



Eastern Corporation Limited

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The Manager
Company Announcements Office
Australian Stock Exchange

**EASTERN ANNOUNCES OPTION TO PURCHASE NEW ZEALAND
COAL OPERATION**

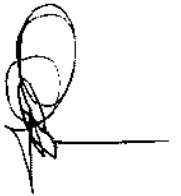
Eastern Corporation Limited is a Queensland energy company pursuing the exploration and development of coal in the Bowen Basin in Queensland, and in New Zealand, as well as coal seam methane in the Galilee Basin near Longreach.

Eastern Corporation Limited ("Eastern") has signed an option to acquire the Cascade coking coal mining operations on the west coast of New Zealand's south island.

Announcing the proposed acquisition, Eastern's Chief Executive Officer Paul Williams said "The purchase of an existing profitable coal mining company would be consistent with Eastern's stated objective of achieving cashflow in the short term operation".

Eastern has entered a 90 day option to purchase the shares in Cascade Mining Limited which owns and operates a small scale coking coal mine near Westport on the north west coast of New Zealand's south island. The mine is adjacent to Eastern's Whareatea West coal exploration tenement area where an initial drilling programme is planned to commence shortly.

Mr Williams said that as well as offering immediate cash flow for Eastern, the proposed acquisition would establish Eastern's coal mining credentials in New Zealand where the company was taking a long term position in exploration and mine development.

A handwritten signature in black ink, appearing to be 'P. Williams', with a horizontal line extending to the right.

PAUL WILLIAMS
Chief Executive Officer

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