



ACN 109 200 900

Second Annual Report

Moomba Project GEL 185

14th May 2006 to 13th May 2007

HELD BY:	Eden Energy Ltd
MANAGER & OPERATOR:	Eden Energy Ltd
AUTHOR(s):	Graham M. Jeffress
SUBMITTED TO:	Greg Solomon
DUE DATE FOR SUBMISSION:	23 rd July 2007
PROSPECTS:	
COMMODITY(s):	Geothermal Energy
KEY WORDS:	Moomba, Innamincka, geothermal

Distribution:

- PIRSA Petroleum
- Eden Energy Ltd

Submitted by : _____

Accepted by : _____

CONTENTS

1	INTRODUCTION.....	3
1.1	BACKGROUND	3
1.2	LICENCE DATA.....	3
1.3	PERIOD.....	3
2	WORK REQUIREMENTS.....	4
3	WORK CONDUCTED.....	4
4	YEAR 2 EXPENDITURE	4
5	YEAR 3 WORK PROGRAMME.....	5
6	COMPLIANCE WITH THE PETROLEUM ACT (REG. 33).....	5
6.1	SUMMARY OF THE REGULATED ACTIVITIES CONDUCTED UNDER THE LICENCE DURING THE YEAR	5
6.2	REPORT FOR THE YEAR ON COMPLIANCE WITH THE ACT, THESE REGULATIONS, THE LICENCE AND ANY RELEVANT STATEMENT OF ENVIRONMENTAL OBJECTIVES.....	5
6.3	STATEMENT CONCERNING ANY ACTION TO RECTIFY NON-COMPLIANCE WITH OBLIGATIONS IMPOSED BY THE ACT, THESE REGULATIONS OR THE LICENCE, AND TO MINIMISE THE LIKELIHOOD OF THE RECURRENCE OF ANY SUCH NON-COMPLIANCE	5
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	5
6.5	LIST OF ALL REPORTS AND DATA RELEVANT TO THE OPERATION OF THE ACT GENERATED BY THE LICENSEE DURING THE RELEVANT LICENCE YEAR.....	6
6.6	REPORT ON ANY INCIDENTS REPORTABLE TO THE MINISTER UNDER THE ACT AND REGULATIONS DURING THE RELEVANT LICENCE YEAR.....	6
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	6
6.8	STATEMENT OUTLINING OPERATIONS PROPOSED FOR THE ENSUING YEAR	6

List of Figures

FIGURE 1:	LOCATION OF GEL 185.....	3
-----------	--------------------------	---

1 Introduction

1.1 Background

Following review of public domain information, the Moomba North area in the northeast of South Australia was selected as it appears to exhibit certain of the key model parameters required for geothermal energy, namely high heat flow, adequate insulating sediment, and suitable basement conditions.

Importantly, Geodynamics Limited has already made significant progress in demonstrating the technical robustness of the general area for geothermal power generation.

Clearly a significant part of the initial technical risk of Eden's Moomba North proposal has been addressed by Geodynamics work. Accordingly, Eden's work program will benefit from Geodynamics program but will be tailored to addressing more particularly specific issues pertaining to its area.

1.2 Licence Data

Geothermal Exploration Licence 185 was granted on 14th May 2005 with an initial term of five years over an area of 494km².

Figure 1 shows the licence locations.

1.3 Period

In accordance with Section 33 of the Petroleum Regulations 2000, this report details work conducted during the first permit year of GEL185.

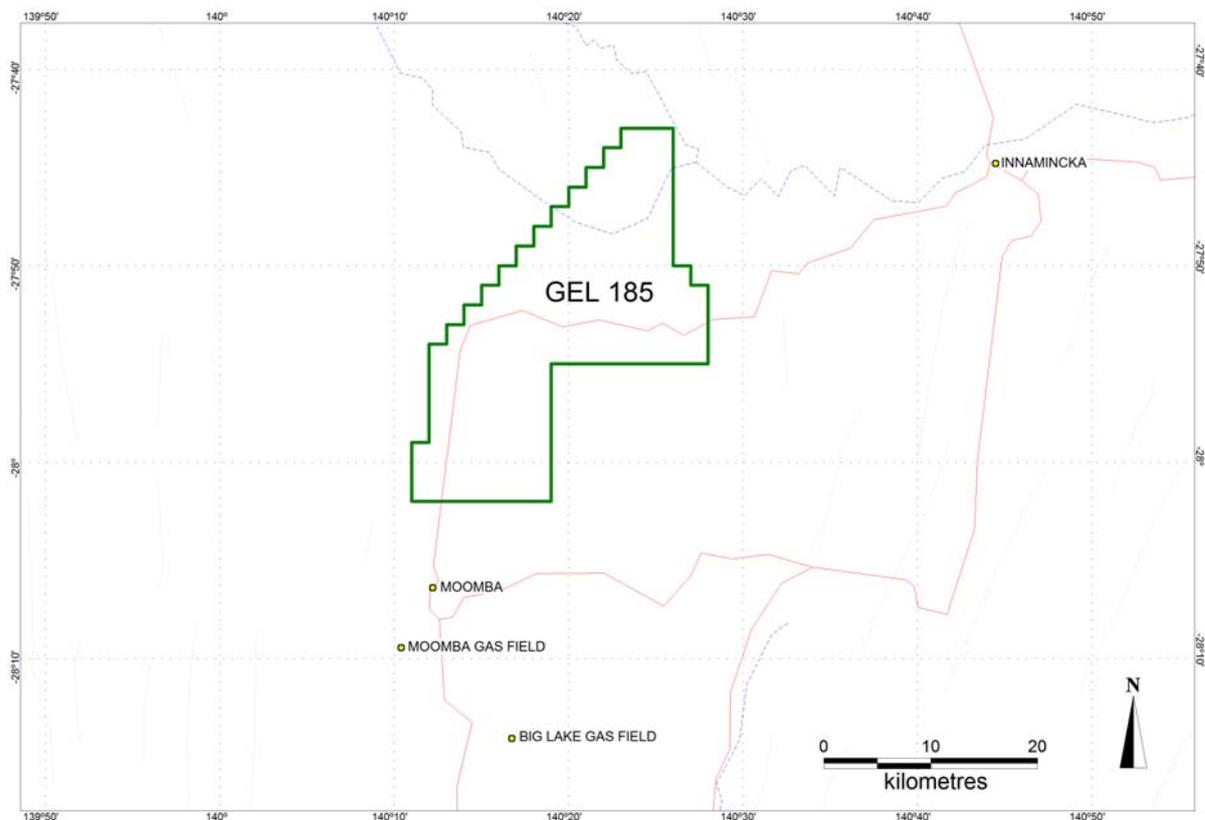


Figure 1: Location of GEL 185

5 Year 3 Work Programme

Activities scheduled for Year 3 are designed to secure funds for subsequent, higher cost aspects of the work program, better define the target reservoirs by conducting specific, targeted geophysical surveys (if required) and selection of a suitable initial test drill site.

Work planned for the third year of GEL 185 is now designed to increase our knowledge of the depth to basement and heat flow in the project area as well as define specific locations to drill a test hole.

Eden consider that MT, combined with detailed modelling of the potential field data, will provide the best way forward. A thorough assessment of the available seismic data has also yet to be completed.

Consequently Eden are proposing a potential infill gravity survey, at least an orientation MT survey and synthesis of the public domain seismic interpretations and SeeBASE information.

Results from all of these areas will be used to select a test site for a drilling a prospecting geothermal hole – in 2008 – dependent on drill rig availability.

In parallel with technical work, Eden will be commencing more detailed economic/commercial assessments of all of the geothermal licences held by the company to identify the best strategies to progress the projects.

6 Compliance with the Petroleum Act (Reg. 33)

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

Eden has not undertaken any regulated activities as defined under the Petroleum Act in GEL 185 during the licence year.

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

Given that no regulated activities were undertaken during the reporting period, many of the regulations are inapplicable at this stage and no non-compliances have been noted, with the exception of late submission of this report.

6.3 Statement concerning any action to rectify non-compliance with obligations imposed by the Act, these regulations or the licence, 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.

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 is developing 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.

Eden's activities have been essentially desktop studies at this stage and 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

Most of the work conducted during the first licence year comprised compilation of various public domain data and preparation of a number of memoranda by consultants. The contents of the memoranda have been incorporated into this report.

No new surveys or data relating to the tenement have been acquired.

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.

6.8 Statement outlining operations proposed for the ensuing year

See Section 5 above.