

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix S. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002.

Name of entity

EASTERN CORPORATION LIMITED

ABN

11 064 957 419

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | |
|---|---|
| 1 *Class of *securities
issued or to be issued | OPTIONS over ordinary shares |
| 2 Number of *securities
issued or to be issued
(if known) or maximum
number which may be
issued | 55,000,000

(fifty five million) |
| 3 Principal terms of the
*securities (eg, if
options, exercise price
and expiry date; if
partly paid *securities,
the amount outstanding
and due dates for
payment; if *convertible
securities, the
conversion price and
dates for conversion) | Options with exercise price 4
cents & expiring 30/6/05

On exercise of each 1 option,
holder will receive 1 ord
share + 1 attaching 6
cent option expiring
30/6/06

Issued following approval at
General Meeting 27 May
2004 |

+ See chapter 19 for defined terms.

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4	Do the *securities rank equally in all respects from the date of allotment with an existing *class of quoted *securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes, rank equally, once exercised into shares.								
5	Issue price or consideration	Nil cash consideration, but issued to participants in placement of 55,000,000 shares 4 May 2004								
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Additional working capital.								
7	Dates of entering *securities into uncertificated holdings or despatch of certificates	27 May 2004								
8	Number and *class of all *securities quoted on ASX (including the securities in clause 2 if applicable)	<table><tr><th>Number</th><th>*Class</th></tr><tr><td>424,365,304</td><td>Ordinary shares</td></tr><tr><td>55,000,000</td><td>Options 4¢</td></tr><tr><td></td><td>30/6/05</td></tr></table>	Number	*Class	424,365,304	Ordinary shares	55,000,000	Options 4¢		30/6/05
Number	*Class									
424,365,304	Ordinary shares									
55,000,000	Options 4¢									
	30/6/05									

+ See chapter 19 for defined terms.

	Number	*Class
9	Number and *class of all *securities not quoted on ASX (including the securities in clause 2 if applicable)	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No change

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	NOT APPLICABLE
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the *securities will be offered	
14	*Class of *securities to which the offer relates	
15	*Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has *security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	

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20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of *security holders	
25	If the issue is contingent on *security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	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	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do *security holders sell their entitlements in full through a broker?	
31	How do *security holders sell part of their entitlements through a broker and accept for the balance?	

* See chapter 19 for defined terms.

32 How do *security holders dispose of their entitlements (except by sale through a broker)?

33 *Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a ☒ Securities described in Part 1
)

(b ☐ All other securities
)

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

(If the additional securities do not form a new class, go to 43)

Tick to indicate you are providing the information or documents

35 ☐ If the *securities are *equity securities, the names of the 20 largest holders of the additional *securities, and the number and percentage of additional *securities held by those holders

36 ☐ If the *securities are *equity securities, a distribution schedule of the additional *securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional *securities

(now go to 43)

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which *quotation is sought	NOT APPLICABLE	
39	Class of *securities for which quotation is sought		
40	Do the *securities rank equally in all respects from the date of allotment with an existing *class of quoted *securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment		
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)		
42	Number and *class of all *securities quoted on ASX (including the securities in clause 38)	Number	*Class

(now go to 43)

* See chapter 19 for defined terms.

All entities

Fees

43 Payment method (tick one)

☐

Cheque attached

☐

Electronic payment made

Note: Payment may be made electronically if Appendix 3B is given to ASX electronically at the same time.



Periodic payment as agreed with the home branch has been arranged

Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

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- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before quotation of the securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:
.....

(~~Director~~/Company Secretary)

Print name:**Bill**
 Lyne.....
 ..

Date: ..28 May 2004....

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+ See chapter 19 for defined terms.