

EAST ENERGY CONFIRMS 469Mt JORC INDICATED RESOURCE AT BLACKALL COAL PROJECT

Key Points

- **Maiden JORC Indicated Resource of 469Mt confirmed at Blackall Coal Project in Eromanga Basin in Central Queensland**
- **Resource sits within a wider total (Inferred and Indicated) Resource of 749Mt.**
- **The resource values above are based on an exploration area of approximately 15% of the Blackall tenement area, and a cut-off depth of 150m.**
- **Mineralisation extends into northern area of project, where drilling is ongoing to further expand project's Resource**
- **Company to apply for Mineral Development License**
- **Preliminary rail studies already commenced, and Expression of Interest registered for up to 20Mtpa capacity at Abbott Point port in North Queensland**

Coal exploration company, East Energy Resources Limited (East Energy) (ASX: EER) is pleased to announce a maiden **JORC Indicated Resource of 469 million tonnes** of thermal coal at its Blackall Coal Project in Central Queensland.

The Resource was calculated from 249 drill holes at the Carlow Deposit in the southern region of the Blackall Project (EPC1149), and sits within a wider total Resource (Inferred and Indicated) of 749 million tonnes. The current JORC Resource figures are based on an exploration area of approximately 15% of the total area of the Blackall project. A cut-off depth of 150 metres has been utilised in the resource calculations. The original 1.2Bt JORC Inferred Resource value was based on a larger exploration area.

Coal mineralisation at the project is continuous and extends to the east & west of the area explored for the Maiden JORC Indicated resource value as well as into the Alambi deposit in the northern portion of the project area. Due to the excellent results achieved from exploration in a relatively small portion of the tenement, the board has decided to continue the drilling program to further expand the Blackall Resource base.

EAST ENERGY RESOURCES LTD

ASX: EER

East Energy Resources is a coal exploration and development company primarily focused in the Eromanga Basin in Queensland.

It has a Maiden JORC **Indicated** Resource of 469Mt of Thermal Coal at its Blackall Project, located south west of the major deposits of Hancock Coal and Waratah Coal in the Galilee Basin.

Capital Structure

Share Price: \$0.585

Market Cap: \$97.37M

Shares on Issue: 166,449,305

Board of Directors

Mark Basso, Managing Director

Ranko Matic, Non-Executive Director

Malcolm Castle, Non-Executive Director

Rex Littlewood, Non-Executive Director

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The Resource has been calculated by East Energy's independent geological consultants, Xenith Consulting.

The Blackall project is located in the Eromanga Basin in central Queensland, 65km south of the Blackall township. It covers an area of approximately 900km² (covering 300 sub-blocks).

East Energy is extremely pleased with the maiden Indicated Resource value. It provides sufficient confidence to extend the exploration program. The current resource tonnages and yields are sufficient to support a large scale open cut thermal coal mine over a long term.

The Company will now move forward with its application for a Mineral Development License (MDL) over the Blackall JORC Indicated Coal Resource.

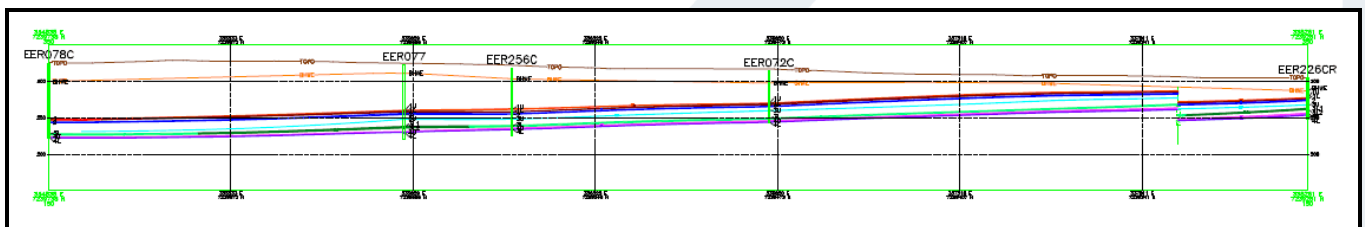
In addition, conceptual rail studies have already commenced, and the Company has provided an Initial Expression of interest to North Queensland Bulk Ports Corporation to secure up to 20Mtpa export capacity at the new T4-7 port expansion at Abbott Point in North Queensland.

Background to Resource calculation

The Blackall Resource estimate was based on extensive exploration programs conducted at the project over the past 18 months, which included core drilling, geophysical surveys and laboratory analysis.

The drill hole spacing within the Indicated Resource area was narrowed down to a range of between 500 metres and a maximum of 1km. This allowed for a confident interpretation of the geology, and also provided a strong framework for the assumption of the continuity of coal seams in terms of thickness and quality.

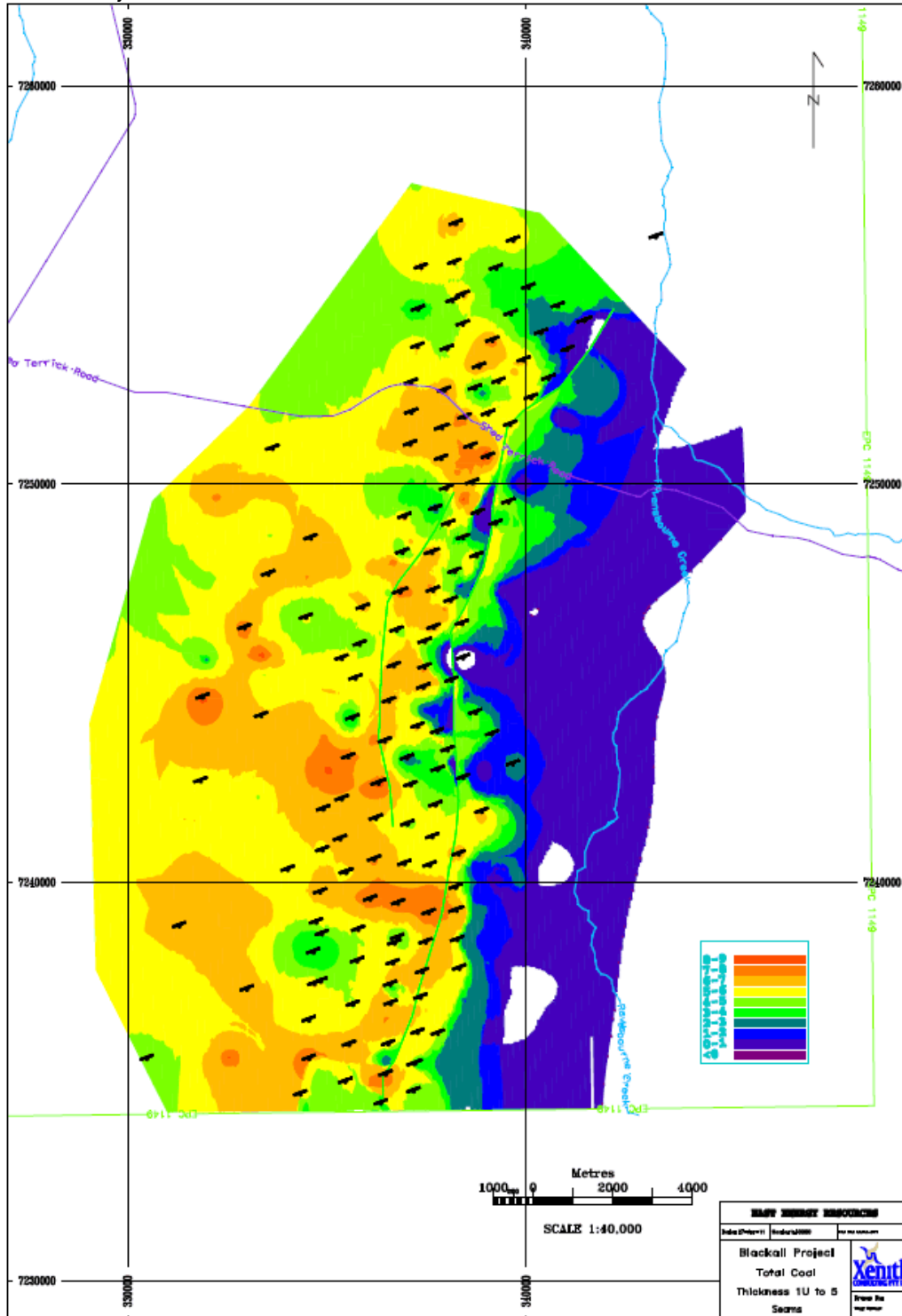
Blackall Project - Cross section through deposit



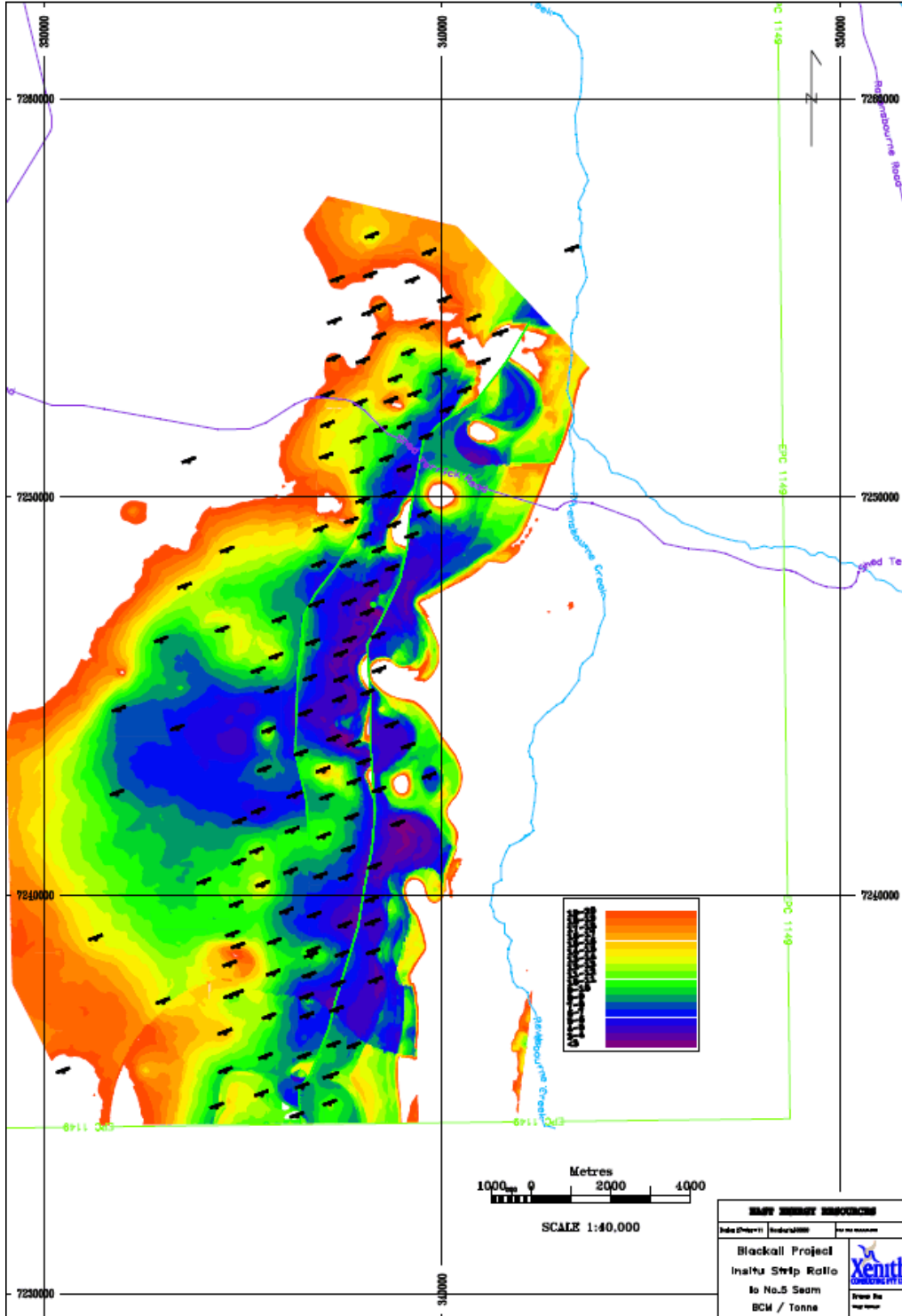
The Resource calculation is limited to a maximum depth of 150 metres and no mineralisation below this depth is included in the current estimate, and outlying drill holes with wider spacings have been omitted from the Resource calculation.

The following maps and table provide details of the average assay results as well as strip ratios.

Blackall Project – Total Coal Thickness 1U to 5 Seams



Blackall Project – Insitu strip ratio to No.5 seam BCM/tonne



East Energy Resources Ltd - Blackall Project – JORC Resource Estimate April 2011

Seam	Av. Coal Thickness (m)	Coal Volume Cu.m (x 10 ⁵)	Coal Area (Ha)	Coal Mass Tonnes Insitu (x 10 ⁵)	Coal RD Insitu	Total Moisture	Inherent Moisture % (Adb)	Raw Ash % (Adb)	Raw Volatile Matter % (Adb)	Raw Sulphur % (Adb)	Raw Specific Energy Mj/Kg (Adb)	F1.60 Product Ash % (Adb)	F1.60 Product Volatile Matter % (Adb)	F1.60 Product Sulphur % (Adb)	F1.60 Product Specific Energy Mj/Kg (Adb)	F1.60 Product Yield % (Adb)
1U																
Indicated	0.70	15.4	2,197	21.5	1.40	29.2	22.5	20.2	25.7	0.38	15.74	13.2	30.7	0.30	19.4	79.1
Inferred	0.74	13.8	1,867	18.9	1.37	30.0	23.2	20.7	25.2	0.43	15.89	12.0	29.9	0.30	19.6	74.8
1L																
Indicated	0.80	18.5	2,307	26.1	1.41	29.6	22.5	22.1	24.4	0.43	15.82	15.9	30.4	0.38	18.6	80.1
Inferred	0.65	19.2	2,938	27.4	1.41	29.8	23.8	22.6	24.4	0.45	16.41	15.3	29.8	0.37	18.8	78.8
2																
Indicated	1.00	39.6	3,968	56.4	1.42	28.6	21.8	24.0	25.9	0.38	16.23	14.4	30.3	0.36	19.1	78.4
Inferred	0.84	23.5	2,799	33.1	1.41	29.7	22.4	21.8	25.2	0.42	16.61	12.4	31.8	0.38	19.5	82.2
3U																
Indicated	0.71	13.8	1,948	19.9	1.44	27.6	20.4	25.6	26.0	0.40	16.51	14.2	30.6	0.36	19.5	76.7
Inferred	0.48	6.7	1,387	9.9	1.49	26.9	18.9	31.4	23.7	0.41	14.98	14.9	31.1	0.45	19.5	62.5
3U1																
Indicated	0.49	12.1	2,477	17.7	1.46	27.8	20.4	26.8	27.6	0.64	16.39	15.1	28.5	0.43	19.2	74.4
Inferred	0.48	12.9	2,682	18.8	1.46	27.7	20.6	27.4	28.0	0.53	16.93	15.4	29.2	0.39	19.8	73.6
3U2																
Indicated	0.55	13.6	2,479	19.9	1.46	26.7	19.9	27.4	27.8	0.47	15.89	15.7	28.6	0.40	19.1	68.8
Inferred	0.38	7.3	1,927	10.5	1.43	27.3	20.2	24.2	27.9	0.56	17.11	16.5	28.7	0.39	19.2	76.1
3L																
Indicated	1.49	42.4	2,846	58.4	1.38	30.9	23.3	18.1	27.3	0.49	17.02	12.1	30.3	0.44	19.9	85.7
Inferred	1.38	26.0	1,886	35.5	1.37	31.9	24.8	16.8	28.8	0.47	17.28	10.5	31.7	0.48	21.0	87.9
3L1																
Indicated	0.84	47.2	5,629	66.9	1.42	28.0	20.8	21.8	27.4	0.43	16.77	13.6	29.8	0.41	20.0	76.9
Inferred	0.79	10.8	1,362	15.4	1.43	27.8	21.0	24.0	27.8	0.47	16.75	13.9	30.0	0.40	20.3	74.1
3L2																
Indicated	0.66	18.1	2,735	26.0	1.44	27.8	20.7	24.6	25.3	0.39	16.09	14.3	29.2	0.41	19.4	76.0
Inferred	0.50	6.7	1,346	9.7	1.44	27.6	19.9	25.7	26.0	0.38	16.05	15.9	28.9	0.40	19.2	73.9
4U																
Indicated	0.96	59.5	6,195	82.9	1.39	29.5	21.4	19.4	26.6	0.45	17.08	11.2	30.8	0.40	20.5	82.5
Inferred	0.91	39.2	4,308	54.5	1.39	30.0	22.7	19.3	28.4	0.48	17.59	11.4	31.1	0.43	20.9	83.9
4U1																
Indicated	0.64	5.9	916	8.3	1.42	31.5	19.9	23.5	26.2	0.48	15.99	15.5	29.7	0.53	19.1	75.1
Inferred	0.79	0.1	9	0.1	1.41	32.6	19.2	21.1	28.0	0.54	17.16	12.0	30.1	0.57	19.3	77.2
4U2																
Indicated	0.63	5.8	919	8.2	1.42	29.1	20.0	21.8	25.4	0.42	17.23	12.8	29.6	0.37	19.6	85.6
Inferred	0.40	0.0	9	0.1	1.43	29.6	20.1	22.9	25.1	0.34	16.83	14.3	28.5	0.38	18.9	84.2
4L																
Indicated	0.56	36.3	6,452	51.5	1.42	28.3	20.8	22.7	25.7	0.54	16.13	15.0	29.8	0.50	19.4	77.2
Inferred	0.67	17.1	2,559	24.0	1.40	28.9	21.7	21.0	27.4	0.53	16.29	13.3	30.9	0.51	20.4	82.0
5																
Indicated	0.48	3.3	689	4.9	1.49	27.9	19.4	32.6	22.7	0.63	14.75	15.2	29.0	0.50	19.1	60.0
Inferred	0.50	15.2	3,040	22.4	1.47	28.5	20.6	30.0	23.7	0.79	15.92	13.6	30.4	0.61	20.1	67.3
Sub Total		530		749												

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Competent Persons Statement

The information in this report relating to insitu coal resources is based on information compiled by Mr Troy Turner who is a member of the Australasian Institute of Mining and Metallurgy and is a full time employee of Xenith Consulting Pty Ltd.

Mr Turner is a qualified geologist and 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 Competent Person as defined in the 2004 Edition of the *“Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”*.

Mr Turner consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.