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NEWS RELEASE – April 23, 2014

EASTCOAL ANNOUNCES CREDITOR APPROVAL OF PROPOSAL

EastCoal Inc. (NEX: ECX.H, AIM: ECX) ("EastCoal" or the "Company") is pleased to announce that the Company's proposal to its creditors (the "Proposal") pursuant to the Bankruptcy and Insolvency Act (Canada) (the "BIA") was unanimously approved by the creditors voting in person and by voting letter at the meeting of creditors held on April 22, 2014.

Pursuant to the requirements of the BIA, the proposal trustee, Deloitte Restructuring Inc. (the "Proposal Trustee") and the Company intend to seek an order from the Supreme Court of British Columbia approving the Proposal (the "Order"). Implementation of the Proposal is subject to receipt of the Order and to satisfaction or waiver of certain other conditions precedent set forth in the Proposal.

Assuming satisfaction or waiver of the conditions within the expected time frames, the Company anticipates implementing the Proposal in June 2014.

The board of directors of the Company has decided to proceed with the Proposal in order to allow the Company to continue as a going concern while maximizing realizations to unsecured creditors as compared to a bankruptcy of the Company.

In connection with the Proposal, the Company has entered into conditional share subscription agreements with a group of investors. This group of investors includes Abraham Jonker and John Conlon (both of whom are directors of the Company) and Salida Capital International Ltd. (who is an insider of the Company and its largest shareholder). Subject to the conditions precedent described above, such investors will acquire, on a private placement basis, approximately a 95% of the Company's issued and outstanding share capital on payment of an amount not less than \$700,000.

Following the closing of the Proposal, the following insiders are expected to own or control the following percentages of the Company's issued and outstanding share capital:

1. Abraham Jonker – 6.6%;
2. John Conlon – 13.4%; and
3. Salida Capital International – 19.9%.

Because the Proposal involves the issuance of shares to certain insiders of the Company, the Proposal will be a "related party transactions" within the meaning of Multilateral Instrument 61-101 ("MI 61-101") which is incorporated into rules of the NEX Exchange through the TSX Venture Exchange ("TSX-V") Policy 5.9.

In conducting their review and approval process with respect to the Proposal and the proposed issuance of the 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 Proposal and the proposed issuance of shares is not necessary under MI 61-101 because:

1. for the purposes of Section 5.5(f) of MI 61-101 the Proposal is to be effected under bankruptcy law and the Supreme Court of British Columbia will be informed of the formal valuation requirement of MI 61-101, and on that basis the Proposal and the proposed issuance of the shares fall within an exemption from the formal valuation requirement of Section 5.4 of MI 61-101; and
2. for the purposes of Section 5.7(1)(d) of MI 61-101 the Proposal is to be effected under bankruptcy law and the Supreme Court of British Columbia will be informed of the minority approval requirement of MI 61-101, and on that basis the Proposal and the proposed issuance of the shares fall within an exemption to the minority shareholder approval requirement of Section 5.6 of MI 61-101.

The shares (when issued pursuant to the Proposal) will be subject to a four month hold period.

In connection with the Proposal, the Company will also be proceeding with a share consolidation of its issued and outstanding common shares subject to the receipt of the Order.

The consolidation is expected to be effective after the Proposal has been completed. The consolidation is proposed to be on a ratio of ten (10) pre-consolidation common shares to one (1) post-consolidation common shares, consolidating the Company's **72,804,853** issued and outstanding common shares to **7,280,485** common shares following the consolidation.

Inquiries regarding the Proposal and the BIA proceeding should be directed to the Proposal Trustee (Paul Chambers +1 604 640 3368). A copy of the Proposal is available on the website of the Proposal Trustee at www.deloitte.com/ca/eastcoal.

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