO objectives were complied with, see table below.

Objectives of SEO	Assessment	Compliance/ non compliance
Objective 1 Minimise the disturbance to other land users.	Notices of entry served in good time, further discussed closer to entry period. No unresolved landowner complaints	Complied
Objective 2 Minimise disturbance to native vegetation, fauna and associated wildlife habitats.	Use of existing tracks wherever possible. No campsites were established. No vegetation clearance required. Refuelling not required in field.	Complied
Objective 3 Avoid disturbance to sites of cultural and heritage significance	No sites of cultural or heritage significance listed or observed in survey area.	Complied
Objective 4 Minimise the risk of introduction and/or spread of introduced species and bio-security threats.	All vehicles were washed and cleaned prior to entry to new areas.	Complied
Objective 5 Minimise the risk of initiation and/or propagation of wildfire	No campfires required. No fires lit. Diesel vehicles used where ever practicable. Fire extinguishers kept in vehicles.	Complied
Objective 6 Minimise the visual impacts of geophysical operations	All sample sites cleaned at cessation of recording. No significant ground disturbance required. Pre existing tracks utilised wherever possible.	Complied
Objective 7 Minimise generation of dust.	Vehicle speeds kept to a minimum.	Complied
Objective 8 Minimise soil disturbance and contamination	No campsites required. No spills occurred. No waste generated nor disposed of in field. Minimal vehicles required for operation	Complied
Objective 9 Optimise waste reduction and recovery.	No waste generated or disposed of in field.	Complied

Eden has complied with all relevant sections of the Act and Regulations as they pertain to the regulated activities conducted during the year, other than Section 33 of the Regulations.

Eden has not complied with Section 33 (1) of the Regulations pertaining to the provision of an annual report within two months after the end of the licence year.

6.3 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

Eden recognises the importance of achieving regulatory compliance and is committed to achieving appropriate practices in its management strategies, work practices and procedures. Eden is committed to operating in an environmentally and socially responsible manner.

Eden will review its management strategies to ensure that more robust systems are put in place to reduce the likelihood of administrative oversight from occurring again in the future regarding reporting requirements. This case of non compliance was influenced to some degree due to the present day market forces taking some of the company focus from the reporting requirements associated with being the registered tenement holder.

6.4 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

Eden is a new company and has developed appropriate systems and documentation to cover Field Operations, Environmental Management, Health and Safety issues and compliance checklists to ensure the requirements of relevant Acts and Regulations are met.

As these systems are newly developed and the work conducted to date has not shown any deficiencies in the systems, no management system audits have been undertaken as yet.

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

Description of Report/Data	Date Due	Date Submitted	Compliant / Non-Compliant
MT survey data and files for GEL 177 (MT soundings, interpretation, logistics report, operations report, all raw and processed data)	Oct 08	May 09	late submission due to data not being held in house
Terratherma – Risk Assessment of Identified Geothermal Plays. Internal strategic and analysis report by HDRPL Oct 2008	NA	As requested	
Geothermal Tenements – schedule of activities. Internal report by HDRPL June 2008.	NA	As requested	

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

No reportable incidents occurred.

6.7 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.