

Announcement

20 August 2010



ABN 82 000 738 885

Key Points

- Final investment of US\$100,000 in Energie Future NL (Energie) has been made.
- Potential litigation with minority shareholders of Energie is resolved.
- East Coast Minerals NL (ECM) has disposed of its shares in Energie for \$1.

The Directors of ECM advise that they have today finalised all matters in relation to its investment in Energie.

The following key matters were completed in finalising these arrangements:

1. ECM subscribed to Energie an additional US\$100,000. The subscription was in the form of the issue of a preference share;
2. ECM has sold its 56.54% (including all preference shares) shareholding in Energie for \$1.00. ECM is to have no further equity in Energie;
3. all arrangements under the shareholders agreement between ECM and the minority shareholders have been terminated; and
4. a confidential deed of settlement between ECM, its directors and the Energie minority shareholders and their related parties has been entered into. As part of the deed, mutual releases have been given in relation to all transactions involving Energie and no further payments are to be made by either party.

In addition to the above, as noted in previous announcements, ECM will fully impair its investment in Energie for the year ended 30 June 2010. A further loss of US\$100,000 in relation to the preference share acquired simultaneously with the settlement of all arrangements with the minority shareholders will be reflected in the income statement for the year ending 30 June 2011.

The ECM directors consider that the closure of its investment in Energie is in the best interests of the company and shareholders and allows the company to move forward with its proposed investment in Potash Holdings Pty Limited which is the ultimate owner of a number of licences of potash in Western Australia, as well as its other investments.

For further inquiries, please contact:

Graham Libbesson
Chairman

Email: glibbesson@eastcoastminerals.com.au
website www.eastcoastminerals.com.au
Address: Level 10, 1 Margaret Street, Sydney,
NSW 2000

About East Coast Minerals

East Coast Minerals NL (**ASX:ECM**) is an Australian based exploration company, which listed on the ASX in 1970. The company has interests in the Pilbara region of WA, where it is exploring for precious and base metals as well as a potential investment in potash.