

**EASTERN CORPORATION LIMITED  
ACN 064 957 419**

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**NOTICE OF ANNUAL GENERAL MEETING  
AND  
EXPLANATORY MEMORANDUM**

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Date of Meeting: Wednesday 28 November 2007  
Time of Meeting: 3:00pm (Brisbane time)  
Place of Meeting: KPMG  
Level 16 Riparian Plaza  
71 Eagle Street  
Brisbane  
Queensland

This Notice of Annual General Meeting should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

**NOTICE OF ANNUAL GENERAL MEETING  
EASTERN CORPORATION LIMITED ACN 064 957 419**

Notice is given that the Annual General Meeting of shareholders of **Eastern Corporation Limited ACN 064 957 419 (Company)** will be held at the offices of KPMG, Level 16 Riparian Plaza, 71 Eagle Street, Brisbane, Queensland on Wednesday 28 November 2007 at 3:00pm (Brisbane time).

**AGENDA**

**ORDINARY BUSINESS**

**Financial Reports**

To receive and consider the Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Income Statements, Balance Sheets, Cashflow Statements and notes to and forming part of the accounts for the Company and its controlled entities for the financial year ended 30 June 2007.

**1. RE-ELECTION OF RICHARD JOHN MAY AS A DIRECTOR**

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

*"That Richard John May who retires by rotation in accordance with Rule 58.1 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."*

**2. RE-ELECTION OF CAMPBELL GORDON SMITH AS A DIRECTOR**

To consider and if thought fit pass the following resolution as an Ordinary Resolution of the Company:

*"That Campbell Gordon Smith, who retires in accordance with Rule 56.2 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."*

**3. REMUNERATION REPORT**

To consider and, if thought fit, pass the following Advisory Resolution:

*"That, the Remuneration Report for the year ended 30 June 2007 (as set out in the Directors' Report) is adopted."*

The vote on this Resolution 3 is advisory only and does not bind the Directors of the Company.
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**SPECIAL BUSINESS**

**4. CONSOLIDATION OF SHARE CAPITAL**

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

*"That in accordance with, and pursuant to, section 254H(1) of the Corporations Act, the issued share capital of the Company be consolidated on the basis that every ten existing fully paid shares in the capital of the Company be consolidated into one fully paid ordinary share with such consolidation to take effect on 28 November 2007 (**Effective Date**) and otherwise on the terms and conditions described in the Explanatory Memorandum."*

Note: In accordance with Section 254H(4) of the Corporations Act, a copy of this Resolution, if passed, shall be lodged with the Australian Securities & Investments Commission within one (1) month of the meeting.

**GENERAL BUSINESS**

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

**BY ORDER OF THE BOARD**



Bill Lyne  
Company Secretary  
26 October 2007

## EXPLANATORY MEMORANDUM

### EASTERN CORPORATION LIMITED ACN 064 957 419

#### 1. INTRODUCTION

This Explanatory Memorandum is provided to shareholders of Eastern Corporation Limited ACN 064 957 419 (**Company**) to explain the resolutions to be put to Shareholders at the Annual General Meeting to be held at the offices of KPMG, Level 16 Riparian Plaza, 71 Eagle Street Brisbane, Queensland on Wednesday 28 November 2007 commencing at 3:00pm (Brisbane time).

The Directors recommend shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Terms used in this Explanatory Memorandum are defined in the Interpretation section at the end of this Explanatory Memorandum.

#### 2. CONSIDER THE COMPANY'S ANNUAL REPORT

The Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Income Statements, Balance Sheets, Cashflow Statements and notes to and forming part of the accounts for the Company and its controlled entities for the financial year ended 30 June 2007 was despatched to Shareholders and released to the ASX on 26 October 2007. The Annual Report is also available on the Company's website at [www.easterncorp.com.au](http://www.easterncorp.com.au).

The Company's Annual Report is placed before the shareholders for discussion. No voting is required for this item.

#### 3. RESOLUTION 1 – ELECTION OF RICHARD JOHN MAY AS A DIRECTOR

In accordance with Rule 58.1 of the Company's Constitution, Mr May retires as a director of the Company and offers himself for re-election.

Mr May was appointed as a director of the Company on 22 August 2006.

Mr May had 27 years experience as a partner with KPMG until his retirement on 30 June 2006. He served as a partner with KPMG both in Australia and Papua New Guinea. He has held senior positions within KPMG including a period as National Chairman of the Middle Market Advisory practice and was Partner in Charge of the Brisbane Middle Market Advisory practice for a period of 20 years. Mr May has extensive experience in accounting, taxation, auditing and business advisory matters having provided services to a diverse client base including medium sized and international corporations. He is a Board Member of the Brisbane Lions Foundation and has served as Director of Lifeline Community Care and Indooroopilly Golf Club.

The Directors (with Mr May abstaining) recommend that you vote in favour of this Ordinary Resolution.

#### 4. RESOLUTION 2 – ELECTION OF CAMPBELL GORDON SMITH AS A DIRECTOR

In accordance with Rule 56.2 of the Company's Constitution, Mr Smith retires as a director of the Company and offers himself for re-election.

Mr Smith was appointed as a director of the Company on 10 April 2007.

Mr Smith has over 15 years involvement in mining operations. As Operations Manager for Brookfield Equipment Company, he was involved in a number of major mining operations such as the Ivanhoe Copper Company's mine in Myanmar as well as the Ernest Henry mine in Queensland. He previously held the position of General Manager of Eastern Coal Holdings (NZ) Limited, overseeing the group's coal operations and exploration activities in New Zealand. He is a Director of Galilee Energy Ltd, Becamal Pty Ltd and Corostar Pty Ltd.

The Directors (Mr Smith abstaining) recommend that you vote in favour of this Ordinary Resolution.

## **5. RESOLUTION 3 - REMUNERATION REPORT**

The Board has submitted its Remuneration Report to shareholders for consideration and adoption by way of a non-binding Advisory Resolution.

The Remuneration Report is set out in the Directors' Report section of the Annual Report. The Report:

- (a) explains the Board's policy for determining the nature and amount of remuneration of executive directors and senior executives of the Company;
- (b) explains the relationship between the Board's remuneration policy and the Company's performance;
- (c) sets out remuneration details for each Director and the most highly remunerated senior executives of the Company; and
- (d) details and explains any performance conditions applicable to the remuneration of executive directors and senior executives of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report. A vote on this resolution is advisory only and does not bind the Directors of the Company.

## **6. RESOLUTION 4 – APPROVE CONSOLIDATION OF SHARE CAPITAL**

### **(a) Purpose of the Resolution**

The purpose of this resolution is to enable the Company to consolidate its Shares into a smaller number.

Section 254H of the Corporations Act allows a company to convert all or any of its shares into a smaller number by way of resolution of the members. There are currently 717,853,187 Shares on issue and there are 1,779 Shareholders in the Company.

The Board believes that in addition to making the Company more attractive to potential investors, the consolidation may also have future potential cost saving benefits in terms of administrative costs.

### **(b) Fractional Entitlements**

With respect to fractional entitlements, where a Shareholding is not a multiple of 10, which would result in a fraction of a Share following the proposed share consolidation, it is proposed that those Shareholders shall be issued, for no consideration, the additional fraction of the Shares necessary to increase the holding to the next whole number after the share consolidation.

**(c) Effect on Shareholdings**

As at the Date of the Meeting, there will be 717,853,187 Shares on issue.

The proposed consolidation will have the effect of reducing the number of Shares on issue to approximately (allowing for rounding) 71,785,319. The consolidation will only have an effect on the number of Shares held by Shareholders. Shareholders proportionate interest in the Company's share capital will remain unchanged by the consolidation.

**(d) Effect on Option Holders**

There are currently no options on issue in the Company.

**(e) Holding Statements**

From the date of the consolidation all holding statements for Shares will cease to have any effect, except as evidence of entitlement to a certain number of Shares on a post-consolidation basis. After the consolidation becomes effective, the Company will arrange for new holding statements to be issued to Shareholders. It is the responsibility of each Shareholder to check the number of Shares held prior to disposal.

**(f) Timetable**

<b>Event</b>	<b>Date</b>
Snapshot date for eligibility to vote at the Annual General Meeting	3pm (EST) 26 November 2007
Approval of consolidation at Annual General Meeting	28 November 2007
Last day for trading in pre-consolidation Shares	29 November 2007
Trading in post-consolidation Shares on a deferred settlement basis begins	30 November 2007
Last day for entity to register transfers on a pre- consolidation of basis	6 December 2007
First day for entity to register shares on a post-consolidation basis and to send shareholder notice	7 December 2007
Last day for entity to register shares on a post consolidation basis and to send shareholder notice	13 December 2007
Deferred settlement market ends	13 December 2007

**INTERPRETATION**

**ASX** means the ASX Limited.

**Board** means the Directors of the Company from time to time.

**Company** means Eastern Corporation Limited ACN 064 957 419.

**Constitution** means the constitution of the Company.

**Corporations Act** means the Corporations Act 2001 (Cwth).

**Directors** means the Directors of the Company.

**Meeting** means the meeting of Shareholders convened by the Notice to be held on Wednesday 28 November 2007 and any adjournment thereof.

**Notice** means the notice in respect of the Meeting.

**Effective Date** means the effective date for the Share Capital Consolidation, being 28 November 2007.

**Shares** means ordinary fully paid shares in the issued capital of the Company

**Shareholders** means holders of Shares in the capital of the Company.

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Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Bill Lyne (Company Secretary) or Miss Sam Aarons, Business Development & Corporate Relations Manager:

Eastern Corporation Limited  
Level 2  
895 Ann Street  
FORTITUDE VALLEY QLD 4000  
Telephone Phone: +61 7 3216 1155 Facsimile No: +61 7 3216 1199

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**TO LODGE A PROXY FORM:**

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia  
Facsimile +61 7 3237 2152

**FOR ALL ENQUIRIES CALL:**

(within Australia) 1300 552 270  
(outside Australia) +61 3 9415 4000

 **FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECEIVED BY 3.00PM AEST, MONDAY 26 NOVEMBER 2007**



YOUR SECURITYHOLDER INFORMATION IS AVAILABLE ONLINE, SIMPLY VISIT:  
**[www.investorcentre.com.au](http://www.investorcentre.com.au)**

- Review your securityholding
- Update your securityholding

**YOUR SECURE ONLINE ACCESS INFORMATION**

**SRN/HIN:** I1234567890

**POST CODE:** 3030

**!** FOR SECURITY REASONS IT IS  
IMPORTANT THAT YOU KEEP  
YOUR SRN/HIN CONFIDENTIAL.

**HOW TO COMPLETE THIS PROXY FORM** *Please read these notes prior to completion of the voting form.*

**VOTES ON ITEMS OF BUSINESS**

**Voting 100% of your holding.** You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

**Voting a portion of your holding.** You may indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. The sum of the votes cast on each item or the percentages for and against an item must not exceed your voting entitlement or 100%.

**A proxy need not be a securityholder of the Company.**

**APPOINTMENT OF A SECOND PROXY**

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the proportion or number of votes each proxy may exercise, otherwise each proxy may exercise half of the votes. Fractions of votes will be disregarded. A separate Proxy Form should be used for each proxy. You can obtain additional forms by telephoning the company's share registry or you may copy this form. If you lodge two proxies please lodge both forms together.

**SIGNING INSTRUCTIONS**

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.


If a representative of a corporate securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained by telephoning the company's share registry or at [www.computershare.com](http://www.computershare.com).

**LODGEMENT OF A PROXY FORM.** This Form (and any Power of Attorney under which it is signed) must be received at an address given above no later than 48 hours before the commencement of the meeting at 3.00pm AEST, Wednesday 28 November 2007. Any Proxy Form received after that time will not be valid for the scheduled meeting.

## STEP 1 APPOINT A PROXY TO VOTE ON YOUR BEHALF

I/We being a member/s of Eastern Corporation Limited hereby appoint

the Chairman of the Meeting OR

 Please leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Eastern Corporation Limited to be held at KPMG Level 16 Riparian Plaza 71 Eagle Street Brisbane on Wednesday 28 November 2007 at 3.00pm AEST and at any adjournment of that meeting.

## STEP 2 ITEMS OF BUSINESS

**PLEASE NOTE:** If you mark the **Abstain** box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

	For	Against	Abstain
<b>ORDINARY BUSINESS</b>			
1 Re-election of Richard John May as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Campbell Gordon Smith as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>SPECIAL BUSINESS</b>			
4 Consolidation of Share Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

## SIGN SIGNATURE OF SECURITYHOLDER(S) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

**Change of name and/or address.** If your name and/or address is incorrect, please mark this box and make the correction on this form. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes. *Please note, you cannot change ownership of your securities using this form.*