

## Eastern ready to boost output

By SIMON HARTLEY

AUSTRALIAN-OWNED Eastern Corp — targeting 200,000 tonnes of coal production from Southland — plans to boost its \$12 million capital expenditure programme further at its year-old former Nightcaps mine, renamed **Takitimu**.

In mid-2005, Eastern purchased the Cascade coal mine near Westport, followed by the **Takitimu** mine in Southland 12 months ago, and has a distribution operation in Timaru, where, from September next year, it will supply Fonterra's nearby Clandeboye milk processing plant with 130,000 tonnes of coal annually.

Eastern also has exploration permits in Whareatea West, north of Cascade, and prospecting permits around Ohai and Orepuki in Southland.

Aside from supplying Fonterra, Eastern has been awarded other smaller contracts and will be targeting a further 50,000 tonnes per annum, which includes "clean", low-sulphur coal for domestic use, Eastern managing director Campbell Smith said.

Eastern had upgraded the existing **Takitimu** processing facilities and was bringing in plant worth more than \$1 million to handle significantly higher tonnages, Mr Smith said.

The New Zealand operations were now generating revenue and there was cash aside for capital expenditure, exploration and development funding. The company expected to announce a profit for the 2007-08 financial year, he said.

Brisbane-based Eastern Corp also maintains exploration rights in Queensland, through its 67% owned Galilee Energy Ltd, which is investigating coal seam gas potential, and the separate Broughton coal joint venture.

Eastern has a \$A21 million market cap on the Australian stock exchange with shares trading around A3c. Its majority shareholder is Becamal Pty Ltd, 19% and AMP Life Ltd, 10%.



New plant ordered . . . Eastern Corp's **Takitimu** coal pit, formerly Nightcaps, is targeting production