



## Quarterly Activities Report for period ending 30 June 2008

### Highlights

EPC 1149 Blackall granted on 22 April 2008.  
Drilling commenced on EPC1149  
Completed clearing of over 50 km of drill lines  
A total of 2,946m of drilling completed in 35 open (Rotary Air Blast) holes, with coal intersected in most holes.  
Establishment of a company office and staff accommodation facility in Blackall  
Application for access approval pending on Norwich Park EPC 1066

### Blackall EPC 1149

Department of Mines and Energy formally granted EPC 1149 on 22 April 2008. Access approvals have been granted and clearing of drill lines commenced in early June.

Exploration drilling commenced on 13 June 2008 and a total of 35 RAB (Rotary Air Blast) holes were drilled up to 30 June 2008. Exploration at this stage has focussed on the south-east quarter of EPC 1149 where historical exploration by Theiss had intersected coal. The aim of this drilling has been to confirm the historical data and to begin establishing the lateral extent and structure of the coal seams. A total of 2,946 m were drilled during the period. All drill holes are being geophysically logged using standard wireline logging techniques to accurately define the top and bottom of the coal seams and precisely target future core drilling.

Results of drilling have been encouraging with coal seams being intersected in most drill holes. Thickness of the seams varies from 0.5m to 4.0m with many holes intersecting multiple seams. Depth of the coal varies from less than 10m down to 100m. Further RAB drilling is planned during the coming weeks to better define the extent and continuity of the seams. Core sampling and testing for coal quality and limit of oxidation (LOX) will commence during July.

### Norwich Park EPC 1066

No additional work was completed on EPC 1066 during the Quarter. Previous exploration data is currently being carefully assessed to determine whether further drilling is warranted.

The previously planned program of deeper drilling in areas north east/south east of existing mines has been held over while work focuses on the Blackall tenement. Access agreements are being negotiated to enable drilling program to commence if the data review proves positive.

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## CORPORATE INFORMATION

### Directors

Terry Byrt	-	Chairman
Mark Basso	-	Managing Director
Clive Triplett	-	Executive Director
Malcolm Castle	-	Non Executive Director
Ranko Matic	-	Non Executive Director

### Company Secretary

Ranko Matic

### Registered Office

Level 7  
16 St Georges Terrace  
Perth Western Australia 6000

Telephone (08) 9225 5833  
Facsimile (08) 9225 7311

Website [www.eastenergy.com.au](http://www.eastenergy.com.au)

### Shares on Issue

As at 30<sup>th</sup> June 2008 there were 90,500,002 ordinary shares on issue

### Substantial Shareholders

Majicyl Pty Ltd  
Byrt Holdings Pty Ltd

### Reporting Calendar

30<sup>th</sup> September 2008 – Financial Year End Reports

31<sup>st</sup> October 2008 – Next Quarterly Report

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

East Energy Resources Limited

ABN

66 126 371 828

Quarter ended ("current quarter")

30 June 2008

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (.12... months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation	(63)	(112)
(b) development		
(c) production		
(d) administration	(265)	(727)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	83	170
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
	(245)	(669)
<b>Net Operating Cash Flows</b>		
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects (b)equity investments		
(c) other fixed assets	(102)	(153)
1.9 Proceeds from sale of: (a)prospects (b)equity investments		
(c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Acquisition of Mining Tenements		
	(102)	(153)
<b>Net investing cash flows</b>		
1.13 Total operating and investing cash flows (carried forward)	(347)	(822)

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**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(347)	(822)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.		5,052
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Costs associated with issue of Shares		(406)
	<b>Net financing cash flows</b>		4,646
	<b>Net increase (decrease) in cash held</b>	(347)	3,824
1.20	Cash at beginning of quarter/year to date	4,171	
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	3,824	3,824

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	165
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Directors Fees	165
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**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

**Estimated cash outflows for next quarter**

\$A'000
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4.1	Exploration and evaluation	450
4.2	Development	
<b>Total</b>		

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	3,824	4,171
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	3,824	4,171

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

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**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>	Nil			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	90,500,002	20,200,002		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	Nil			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	1,100,000 Unlisted Options	-	Exercise price- 30 cents	Expiry date – 31 August 2010
7.8 Issued during quarter	-			
7.9 Exercised during quarter	-			
7.10 Expired during quarter	-			
7.11 <b>Debentures</b> <i>(totals only)</i>	Nil			
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-	-		

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## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



..... Date: 29 July 2008  
(Director/Company secretary)

Print name: Ranko Matic

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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