



ASX/MEDIA RELEASE
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Final infill drilling underway in Southern half of Blackall Coal Project

Key points

- **Drilling underway on the western edge of the southern portion of the Blackall Coal Project in the Eromanga Basin in central Queensland - EPC 1149**
- **Core holes will be drilled to infill gaps in current thermal coal model and significantly increase the upcoming JORC Indicated Resource statement**
- **JORC Indicated Resource to be confirmed in April 2011**
- **Company also continuing with drilling to confirm a separate JORC Inferred Resource in the northern part of the project**
- **Company to apply for a Mineral Development Licence (MDL) at Blackall project subsequent to the confirmation of the JORC Indicated Resource**

Coal exploration company East Energy Resources Ltd (East Energy) (ASX:EER) is pleased to announce that it is approximately two weeks away from completing the revised Southern exploration program for the Blackall Coal Project (EPC 1149) in the Eromanga Basin, near Blackall, in central Queensland.

The additional core hole locations were identified by the Company's geological consultants, Xenith Consulting (Xenith), who are in the final stages of preparing a JORC Indicated Resource report for the Blackall project.

Xenith has recommended that East Energy drill an additional row of strategically placed core holes along the Western edge to infill the gaps in the current thermal coal model and significantly increase the upcoming JORC Indicated Resource tonnage. "The preliminary figures already look quite good so this additional drilling will simply add additional tonnage to the report" said Mark Basso Managing Director East Energy

As a result of this additional drilling, the Company advises that the JORC Indicated Resource report will be completed and released to the market in April 2011, rather than its previously stated release date of Q1- 2011.

In addition to the JORC Indicated Resource, which will be confirmed on the southern and western areas of the project, the Company will also continue with drilling to confirm a separate JORC Inferred Resource in the northern part of the project, which should add significantly to Blackall's overall Resource inventory.



As previously announced (ASX announcement, 9 February 2011), subsequent to the confirmation of the JORC Indicated Resource at Blackall, East Energy will apply for a Mineral Development Licence (MDL) over the Blackall Coal Resource. This will represent a major milestone for the Company as it moves from the exploration phase into the development phase of the project.

East Energy managing director Mark Basso said: "We are delighted with the progress the Company has made on its exploration plans at the Blackall project and look forward to being in a position to announce our maiden JORC Indicated Resource statement in the near future. Xenith Consulting have advised us that the infill drilling along the western edge of the project area should add significant extra tonnage to the Resource statement."

The Blackall Project covers an area of approximately 900km² (covering 300 sub-blocks) in the Eromanga Basin in central Queensland. The tenement was granted to East Energy in April 2008. The project area is located 65 kilometres south of the Blackall township and 177 kilometres north west of Charleville.

ENDS

For further information please contact:

Mark Basso
Managing Director
East Energy Resources
T: 0412 8444 22 (Perth)
E: mbasso232@gmail.com
Website: www.eastenergy.com.au

About East Energy Resources

East Energy Resources (ASX: EER) is a coal exploration company, which listed on the ASX in December 2007. The Blackall Coal Project, in the Eromanga Basin, currently has a JORC Inferred Resource of 1.2 billion tonnes of thermal quality coal. The Company has conducted extensive drilling program over the last few years and plans to confirm a JORC Resource category upgrade in April 2011. It will also apply for a Mineral Development Licence (MDL) on the project in the near future.

Competent Persons Statement

*The information in this report relating to resources and exploration targets 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 is appears.*