EASTERN
CORPORATION LIMITED
ABN 11 084 957 419

The Eastern Corporation group of companies:
Cascade Coal Pty Ltd
Rochfort Coal Mining Pty Ltd
Broughton Coal Mining Pty Ltd
Galilee Energy Limited
Dorban Pty Ltd

12 August 2005

The Manager
Australian Stock Exchange

EASTERN'S BOWEN BASIN JOINT VENTURE FEASIBILITY STUDY WITH MITSUI TO PROCEED

Mitsui Coal Holdings Pty Ltd (Mitsui) will proceed with a joint venture feasibility study with Eastern Corporation Limited (Eastern) of the Broughton coking coal project in the Bowen Basin following final government approvals.

Eastern Chief Executive Officer Paul Williams announced today that the Queensland Department of Natural Resources and Mines had approved Mitsui's acquisition of an initial 10% interest in the Broughton project. This follows approval late last month from the Foreign Investment Review Board.

"Mitsui has a long and successful history of investment in Australian coal projects," Mr Williams said. "Mitsui's involvement in Broughton is an important step towards the project's development."

Under the terms of the agreement, Mitsui will now pay $4 million for the initial 10% interest in the project. Mitsui also has the right to acquire a further 20% interest in the project, taking its total participation in the Joint Venture to 30% upon completion of a feasibility study and an additional payment of $11 million.

The primary objective of the Joint Venture will be to carry out a feasibility study which is scheduled to be completed in June 2006. Work on this study has already commenced, focussing on issues including coal washing and preparation, mining infrastructure, rail and port capacity, and environmental impact considerations.

Preparation of the feasibility study's mining model will follow completion of the current resource estimate study which is aimed at upgrading the coal resource to Measured Status.

The Broughton project adjoins Rio Tinto's Hail Creek coking coal mine.

Yours sincerely

PAUL WILLIAMS
Chief Executive Officer

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