EastCoal Inc. Announces Bridge Loan

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VANCOUVER, BRITISH COLUMBIA -- (Marketwire - Nov. 28, 2012) - EastCoal Inc. (TSX VENTURE:ECX) (the "Company") is pleased to announce that on November 28, 2012 it entered into a loan agreement (the "Loan Agreement") with certain directors of the company (collectively, the "Lenders") whereby the Lenders will provide the Company with a loan facility for an aggregate of up to CDN$600,000 (the "Loans"), with each Lender agreeing to advance to the Company CDN$200,000 each (each being a "Loan"). The Loans will bear interest at a rate of 12.0% per annum compounded annually and will be payable at the time that the principal becomes due and payable.

The term of the Loans will be one year from the date of the advance and the principal and accrued interest shall be due and payable on the earlier of: (i) the expiry of the term of the Loans, or (ii) the occurrence of an Event of Default, as such term is defined in the form of the Loan Agreement. Furthermore the Loans may be prepaid, at any time, without premium or penalty.

As a bonus in connection with agreeing to advance the Loans pursuant to the Loan Agreement, the Company will issue and allot to each Lender such number of common shares (the "Bonus Shares") in the capital of the Company equivalent to 20% of the dollar amount of each Loan which shall be priced, when issued and allotted, in accordance with the policies of the TSX Venture Exchange (the "TSX-V"). The Bonus Shares are to be issued and allotted to compensate the Lenders for the financial risk associated with granting the Loans to the Company.

Pursuant to the terms of the Loan Agreement, the Company has executed a general security agreement, granting security interests in present and future undertaking and property of the Company to the extent it is located in the province of British Columbia.

The proceeds of the Loans will be used for general working capital.

On the basis that the Lenders are directors of the Company, the Loans and the proposed issuance of the Bonus Shares are "related party transactions" within the meaning of Multilateral Instrument 61-101 ("MI 61-101") which is incorporated into TSX-V Policy 5.9. As related party transactions, the following additional disclosures are provided (following the listing of disclosures in Section 5.2 of MI 61-101).

The review and approval process that has been adopted by the directors of the Company in connection with the Loans and the proposed issuance of the Bonus is as follows:

In conducting their review and approval process with respect to the Loans and the proposed issuance of the Bonus Shares, the board of directors of the Company determined that the distribution of an information circular to shareholders, the preparation and distribution of a formal valuation and the seeking of shareholder approval for, and in connection with, the Loans and the proposed issuance of Bonus Shares is not necessary under MI 61-101, which is incorporated into TSX-V Policy 5.9, because:

a. for the purposes of Section 5.5(a) of MI 61-101 the board of directors of the Company have determined, in good faith, that the fair market value of the Loans, when drawn down in full, together with the Bonus Shares (when issued) will not exceed 25% of the market capitalization of the Company, and on that basis the Loans and the proposed issuance of the Bonus Shares fall within an exemption from the formal valuation requirement of Section 5.4 of MI 61-101;

b. for the purposes of Section 5.7(1)(a) of MI 61-101 the board of directors of the Company have determined, in good faith, that the fair market value of the Loans, when drawn down in full, together with the Bonus Shares (when issued) will not exceed 25% of the market capitalization of the Company, and on that basis the Loans and the proposed issuance of the Bonus Shares fall within an exemption to the minority shareholder approval requirement of Section 5.6 of MI 61-101; and

c. the disinterested directors of the Company (i.e. those other than John Byrne, Abraham Jonker and John Conlon) have all approved the Loans and the proposed issuance of the Bonus Shares.

There will be less than 21 days between the date of filing of the Company's material change report in respect of the Loans and the proposed issuance and allotment of Bonus Shares and the advancement of the Loans and the obligation to issue and allot the Bonus Shares pursuant to the terms of the Loan Agreement. The Company considers this is reasonable and necessary in order to address the Company's immediate funding requirements and corporate operations.

As required to be disclosed under TSX-V Policy 5.1, the Bonus Shares (when issued) will be subject to a four month hold period.

By Order of the Board,

John Byrne
Chairman

About EastCoal Inc.

EastCoal Inc. is currently producing coking coal from its 100% owned Menzhinsky mine and developing its 100% owned Verticalnaya anthracite mine.

This press release contains projections and forward-looking information that involve various risks and uncertainties regarding future events. Such forward-looking information can include without limitation statements based on current expectations involving a number of risks and uncertainties and are not guarantees of future performance. There are numerous risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking information. These and all subsequent written and oral forward-looking information are based on estimates and opinions on the dates they are made and are expressly qualified in their entirety by this notice. Except as required by law, EastCoal assumes no obligation to update forward-looking information should circumstances or management's estimates or opinions change.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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