

EPC1149 Blackall Qld – Thermal Coal Project

- Final 8 exploration holes completed Feb 2012
- 1.8 to 2 Billion tonne target**
- In excess of 350 exploration holes drilled to date
- Coal intersected at shallow depths
- Suitable for open cut mining
- Cumulative coal seam thickness up to 10m
- Close proximity to large scale coal projects being developed in the Galilee Basin
- Updated JORC resource statement expected Q2 2012

The extensive exploration program for EPC 1149 Blackall QLD which commenced in 2008 was completed in Feb 2012. In excess of 350 exploration holes have been drilled to accurately define the target. East Energy have worked in close consultation with SRK consultants to ensure that the drill centres have been accurately positioned to comply with the requirements of the JORC Code. SRK Consultants have been commissioned to prepare an updated resource statement which combines all of the drill data to date.

In house modeling of the target using Minex Software indicates a considerable increase in our current JORC Inferred Resource of 749 Million tonnes. SRK are currently working on an updated resource statement to include all new drilling data and we anticipate that this will be completed in April/May 2012.

Coal seams were intersected at less than 30m below ground level. Exploration targeted seams to a maximum depth of 150m as this is generally considered to be the limit for open cut mining.

The table below details the parameters and ranges for the exploration target, obtained from the drilling and analysis completed to date.

Raw Coal analysis – air dried basis	From	To
Relative Density g/cc	1.39	1.52
Moisture %	19	22
Ash %	17	27
Volatile Matter %	23	29
Fixed Carbon %	32	38
Sulphur %	0.35	1.23
Specific Energy Mj/kg	15.0	17.7

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 and a JORC Inferred Resource of 280Mt 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: \$0.185

Market Cap: \$30,793,121

Shares on Issue: 166,449,305

Board of Directors

Mark Basso, Managing Director

Ranko Matic, Non-Executive Director

Rex Littlewood, Non-Executive Director

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“Our team have done an excellent job identifying such a large target in such a relatively short time. We look forward to the new JORC resource statement being released in Q2. As the drilling program is now complete we will focus on infrastructure solutions and commence a scoping study” M.Basso

Competent Persons Statement

The information in this report relating to insitu coal resources is based on information compiled by Mr Peter Tighe who is a member of the Australasian Institute of Mining and Metallurgy and is a full time employee of East Energy Resources Ltd.

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

** The potential quantity and grade in the target is conceptual in nature, as there has not yet been sufficient analysis of all exploration results to define a Mineral Resource. It is not certain that further assessment will result in the determination of a Mineral Resource.