



## Media release/ASX announcement

### September 26, 2011

### East Energy welcomes GVK's \$1.26 billion stake in Queensland coal

Emerging coal exploration company East Energy Resources Limited has welcomed the recent announcement by GVK group that it had acquired a majority stake in the Hancock Coal project, located on the doorstep of its Eromanga Basin tenements.

GVK group has agreed to pay \$1.26 billion for a 79% stake in Hancock's two Alpha mines and 100% its Kevin's Corner mine as well as full ownership of ongoing rail and port projects to secure thermal coal supplies for its planned power plants in India.

EER Managing Director Mark Basso said the announcement further highlighted the global recognition of Queensland's quality coal resources.

"The Galilee Basin continues to attract significant global attention as a hub for sourcing export coal and the Eromanga is only 200km away," Mr Basso said.

"Given the proximity, the potential to add to the export total through projects such Blackall where East Energy is currently focussed is quite exciting.

"The international demand for thermal coal is high and the strength of the tenement in the Eromanga will play a key role in servicing this demand," he said.

East Energy Resources is evaluating extensive coal deposits at its Alambi project in the northern half of its Blackall Tenement (EPC 1149). Data from a recently-completed drill program is being analysed by geological consultants and the company is expected to announce a JORC compliant Inferred Resource for Alambi in Q4 – 2011.

As East Energy proves up its assets, Mr Basso said the company would be simultaneously advancing infrastructure development by working closely with Hancock and other stakeholders.

Hancock Coal is well advanced in plans to build a 500km railway from

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: \$0.27

Market Cap: \$44.94M

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 Galilee Basin to the coal port of Abbot Point. It is presently seeking expressions of interest from customers interested in being provided rail haulage services from mine to port.

East Energy said it will be actively engaging in the EOI process with a view to securing future rail use.

EPC 1149, comprising East Energy's Alambi and Carlow deposits, lies to the south-west of significant deposits in the Galilee Basin, including Hancock Coal's Alpha Project, Waratah Coal's China First Project and Adani Coal's Galilee Project.

It covers 300 sub-blocks over an area of approximately 900km<sup>2</sup> that topographically consist of gently sloping smooth plains.

**ABOUT EAST ENERGY RESOURCES LIMITED:** East Energy Resources Limited (EER) is an ASX-listed coal exploration and development company with an Exploration Permit for Coal (EPC1149) in the Eromanga Basin situated near the Galilee Basin in Central Queensland. EPC 1149 has a total area of 90,000 hectares. The company is headquartered in Perth, Western Australia.

ENDS

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