



## Quarterly Activities Report for period ending 30 September 2008

### Highlights

Drilling continued on EPC 1149 Blackall throughout the quarter using up to three rigs.  
An additional 131 RAB holes were drilled bringing the total number of holes to 166.  
Exploration focused on defining the structure and extent of the deposit  
Coal core sampling well underway with samples being shipped to ALS in Emerald for analysis  
No exploration on Norwich Park EPC 1066 during the quarter

### Blackall EPC 1149

Department of Mines and Energy formally granted EPC 1149 on 22 April and drilling commenced in early June 2008.

Exploration drilling continued uninterrupted for the three months to 30 September with a further 131 RAB holes drilled, bringing the total number of holes to 166. Exploration has now covered most of the southern half of the EPC extending known geology well beyond the historical exploration completed by Theiss in the 1970's and establishing the lateral extent and structure of the coal seams. A total of 12,309m were drilled during the period. All drill holes (with the exception of few that had caved and could not be cleared) have been geophysically logged using standard wireline logging techniques to accurately define the top and bottom of the coal seams and precisely target the core drilling.

Results of drilling have continued to be very encouraging with the coal generally occurring in two horizons of 4 to 5 metres thickness separated by 15 to 20 metres of weak siltstone and mudstone. Thickness of the individual seams ranges from 0.5m to 4.0m. To the western side of the EPC the coal horizons have been intersected at a maximum depth of 190m. The width of the deposit, from these deep occurrences through to the subcrop line (where the coal is 10m below surface), is 11km and the deposit has now been drilled out to 22km strike length north-south. RAB drilling will be completed by the end of October and coring will wind up a short time later.

Drilling has shown the overburden to consist of weak to moderately weak silty and sandy sediments with only sporadic thin harder bands. Overburden would be very easily excavated without the need for blasting.

### Norwich Park EPC 1066

No additional work was completed on EPC 1066 during the Quarter. Previous exploration data is yet to be fully assessed to determine whether further drilling is warranted.

# 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 September 2008

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date ( 3 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(884)	(884)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	72	72
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
	(1,175)	(1,175)
<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	(28)	(28)
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		
	(28)	(28)
<b>Net investing cash flows</b>		
1.13 Total operating and investing cash flows (carried forward)	(1,203)	(1,203)

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(1,203)	(1,203)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		
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		
	<b>Net financing cash flows</b>	0	0
	<b>Net increase (decrease) in cash held</b>	(1,203)	(1,203)
1.20	Cash at beginning of quarter/year to date	3,805	3,805
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	2,602	2,602

**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	162
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	162

**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
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+ See chapter 19 for defined terms.

4.1	Exploration and evaluation	800
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	2,602	3,805
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)	2,602	3,805

### 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			

+ See chapter 19 for defined terms.

**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	22,300,002		
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>	-	-		

+ See chapter 19 for defined terms.

## 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: 31 October 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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