



Eastern Corporation Limited

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19 November 2004

The Manager
Australian Stock Exchange Limited
Company Announcements Platform

Dear Manager

RE: SHARE PLACEMENT

The Directors of Eastern Corporation Limited ("Eastern") are pleased to announce the placement of an additional 50 million ordinary shares and (as part of the placement) the issue of 20 million free attaching options. The placement was co-ordinated and managed on behalf of Eastern by Macquarie Equities Limited.

A total of \$2.5million is to be raised from the placement (less management fees), which are to be utilised by Eastern to further its project interests and in particular:

- * meeting costs associated with the ongoing drilling programmes being conducted at Eastern's coal projects at Broughton in Queensland's Bowen Basin, as well as West Whareatea on the south island of New Zealand

- * providing funds to meet Eastern's likely ongoing funding requirements in respect of its share of the Galilee Energy coal seam methane project

- * meeting costs associated with due diligence and other reviews associated with other project interests which Eastern is currently pursuing

- * providing ongoing working capital for Eastern.

The placement has been effected by way of an excluded offer of securities to sophisticated investors and clients of stockbroking firms. The free-attaching options are of an identical class to Eastern's existing 30 June 2005 options which are listed for quotation on the ASX. It is anticipated that the shares and options will be issued and quoted on ASX on or about 29 November 2004.

Yours sincerely

Bill Lyne
Company Secretary