



EASTERN
CORPORATION LIMITED

ABN 11 064 957 419

16 June 2009

ASX Announcement

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

Letter to Foreign Shareholders

The enclosed letter has been despatched today to all Eastern Corporation Limited shareholders with a registered address outside Australia and New Zealand.

Mailing of Prospectus

The Prospectus and Entitlement and Acceptance form pursuant to the Non-Renounceable Rights Issue announced on 22 May 2009 has been mailed to all eligible shareholders today.

The closing date for acceptances is 8 July 2009.

For further information contact:

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16 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 through a placement (Placement) and a non-renounceable rights issue (Rights Issue).

As you are a shareholder with a registered address outside of Australia and New Zealand, the offer pursuant to the Rights Issue will not be extended to you. Instead the shares that would have been issued to you and other foreign shareholders will be issued to Patersons Securities Limited as nominee who will sell the shares and distribute the proceeds accordingly after deducting costs. Further information in this regard is set out below.

The capital 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..
- 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.

The combined funds raised by the Placement and the Rights Issue, 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 28 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 and is available on the ASX website and also on Eastern's website 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 7.00pm (AEST)
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 (Record Date) 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.

In accordance with the ASX Listing Rules, Eastern has considered the number of shareholders with registered addresses outside of Australia and New Zealand, the number and value of the shares held by those shareholders, and the number and value of new shares those shareholders would be offered pursuant to the Rights Issue. Taking this into consideration, as well as the costs of complying with the legal requirements and the requirements of the regulatory authorities of those jurisdictions outside of Australia and New Zealand, Eastern believes it to be unreasonable to extend the Rights Issue to all shareholders, and that the offer pursuant to the Rights Issue will only be extended to those Eastern shareholders on record as at 7.00pm AEST on 10 June 2009 with registered addresses in Australia and New Zealand.

Accordingly, as a shareholder with a registered address outside of Australia and New Zealand as at the Record Date, the offer pursuant to the Rights Issue will not be extended to you. However, Eastern has appointed Patersons Securities Limited to act as a nominee for the purposes of section 615 of the *Corporations Act*. Accordingly, the Company must issue to the nominee the new shares that would otherwise be issued to Eastern shareholders as at the Record Date who have a registered address outside of Australia and New Zealand.

The nominee must then sell such new shares at a price and otherwise in a manner determined by the nominee in its sole discretion. Neither Eastern nor the nominee will be held liable for the sale of any such shares at any particular price or the timing of such sale. The proceeds of sale of such new shares will be distributed to those shareholders for whose benefit the shares are sold in proportion to their shareholding as at the Record Date (after deducting costs).

For any further information please contact Miss Sam Aarons, Manager Business Development and Corporate Relations on +61 7 3216 1155.



Bill Lyne
Company Secretary