Eastern Iron Limited
ABN 70 126 678 037

... ASX Announcement

Tuesday 23 September 2008

Company Announcements Office
Australian Securities Exchange

## Update on Loyalty Option Issue

As foreshadowed in Eastern Iron Limited's IPO Prospectus dated 11 March 2008, Eastern Iron proposes an offer of options to qualifying shareholders on the basis of one option for every two shares held in the Company at the record date at an offer price of $0.01, with an exercise price of $0.25 and an expiry date of 19 December 2010.

Subject to obtaining advice from the ASX regarding certain aspects of the offer, notably regarding the need for shareholder approval of the issue, we will proceed with the offer as soon as possible, advise the record date and dispatch a Prospectus to qualifying shareholders.

All shareholders in the Company who have remained on the share register from the time of the IPO and who have continuously retained shares in the Company to the record date are eligible to participate in the Offer. For example, a shareholder who was allotted 10,000 shares pursuant to the March 2008 Prospectus and subsequently sold 4,000 shares prior to the Record Date has a Qualifying Shareholding of 6,000 shares and is entitled to apply for 3,000 options.

A further announcement will be made as soon as the matters have been clarified by the ASX.

**Eastern Iron Limited**

**Peter Buckley**
Managing Director

## Investor Information

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