

2 June 2009

**ASX Announcement**

**Eastern Corporation Limited**  
**Non-Renounceable Rights Issue**

**Notice to Shareholders**

The enclosed letter and attachment has been mailed to shareholders today.

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**For further information contact:**

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Manager, Business Development & Corporate Relations

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2 June 2009

Dear Shareholder,

### Non-Renounceable Rights Issue

On 22 May 2009, Eastern Corporation Limited (Eastern) announced a capital raising of A\$7.5 million.

This raising comprised:

- a placement to professional and sophisticated investors who committed to subscribe for 10,416,667 shares at A\$0.24 per share to raise A\$2.5 million before costs (Placement).
- a non-renounceable rights issue to all eligible Eastern shareholders to acquire 1 New Share for every 4 shares held at an issue price of A\$0.24 per share to raise approximately A\$5 million before costs (Rights Issue).

The combined funds raised in addition to Eastern's existing cash reserves will be directed to

- exploration work programmes associated with Eastern's CSG interests in the Galilee Basin, by funding its share of the exploration expenditure commitments of Galilee Energy Ltd and
- other corporate and offer costs and working capital requirements.

The Placement was completed on 27 May 2009.

The Prospectus in relation to the Rights Issue was lodged with the Australian Securities and Investments Commission (ASIC) and the Australian Securities Exchange (ASX) on 1 June 2009. It is available on the ASX website and also on Eastern's website [www.easterncorp.com.au](http://www.easterncorp.com.au).

#### Indicative timetable for the Rights Issue

Event	Date
Rights Issue prospectus lodged with ASIC & ASX	1 June, 2009
Notice with information on Rights Issue to Shareholders	2 June, 2009
Shares commence trading on ASX on an ex rights basis	3 June, 2009
Record date for participation in Rights Issue	10 June, 2009
Despatch of Prospectus and Entitlement and Acceptance forms	16 June, 2009
Rights Issue opening date	17 June, 2009
Rights Issue closing time and date for acceptances and payment	8 July, 2009 5.00pm (AEST)
Allotment and date for despatch of holding statements	16 July, 2009
Commencement of trading of new shares on the ASX	17 July, 2009

*This timetable is indicative only and subject to change. The Directors of the Company reserve the right, subject to the ASX Listing Rules, to vary these dates, including the Closing Date, without prior notice.*



The Rights Issue is for all Eastern shareholders on the register as at 7.00pm AEST on 10 June 2009 with registered addresses in Australia and New Zealand. Entitlements to new shares pursuant to the Rights Issue are non-renounceable and accordingly will not be traded on the ASX.

The Rights Issue is fully underwritten by Paterson Securities Limited with Becamal Pty Ltd (an entity associated with Eastern director Campbell Smith) participating as a partial sub-underwriter.

Accompanying this letter is an Appendix 3B notice. The Prospectus containing the Entitlement and Acceptance Form will be despatched to all eligible shareholders of Eastern registered at the Record Date of 10 June 2009.

For any further information please contact Miss Sam Aarons, Manager Business Development and Corporate Relations on 07 3216 1155.



Bill Lyne  
Company Secretary

## Eastern Corporation Limited– Non-Renounceable Rights Issue Appendix 3B Notice to Shareholders

*The following information with respect to the non-renounceable rights issue of ordinary shares being undertaken by Eastern Corporation Limited ACN 064 957 419 is provided to Shareholders in accordance with the ASX Listing Rules. Full details of the Offer are contained in the Prospectus which will be despatched to all eligible shareholders of the Company registered at the Record Date of 10 June 2009.*

*The Prospectus has been lodged with ASIC and ASX and is available for viewing on ASX's website and on the Company's website [www.easterncorp.com.au](http://www.easterncorp.com.au).*

Class of securities issued or to be issued	Fully paid ordinary shares (ECU)	
Number of securities issued or to be issued (if known) or maximum number which may be issued	20,550,517	
Principal terms of the securities	Non-renounceable rights issue on 1 for 4 basis  Offer opens 17/6/09 & closes 8/7/09 and is fully underwritten	
Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?	Shares issued will rank equally with all other issued shares, including for dividends	
Issue price or consideration	24¢ per share	
Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The funds raised by the rights issue, together with the funds raised by the \$2.5 million placement announced by the Company and the Company's existing cash reserves will be utilised for: <ul style="list-style-type: none"> <li>• funding the expenditure commitments of Galilee Energy Ltd with respect to exploration;</li> <li>• working capital; and</li> <li>• offer costs.</li> </ul>	
Dates of entering securities into uncertificated holdings or despatch of certificates	16 July 2009	
Number and class of all securities quoted on ASX (including the securities to be issued pursuant to the rights issue)	<b>Number</b>	<b>Class</b>
	102,752,585	Ordinary shares

Number and class of all securities not quoted on ASX (including the securities to be issued pursuant to the rights issue)	<table border="1"> <thead> <tr> <th data-bbox="804 203 1058 241">Number</th> <th data-bbox="1058 203 1461 241">Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="804 241 1058 331">2,000,000</td> <td data-bbox="1058 241 1461 331">Options 30¢ 4/12/11 (vesting 4/12/09)</td> </tr> <tr> <td data-bbox="804 331 1058 443">2,000,000</td> <td data-bbox="1058 331 1461 443">Options 35¢ 4/12/11 (vesting 4/12/10)</td> </tr> </tbody> </table>	Number	Class	2,000,000	Options 30¢ 4/12/11 (vesting 4/12/09)	2,000,000	Options 35¢ 4/12/11 (vesting 4/12/10)
Number	Class						
2,000,000	Options 30¢ 4/12/11 (vesting 4/12/09)						
2,000,000	Options 35¢ 4/12/11 (vesting 4/12/10)						
Is security holder approval required?	No						
Is the issue renounceable or non-renounceable?	Non-renounceable						
Ratio in which the securities will be offered	1 new share for every 4 shares held						
Class of securities to which the offer relates	Ordinary fully paid shares						
Record date to determine entitlements	10 June 2009						
Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No						
Policy for deciding entitlements in relation to fractions	Nearest whole number (that is less than 0.5 will be rounded down and 0.5 and above will be rounded up)						
Names of countries in which the entity has security holders who will not be sent new issue documents	The offer is not being extended to any shareholders whose registered address is outside of Australia and New Zealand.						
Closing date for receipt of acceptances or renunciations	NA						
Names of any underwriters	Patersons Securities Ltd (PSL)						
Amount of any underwriting fee or commission	5% of amount underwritten by PSL – including any of its sub-underwriters, except for any amount sub-underwritten by a Company introduced sub-underwriter on which the fee is only 3%						
Names of any brokers to the issue	N/A						
Fee or commission payable to the broker to the issue	N/A						
Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A						
If the issue is contingent on security holders' approval, the date of the meeting	N/A						

Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	16 June 2009
If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
Date rights trading will begin (if applicable)	N/A
Date rights trading will end (if applicable)	N/A
How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
Despatch date	16 July 2009