

February 26, 2014

EastCoal Inc. Announces Completion of Disposal of Assets and Suspension of Trading on AIM

Vancouver, British Columbia - EastCoal Inc. (TSX VENTURE EXCHANGE: ECX, AIM: ECX) ("the Company" or "EastCoal") announces today that the Company and its wholly-owned, Cyprus incorporated subsidiary, Gramsico Holdings Ltd. ("Gramsico") completed the disposal of all of the Company's 0.1% shareholding and all of Gramsico's 99.9% shareholding in East Coal Company LLC ("ECC") for an aggregate cash consideration of US\$499,000, and completed the disposal of all of the Company's 0.1% shareholding and all of Gramsico's 99.9% shareholding in Ukraine Energy LLC ("UE") for an aggregate cash consideration of US\$1,000, in each case, pursuant to the terms of share purchase agreements with an Austrian based company, EFI Holding GmbH ("EFI").

ECC and UE are Ukrainian incorporated companies that were indirectly wholly-owned by the Company through Gramsico. ECC holds the assets relating to the Company's material project, the Verticalnaya mine. There is no profit attributable to the Verticalnaya mine. UE is an inactive shell company.

The cash proceeds will be used to fund any further proposal to creditors under the Bankruptcy and Insolvency Act (Canada) (the "BIA") and negotiating any further transactions that may present themselves to the Company in order to potentially generate some additional value for creditors and shareholders.

The share purchase agreements with EFI also provide for a royalty interest to be earned by the Company equal to US\$1.00 per tonne of coal produced at the Verticalnaya mine, and provide for the assignment to EFI of the Company's rights pursuant to a loan agreement dated June 25, 2009 between the Company (as lender) and ECC as (borrower).

The Company and Gramsico also completed the disposal of all of the Company's 0.1% shareholding and all of Gramsico's 99.9% shareholding in Inter-Invest Coal LLC ("IIC") for an aggregate cash consideration of US\$15,020 pursuant to the terms of share purchase agreements with a Cyprus based company, Strong Group Corporation Limited ("Strong Group").

IIC is a Ukrainian incorporated company that was indirectly wholly-owned by the Company through Gramsico. IIC holds the assets relating to the Company's Menzhinsky mine, and, as previously announced, IIC is currently in a liquidation process in the Ukraine.

The share purchase agreements also provide for the assignment to Strong Group of the Company's rights pursuant to various loan agreements between the Company (as lender) and IIC as (borrower).

Following completion of the disposal the Company will now be treated as an investing company under the AIM Rules.

The Company intends to make a proposal to creditors under the BIA imminently and will update shareholders following the creditor meeting.

As a result of the financial uncertainty created by the creditor proposal process, trading on AIM in the Company's shares has been suspended with immediate effect, pending clarification of the Company's financial position.

The Company's listing on TSX Venture Exchange will be moved, with effect from the opening of the markets on February 27, 2014 to the NEX exchange as administered by the TSX Venture Exchange as the Company no longer meets the continued listing requirements of a Tier 2 issuer on the TSX Venture Exchange.

The Company is still actively seeking further sources of funding although there can be no guarantee that the Company will be successful in securing further financing or achieving its restructuring objectives. If the Company fails to achieve its financing and restructuring goals it will likely result in the Company becoming bankrupt.

The Company will make further announcements in due course.

Forward-Looking Statements: This news release contains discussion of items that may constitute forward-looking statements within the meaning of securities laws that involve risks and uncertainties. Although the Company believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, it can give no assurances that its expectations will be achieved. In particular, statements regarding the potential for the Company to generate any additional value for creditors and shareholders, the ability of the Company to complete any further transactions, the ability of the Company to offer improved proposals to its creditors and the likelihood of the Company becoming bankrupt if it fails to achieve its financing and restructuring goals are or involve forward-looking statements. These statements reflect management's expectations as of the date of this press release regarding the Company's future financial performance and should not be read as guarantees of future performance or results. Factors that could cause actual results to differ materially from expectations include the effects of general economic conditions, actions by government authorities and courts, uncertainties associated with contract negotiations and additional financing requirements. These factors and others are more fully discussed in Company filings with Canadian securities regulatory authorities.

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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