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FOR IMMEDIATE RELEASE
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EastCoast announces third quarter results to 30 September 2006

TORTOLA, British Virgin Islands. EastCoast Energy Corporation ("EastCoast" or the "Company") announces its results for the quarter ended 30 September 2006.

FINANCIAL AND OPERATING HIGHLIGHTS

	Three months ended			Nine months ended		
	30 Sept 2006	**30 Jun 2006**	**Change**	**30 Sept 2006**	**30 Sept 2005**	**Change**
Financial (US$'000 except where otherwise stated)						
Total revenue	**3,835**	3,198	20%	9,106	3,018	202%
Profit before taxation	**1,309**	1,080	21%	2,655	89	2,882%
Operating netback (US$/mcf)	**2.88**	2.71	6%	2.58	1.99	30%
Working capital	**3,298**	2,448	35%	3,298	3,559	(7%)
Shareholders' equity	**18,676**	17,715	5%	18,676	16,096	16%
Profit per share – basic and diluted (US$)	**0.03**	0.03	-	0.06	-	-
Net cash flows from operating activities	**2,513**	807	211%	4,233	816	419%
Net cash flow from operating activities per share – basic (US$)	**0.11**	0.03	267%	0.18	0.04	350%
Outstanding Shares ('000)						
Class A shares	**1,751**	1,751	-	**1,751**	1,751	-
Class B shares	**21,658**	21,648	-	**21,658**	21,513	1%
Options	**2,042**	1,852	10%	**2,042**	1,987	3%
Operating						
Additional Gas sold – industrial (mmscf)	**491**	347	41%	1,068	477	124%
Additional Gas sold – power (mmscf)	**744**	739	1%	2,165	906	139%
Average price per mcf – industrial (US$)	**8.63**	8.69	(1%)	8.27	6.58	26%
Average price per mcf – power (US$)	**1.69**	2.13	(21%)	1.87	1.24	59%

Quarter Highlights

- Earned profit before tax of US$1.3 million with net cash flow from operating activities of US$2.5 million.

- Increased EastCoast's Q3 sales of Additional Gas to Dar es Salaam industrial customers to an average over the quarter of 5.3 mmscf/d (Q2 2006: 3.8 mmscf/d), at an average price of US$8.63/mcf (Q2 2006: US$8.69/mcf).

- Maintained Additional Gas sales to the power sector at 8.1 mmscf/d (Q2 2006: 8.1 mmscf/d) at an average price of US$1.69/mcf (Q2 2006: US$2.13/mcf).

- Commenced the installation of a new pressure reduction station and pipeline connections to the emergency power plants namely the 40 MW Aggreko units and a 20 MW General Electric unit at a cost of US$0.9 million. 20 MWs of the Aggreko units were installed and operational by the end of October 2006.

- Signed a short term agreement in early November 2006 for the supply of gas to these Aggreko units. It is forecast that this will be superseded by a two year fully termed agreement that will be signed by Q1 2007.

- Announced the intention to raise Cdn$ 21.5 million before expenses by means of a 1 for 7 rights issue. The rights documentation was submitted to the shareholders on 14 November 2006.

- Continued to plan the drilling of a new development well on the Songo Songo field during Q1 2007 and for a well intervention on the SS9 offshore well. The programme is intended to increase the field's deliverability from 140 mmscf/d to approximately 215 mmscf/d.

- Assessed options for the drilling of an exploration well approximately two kilometers west of the existing Songo Songo field at the same reservoir interval. The Company is searching for a jack-up drill rig, but is also assessing the feasibility of drilling a deviated well from Songo Songo Island. It is unlikely that this well will be drilled before 2008 given current rig constraints.

- Continued the negotiation of a master agreement with TANESCO, for the supply of gas to an expected 245 MWs of new permanent generation and 19.5% of the gas requirements of the Ubungo Power Plant currently being supplied by EastCoast under an Interim Agreement. These are forecast to be signed in Q1 2007.

- Commenced transportation tariff negotiations with Songas Limited ("Songas") that will enable the installation of a third and fourth train on Songo Songo Island at a cost of US$26 million (payable by Songas). This is expected to increase capacity of the gas processing plant to 140 mmscf/d by Q4 2007.

- As operator of the gas processing plant, worked closely with the plant owners, Songas, on increasing the capacity of the existing infrastructure system before the third and fourth train are installed. As a consequence of this, Songas has appointed Bureau Veritas to recertify the capacity of the existing trains during Q4 2007.

Message from the President and CEO

In Tanzania demand for natural gas continues to accelerate to meet urgent domestic power needs and the requirements of a steadily increasing industrial market. Tanzania is facing a severe energy crisis as a result of a significant multi-year shortfall in the country's hydro power generating capacity.

In the short term, EastCoast is working to increase natural gas deliverability from the Songo Songo field. Over the next year the Company intends to drill a new Songo Songo development well and to undertake remedial work on an offshore well to boost overall Songo Songo deliverability from 140 mmscf/d to 215 mmscf/d. Over the longer term, EastCoast is adding an exploration dimension to the Company.

To identify and assess low-risk, high-potential exploration opportunities, EastCoast has added two senior executives with extensive international oil and gas exploration and development experience. James Smith who was previously Exploration Vice President at PanOcean Energy Corporation has been named as a Director and Graham Goffey, who was previously the UK and International Exploration Manager at Paladin plc, has joined as EastCoast's Exploration and Business Development Manager.

The Company's initial exploration focus will be within Tanzania. EastCoast's long-term presence and established reputation as the operator of the Songo Songo gas field and processing plant, provides a strong base for the Company to negotiate farm-in or joint venture projects with other Tanzania license holders. With the Government of Tanzania's expressed desire to develop the country's oil and gas reserves there are excellent opportunities for EastCoast. Over the longer term, the Company intends to expand its reserve base through the identification of additional new opportunities, primarily in Africa.

To fund this expanded scope of work, EastCoast has announced its intention to raise Cdn$21.5 million from a rights offering. The offering documents were submitted to the Shareholders on 14 November 2006.

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Power developments

EastCoast continues to supply 19.5% of the gas consumption of the six turbines at the Ubungo Power Plant that is owned and operated by Songas Limited. Sales averaged 8.1 mmscf/d in Q3 (Q2: 8.1 mmscf/d). However in September 2006, two units were down for repair and this impacted the price achieved. As a result, the average price for the quarter was reduced to an average of US$1.69/mcf (Q2: US$2.13/mcf).

Within Tanzania, the Government is accelerating the introduction of emergency power units and it is forecast that by the end of Q4 2006, the Company will be selling 19 mmscf/d to the power sector. The 40 MW Aggreko power plant that was due to be on stream by the end of 2006 is now partially operational and consuming approximately 9.5 mmscf/d from Songo Songo. A 20 MW General Electric unit is in the process of being assembled and should be operational by Q1 2007. This will consume approximately 6 mmscf/d. Both these emergency power plants are expected to be in operation for two years and then be superseded by new permanent generators that TANESCO, the electricity utility, is in the process of procuring.

In addition, TANESCO has contracted Wartsila to supply 100 MW of permanent and efficient units that are forecast to be operational during Q3 2007. It is also finalizing negotiations with Wartsila and a Dutch multilateral to install 45 MWs of generation by the end of 2007. To convert the 100 MW International Power of Tanzania Limited ("IPTL") facility to gas, the electricity utility is continuing discussions with the equity and debt holders. While of the timing for the completion of these negotiations is uncertain, it is forecast that some of the IPTL units may be converted by the end of 2007.

To finalize the commercial terms for the supply of gas to these emergency power units, EastCoast is in the process of negotiating two-year fully termed agreements. The gas that has already been consumed by the Aggreko units is covered by an interim letter agreement and TANESCO paid US$0.6 million for this gas in November at a price of US$2.13/mcf. It is anticipated that fully termed agreements for the 60 MWs will be signed by Q1 2007.

The longer term agreements for the existing supply of gas to the 42 MW sixth turbine at the Ubungo power plant and to the permanent 100 MW Wartsila plant are also being progressed. The contracts and the pricing are subject to the approval of the newly established Tanzania regulator, the Electricity, Water, and Utilities Authority ("EWURA"). The Company is in the process of filing an application with EWURA to provide an appropriate natural gas pricing methodology in Tanzania.

Industrial markets

Supply of Additional Gas to the industrial markets in the Dar es Salaam area continued to develop over the quarter. Industrial sales volumes increased 41% over Q2 to an average of 5.3 mmscf/d as a consequence of the seasonal increase in demand and the commencement of sales to East Coast Oils and Fats Limited. It is anticipated that sales to the industrial sector will be reduced in Q4 to approximately 3.5-4.0 mmscf/d, primarily as a result of a seasonal downturn and the uncertainty in electricity supply that will impact industrial production until the emergency power generation is fully operational.

Contracts are currently under discussion to supply 1.0 mmscf/d of new industrial sales and a number of EastCoast's customers are considering expanding their existing facilities. The Company will connect the new customers during the latter half of 2007 with an 8-kilometer extension to the north of Dar es Salaam at an estimated cost of US$2.2 million. To meet the expanding industrial demand and ensure security of supply for our existing customers, the Company plans to expand the capacity of the existing distribution system by installing an additional pressure reduction station and 8 kilometers of distribution pipeline at a cost of approximately US$2.2 million. This work is scheduled to begin in Q1 2007.

Infrastructure

The current configuration of the gas processing plant on Songo Songo Island is limited to 70 mmscf/d. The peak demand of the gas sales by 31 December 2006, including Protected Gas, is forecast to be 80 mmscf/d. To address this challenge, EastCoast is working with Songas Limited ("Songas") to determine if the gas processing plants can be re-certified to meet the immediate peak demand requirements. This process will be complete in December 2006.

In anticipation of significantly increased Songo Songo deliverability and demand later in 2007, the Company is negotiating a transportation tariff with Songas to provide for the installation of a third and fourth train and ancillary equipment on Songo Songo Island at an approximate cost to Songas of US$26 million. This infrastructure addition would be expected to increase capacity to 140 mmscf/d by Q4 2007. With additional compression, the main pipeline capacity can be increased beyond the current limit of 105-110 mmscf/d.

Drilling programme

To increase production capacity from the existing Songo Songo field, EastCoast plans to drill a Songo Songo development well in Q1 2007 and to undertake remedial work on the offshore well, SS9.

The new development well, SS10, is planned as a 1-kilometer deviated well from Songo Songo Island and will cost the Company approximately US$8.0 – US$10 million. The Company is in discussion with two drilling contractors who have land rigs in Tanzania that are capable of drilling the well. Long lead time items such as casing are being ordered. It is anticipated that SS10 will have initial production of approximately 50 mmscf/d.

The remedial work on SS9 is scheduled to be completed during January 2007. The total cost of this work is estimated at US$1.0 – US$2.0 million, and is expected to increase SS9 deliverability to 45 mmscf/d of production, an increase of approximately 25 mmscf/d.

In total, the new well and the workover of the existing well should have the effect of increasing the deliverability of the Songo Songo field from approximately 140 mmscf/d to 215 mmscf/d. This increase in deliverability will ensure security of supply in the event of the failure of any single Songo Songo well at the higher planned rates.

As soon as an appropriate rig can be brought to Tanzania it is also the Company's intention to drill an exploration well into the Songo Songo West prospect where there is a forecast 600 bcf of GIIP if commercial gas is discovered. The rig will be either a land rig capable of drilling a 4-kilometer long deviated well from Songo Songo Island or a shallow water jack up rig.

Outlook

EastCoast is taking the next steps to move from a gas field operator and marketer of Additional Gas to a significant explorer, developer and producer of oil and gas. The opportunities are here in East Africa and elsewhere and we are committed to take our Company to the next level.

We appreciate the confidence of our shareholders and the skill and dedication of our employees. EastCoast will continue to work to the long-term benefit of all our stakeholders and the people of the areas in which we operate.

Peter R. Clutterbuck
President & CEO

EastCoast Energy Corporation is a TSXV listed company focused on the exploration and production of Tanzanian natural gas and the sale of "Additional Gas" to markets in East Africa. The Company began trading on the TSXV on 31 August 2004 under the trading symbols ECE.B and ECE.A. The company is headquartered in Tortola, British Virgin Islands and maintains its operations offices in Dar es Salaam, Tanzania.

Forward Looking Statements

This disclosure contains certain forward-looking estimates that involve substantial known and unknown risks and uncertainties, certain of which are beyond EastCoast's control, including the impact of general economic conditions in the areas in which EastCoast operates, civil unrest, industry conditions, changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in commodity prices, foreign exchange or interest rates, stock market volatility and obtaining required approvals of regulatory authorities. In addition there are risks and uncertainties associated with oil and gas operations, therefore EastCoast's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking estimates and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking estimates will transpire or occur, or if any of them do so, what benefits, including the amounts of proceeds, that EastCoast will derive therefrom.

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