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
Dorben Pty Ltd

10 April 2006

Eastern Corporation Limited
ASX Announcement

EASTERN TO ADD A SECOND NEW ZEALAND COAL MINE

Eastern Corporation Limited (Eastern) today announced an agreement to purchase the coal mining operations of Straith Industries (Straith) in the Ohai / Nightcaps area in the far south of New Zealand's South Island.

Eastern is pursuing a strategy of coal mine development in Australia and expansion in New Zealand.

- The Straith acquisition will give Eastern a second coal mine in New Zealand.
- Last year Eastern acquired the Cascade mine, also in New Zealand's South Island.
- Eastern is currently exploring 5 km north of Cascade at Whareatea West aimed at proving up known coal resources for mine development.
- In Queensland's Bowen Basin, Eastern is in joint venture with Mitsui on a feasibility study into a coking coal development at Broughton adjoining Rio Tinto's Hail Creek mine.

Key features of the agreement with Straith are:

- Eastern (through a wholly-owned subsidiary) will acquire the mining plant, equipment, permits and related assets and approvals associated with the Straith operations for a purchase price of NZ$2m.
- The purchase price is to be paid by Eastern out of existing cash reserves, on the basis of NZ$1.5m on completion and the balance NZ$500,000 within 12 months of completion.
- Completion of the purchase is scheduled to occur on or before 31 July 2006, and is subject to certain conditions, including:
    - Satisfactory due diligence investigations by Eastern in relation to the assets, mining resources and available markets for the Straith coal
    - Confirmation of the tonnage and quality of the existing coal resources.
    - Obtaining the various statutory consents for the transfer of the mining permits and other resource consents/approvals associated with the operations

The Straith operations are located in three separate areas within the Ohai / Nightcaps region, where open cut and underground coal mining operations have been conducted for over 50 years. The Straith coal is predominantly a sub-bituminous thermal coal, with potential application for use by domestic and industrial coal customers throughout the South Island.

With the Straith acquisition, Eastern will not only expand upon its already well-established presence in New Zealand via the Cascade mine, but more importantly, will secure an operation in an area of the country's South Island where considerable market opportunities may exist in the coming years.

Gordon Smith

Chairman

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