



MEDIA RELEASE

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Coal discovered in the Northern half of Blackall Tenement

Perth-based coal exploration company East Energy Resources (East Energy) has commenced drilling in the northern half of their Blackall Coal Tenement (EPC 1149), in the Eromanga Basin in Queensland.

The northern drilling program, which was originally scheduled to commence early in Q1 - 2010, was delayed due to the heavy rain and flooding that occurred during January and February. The focus of the drilling program is to explore the top half of the tenement, which to date, has not been explored by East Energy. This area measures 25km east to west and 15 km north to south.

"It is great to be focusing some attention on the previously unexplored northern portion of the tenement. The drilling in the southern part has been quite successful to date with the discovery of a 1.2 Billion tonne JORC Inferred thermal coal resource. We are hoping that the northern half of the tenement is equally as fruitful", Managing Director of the Perth, West Australian-based company, Mark Basso said.

Our Exploration Manager reports that the first eight drill holes, covering an area of 4km by 10km, have intersected several coal seams which are a continuation of the seams in the southern half of the tenement.

The initial drilling program was set for 12 RAB holes to a depth of 100m. With the early results being so promising our exploration manager has increased the program to 20 RAB holes. Follow up coring of the coal seams will be completed and the samples sent to the ACIRLS's Emerald laboratory for quality testing.

"We have found that all of the initially planned RAB holes, located at approx. 4km centres, intersected significant coal. On this basis we have nearly doubled the number of holes we will drill. On completion of the northern drilling program and lab work the data will be used by our mining consultants, SRK to extend the 1.2 Billion tonne JORC Inferred thermal coal resource" said Peter Tighe, Exploration Manager in Blackall

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Competent persons statement

*The information in this report relating to resources is based on information compiled by Peter Tighe who is a member of the **Australian Institute of Mining and Metallurgy** and who is employed by **East Energy Resources Limited**. Mr Tighe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a *Competent Person* as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Tighe consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*