



MEDIA RELEASE
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Northern Drilling of Blackall Tenement intersects more coal seams

Perth-based coal exploration company, East Energy Resources Limited (East Energy) has released the initial results from the drilling in the northern half of their Blackall Tenement (EPC 1149) located in the Eromanga Basin.

Currently 18 chip holes have been completed in the northern half of the tenement, with drill locations shown on the map below. The majority of these holes have now been geophysically logged.

Initial observation of the rock chips and geophysics indicate that the coal seams are continuous to the north and retain similar character in terms of seam thickness and apparent quality as in the south, where a 1.2 Billion tonne JORC inferred thermal coal resource has been discovered. Fresh coal has been found at a depth of 12 to 15 metres along the eastern side of the Blackall tenement, which corresponds to the depth of weathering. The structure of the deposit in the north mirrors that of the south with seams dipping from east to west at an angle of less than 2 degrees.

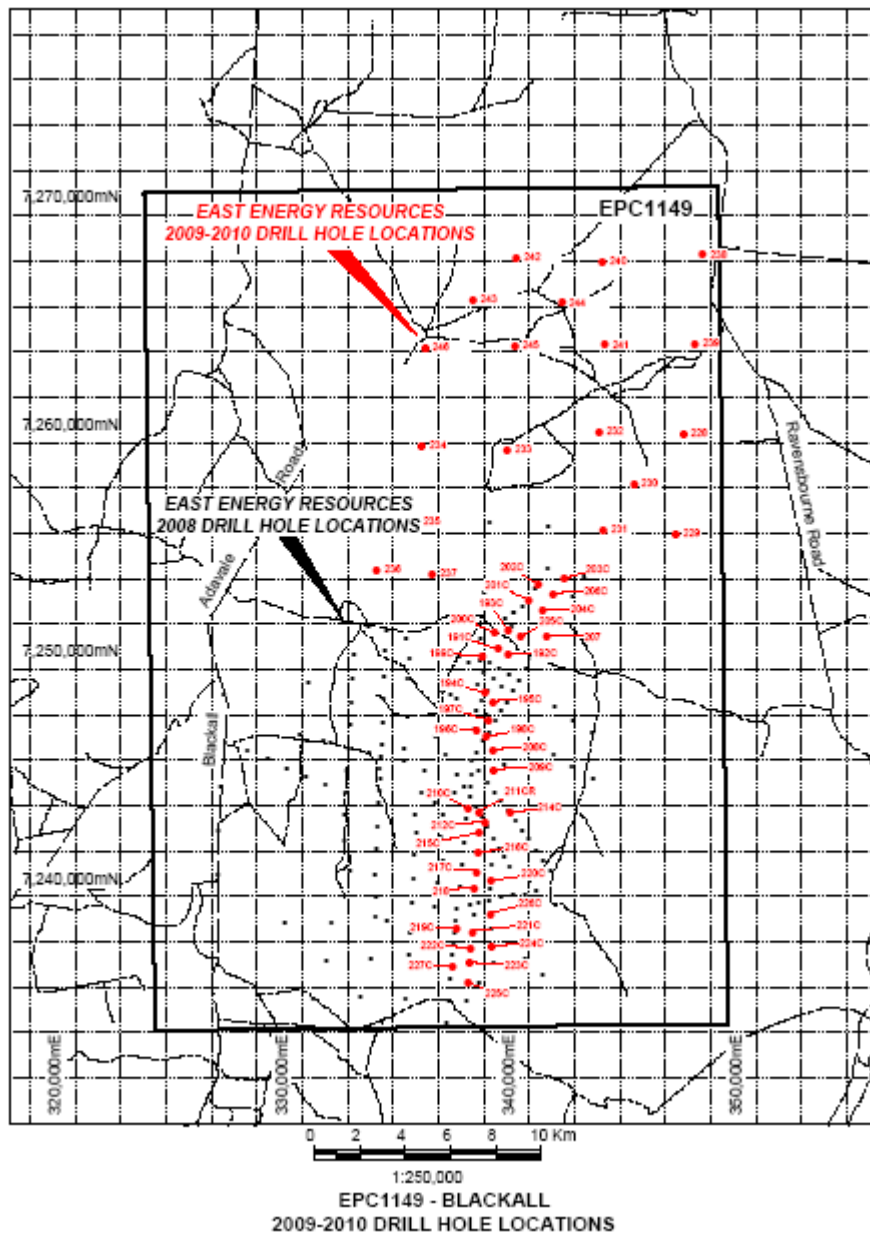
“This is an exciting time for us at East Energy. It is great to find that the coal seams in the south are continuing in the north, it effectively increases the strike length of the resource to the north by approximately 14km.” said Mark Basso, Managing Director.

“The initial observations of our Exploration Manager indicate that coal has been found again at shallow depths. This is exciting as it will translate to lower mining costs”

Following these initial results, East Energy will now close up the drilling in the north to less than 4km centres and complete coring of the seams for coal quality analysis. Once the coal quality has been established and seam correlations completed, the data will be used to substantially upgrade the current JORC compliant resource.

“Subject to the completion of the detailed evaluation, it is expected that the coal found in the northern portion of our Blackall tenement could conceivably increase the total resource in EPC 1149 to in excess of 2.0 Billion tonnes.” finished Mark Basso.

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For further information please contact:

Mark Basso
Managing Director
Tel: 0412 8444 22 (Perth)
Website: www.eastenergy.com.au

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.