

MEDIA RELEASE
4th September 2008

Coring program at Blackall Coal Project in QLD yields significant results

Key points

- Company is now in it's third stage of drilling and has completed over 150 RAB (Rotary Air Blast) holes to approx. 100m deep each,
- Mineralisation target at the Project has more than doubled to 200 – 220 million tonnes following analysis of stage one drilling results¹,
- Two rigs working on a comprehensive coring program ,
- 52 cored coal seam samples have been sent for laboratory analysis,
- The coal deposit has been drilled out to 18.5km North–South and 7km East - West,
- Detailed analysis of the second and third stages of drilling will further upgrade the volume of coal and,
- JORC resource statement expected to be produced early next year.

Perth-based coal exploration company East Energy Resources (“East Energy” or “the Company”) (**ASX: EER**) has received encouraging results from its recently commenced coring program at its 100% owned Blackall Coal Project (EPC 1149) in the Adavale Basin region of Queensland, with excellent core recovery in all coal seams intersected to date.

As a follow-up to the RAB drilling and geophysical logging program, East Energy has commenced a targeted coring program. To date, 52 core hole samples have been completed, with cores being progressively sent for analysis at ALS’s NATA accredited laboratory in Emerald. Initial analytical results are expected within a few weeks. Two drilling rigs have now been placed on full time coring of identified coal seam intersections.

Visually, the coal seams cored to date continue to impress and laboratory results should be received within the next few weeks. (See images of 2 core samples below).



¹ Mineralisation target is not JORC Compliant (Refer ASX announcement 27 August 2008)



The Company recently announced that it had more than doubled its mineralisation target at the project to **200-220 million tonnes of thermal coal** following analysis of results from the stage one drilling program. Analysis of the stage two drilling results is well underway and this will lead to a further upgrade of the mineralisation target.

In accordance with section 18 of the JORC Code, the company wishes to state that the potential quantity and quality of this mineralisation target is conceptual in nature, with insufficient verification of exploration to define a mineral resource. It is uncertain if further exploration will result in the determination of a mineral resource.

East Energy Senior Geologist, Peter Tighe, said that the recently completed stage one exploration campaign had surpassed the company's expectations and that he was very pleased with the initial visual results produced from the recently commenced coring program.

"We have been very encouraged by the results of our open hole drilling and geophysical logging programs as well as the quality of the samples retrieved during successful coring of the first coal seams.

"This coring program will continue at a fast pace, and to this end we have dedicated two drill rigs solely to this task."

ENDS

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Competent person statement

*The information in this report relating to resources is based on information compiled by Peter Tighe who is a member of the **Australasian Institute of Mining and Metallurgy** and who is employed by **East Energy Resources Ltd**. 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.*

Company Background

East Energy Resources has acquired the rights to two coal tenements in the Bowen Basin and Adavale Basin in Queensland. The Norwich Park tenement is an exploration phase project with identified coal material in the western portion of the block. Coal measures are being mined adjacent to the tenement area and further data review, exploration and drilling is required to assess the area. The Blackall tenement includes a potential quantity of coal measures of thermal coal, which has been defined by a limited number of drill holes. Large adjacent areas remain to be evaluated.