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

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The Manager
Australian Stock Exchange Limited

INCREASED COAL RESOURCES AT BROUGHTON

Eastern Corporation Limited (Eastern) today announced a 26% increase in the coal resource estimate for the Broughton Coal project which it operates in joint venture (Eastern 90%) with Mitsui Coal Holdings Pty Ltd. A total combined Measured, Indicated and Inferred Coal Resource of 30 million tonnes of coal has been identified at the Broughton coal tenement which adjoins Rio Tinto's Hail Creek coking coal mine in Queensland's Bowen Basin. The resource is accessible by conventional open cut mining methods.

Broughton is the subject of a feasibility study which is due for completion in late 2006 with initial production targeted for late 2007.

In November last year, Eastern reported a total Indicated Coal Resource of 23.9 million tonnes, contained in two coal seams (Elphinstone and Hynds) at Broughton. Earlier this year the Broughton Joint Venture completed a 62 hole exploration drilling programme, aimed at better defining the extent of the resource and coal quality. Queensland Geological Services Pty Ltd (QGS) was commissioned to oversee the drilling programme and to prepare the resource estimate. A summary of the resource estimate prepared by QGS is set out in the table below:

Summary of Coal Resources

Seam	Measured (Mt)	Indicated (Mt)	Inferred (Mt)
Elphinstone	6.6m	1.8m	1.4m
Hynds	9.9m	6.7m	3.6
Total	**16.5m**	**8.5m**	**5m**

Eastern expects the coal quality results derived from the latest drilling programme to be available later this month. Initial indications are that Broughton will produce both an export quality coking coal and a thermal coal by-product.

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The Broughton Joint Venture plans to drill additional cored holes within the area of the inferred resources aimed at improving the resource category. A 400kg coke oven test is also planned to fully simulate the likely coke properties of the Broughton coal.

Stage 1 of the Broughton feasibility study remains on schedule and is expected to be completed this month. The main elements of Stage 1 include:

- a broad economic model, based on a costed mine plan;
- recommended optimal strategies for coal processing and export;
- product coal specifications to determine preliminary project revenue estimates.

Upon completion of these studies and reports, it is likely that in the New Year, the joint venturers will be in a sound position to make application for mining tenures followed by a development decision, subject to the feasibility study and regulatory approvals.

Paul Williams

Chief Executive Officer

The information in this report that relates to Broughton Coal Resources is based on information compiled by Mr Barry Saunders of Queensland Geological Services Pty Ltd, who is a member of The Australasian Institute of Mining and Metallurgy. Mr Saunders has sufficient experience which is relevant to the style and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Saunders consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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