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13 August 2004

The Manager
Australian Stock Exchange Limited
Company Announcement Platform

Dear Sir,

Enclosed is an update on the activities of Eastern Corporation Limited.

Regards

GORDON SMITH
Chairman

PAUL WILLIAMS APPOINTED CHIEF EXECUTIVE OFFICER OF EASTERN CORPORATION

Eastern Corporation Limited is a Queensland energy company pursuing the exploration and development of coal seam methane in the Galilee Basin and coal in the Bowen Basin and New Zealand.

Emerging coal and coal seam methane producer Eastern Corporation has appointed experienced resources company director and lawyer Paul Williams as Chief Executive Officer.

Announcing the appointment today, Chairman Gordon Smith said a group of high quality people had been assembled to pursue Eastern's strategy of growth as a broad based energy company.

In the last month, Eastern has announced a drilling programme as the next stage of plans to develop a new coal project in Queensland's Bowen Basin, together with progress towards a coking coal mine in New Zealand and planned expansion of the Galilee Basin coal seam methane project through investment from the UK.

Mr Smith and Mr Williams led the team that took control of the former mineral resources and technology company in January 2003 and refocused it on the energy sector.

Mr Williams continues as a director of Eastern while taking over as CEO from Mr Smith who continues as Chairman.

Mr Williams, a former partner in the Brisbane law firm Hopgood Ganim, has built a reputation for his expertise in resources and mining law.

He has been involved in the establishment of several Australian mining companies including a Bowen Basin coal joint venture. Mr Williams has extensive experience advising on corporate governance matters and the listing of public companies on the Australian Stock Exchange.

"Paul played an important part in developing Eastern's new energy strategy," Mr Smith said, "and he has become increasingly involved in the executive work of progressing our coal and coal seam methane projects. His legal, strategic and executive strengths make him well suited to take over as Chief Executive Officer at a time when we are planning to grow the company."

Mr Smith was part of the team which took the successful Foxleigh coal mine in the Bowen Basin from exploration to production within two years.

Eastern's coal mining capability was strengthened further last month by the appointment of Mr John McIntyre to the board. Mr McIntyre is a professional mining engineer with both open pit and underground management experience and expertise in the feasibility evaluation and development of mining projects. Managing Director of the Australian subsidiary of US mineral industry consultancy Behre Dolbear, Mr McIntyre has previously held senior positions at the Goonyella and Curragh mines in the Bowen Basin.

Latest developments at Eastern:

- Last month Eastern commenced a drilling programme at the Broughton coal exploration tenement which adjoins Rio Tinto Coal's Hail Creek mine, to clarify coal quality and washability and to determine the extent of a coking coal resource. Results are expected in early September.

- Further drilling is planned at the Peak exploration tenements which adjoin Broughton, the timing being subject to the availability of drill rigs and personnel.

- In New Zealand, a preliminary mine plan is being submitted for Whareatea West and discussions are planned with Government officials next month. Previous geological studies have indicated the potential for a significant coking coal resource.

- Representatives of Eastern are pursuing opportunities to acquire interests in existing coal mine operations in order to secure early cash flow.

- In the Galilee Basin coal seam methane project, significant progress has been made towards the mid-2005 target for moving from resource to reserve status at the Rodney Creek pilot program where the critical objective of a controlled steady drop in water levels is being achieved.

- Expansion of the Galilee Basin project is being planned through the injection of $18 million by UK natural gas company Viking International Petroleum plc in a 50% joint venture, subject to due diligence that is currently being undertaken.

Further information: Miss Sam Aarons - Manager Corporate Services
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