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Company Announcements Office
Australian Securities Exchange

EASTERN IRON COMMENCES SAMPLING AND SCOUT DRILLING PROGRAMME

PlatSearch's 45% owned associate company Eastern Iron Limited (ASX Code: EFE) has advised that the surface sampling and drilling programme, foreshadowed in its IPO Prospectus, is underway at both the Cobar and Main Line Projects. Work commenced on 26 May at the Cobar Project and is expected to commence at the Main Line Project on 5 June 2008. Cobar-based Every Day Mine Services (ASX Code: EDS) has been contracted to undertake this scout drilling contract.

Two targets, totalling some 4 kilometres of channel length, have been selected within the Cobar Project for the initial focus of drilling. At the Main Line Project, four priority targets, close to rail infrastructure, have been identified for the initial focus of drilling.

Samples from the current drilling programme will provide material for an expanded metallurgical testing and ore beneficiation test programme. Further information and previous EFE announcements and exploration updates are available on Eastern Iron's website at www.easterniron.com.au.

Eastern Iron is investigating the potential for commercial quality iron ore within very large quantities of shallow, easily extractable, iron-rich material that exists in the extensive networks of palaeochannels in parts of NSW. Aircore drilling is being conducted on a broad scale to identify areas with the potential to produce significant tonnages of direct shipping quality iron ore (DSO) product and preliminary test work has shown that an "ex mine" product of greater than 50% Fe is easily achievable. Initial efforts are being focused on scout drilling for higher grades and generating samples needed to refine the beneficiation process to produce a commercially viable iron ore concentrate.

Eastern Iron is the early mover in eastern Australian iron ore exploration and has an 80% joint venture interest in 15 exploration licences covering more than 3,800 square kilometres (PlatSearch 20%). Over 1,100 kilometres of prospective palaeochannels have been identified within the tenements. Despite limited work to date, results confirm Eastern Iron's view that the project has the potential to host very significant tonnages of iron ore.

Bob Richardson
Managing Director

Please direct any questions to Bob Richardson on (02) 9906 5220 or 0414 592 080.

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