



MEDIA RELEASE
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Core drilling commences in the Northern half of EPC 1149 Blackall QLD

Perth-based coal exploration company, East Energy Resources Limited (East Energy) has commenced a 3,000m drilling program to prove up the extensive coal resources on the northern half of their Blackall Tenement (EPC 1149) located in the Eromanga Basin QLD. This deposit has been named the Allambi deposit after the local grazing property.

“Our exploration target is a further 800Mt of Inferred Resource to add to the 1,200Mt already reported in the Southern half of the lease”, said Peter Tighe, East Energy’s Exploration Manager.

The area to be tested measures 12km x 12km, effectively increasing the total strike length of the Blackall resource to 32 km North - South.

In April this year, the company reported on a reconnaissance drilling program of 27 chip holes completed across the Allambi deposit. Cumulative coal thicknesses of up to 10m were found in these drill holes with seams as shallow as 24m below the surface.

Results from that program indicated that the coal seams are continuous and retain similar character in terms of seam thickness and apparent quality as in the South. The structure of the Allambi deposit mirrors that of the South with seams dipping from East to West at an angle of about 2 degrees.

In the current program the first core hole has been completed, intersecting five coal seams between depths of 30m to 55m. The samples will be analysed for coal quality at HRL Technology’s labs in Melbourne.

The Northern exploration program involves closing up the core drilling at Allambi to less than 4km centres completing approximately 25 holes to obtain samples 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 completion of the detailed evaluation, it is expected that the coal found in the Allambi deposit could conceivably increase the total Inferred Resource in EPC1149 to in excess of 2.0 Billion tonnes.

“We are very excited about moving to the Northern area and proving up another significant thermal coal resource in Queensland”, said Mark Basso, Managing Director of East Energy. “This deposit, along with those in the Galilee Basin, will provide long term secure resources of thermal coal for many years to come ”

ENDS

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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.*