



Blackall Thermal Coal Project – Rail Update

21st March 2012

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- **East Energy to study use of existing disused rail easement linking Blackall to Jericho**
- **Continues to monitor rail proposals for the Galilee Basin**
- **Expression of Interest lodged for access to proposed GVK/Hancock railway to Abbot Point**
- **East Energy to benefit from new technologies to be used in development of new rail links**

East Energy Resources Limited (ASX: EER) (“East Energy” or “the Company”) announces that it has received permission from the Queensland government’s Department of Transport to study the use of the existing disused rail easement between Blackall and Jericho for the possible construction of a new rail line to transport coal from East Energy’s EPC 1149 Blackall Project in the Eromanga Basin.

The 12-month access permit will allow East Energy to study whether the easement is suitable for construction of a new rail line.

East Energy is the most advanced of a number of companies operating in the Eromanga Basin, which has the potential to become a significant new frontier for Australia’s coal industry. East Energy, of which Noble Group is a significant shareholder, has drilled more than 350 holes at Blackall, where it has identified a thermal coal JORC resource.

The government easement, which will be studied by East Energy, represents the shortest route from Blackall to Jericho, which lies on the main central-western railway line from Longreach to Blackwater. Jericho is located on the south western edge of the Galilee Basin, where a number of parties including GVK/Hancock Coal, Queensland Rail, Vale, Adani and Waratah Coal have proposed building rail infrastructure linking mines to export terminals on the East coast.

East Energy has lodged an Expression of Interest with Hancock Infrastructure Pty for access to its proposed 495-kilometre rail line to Abbot Point. East Energy continues to monitor the progress of potential operators in the Galilee, all of which are encouraging third party access to take up rail capacity.

When completed, the successful Galilee mine and infrastructure projects are expected to use new, best available technologies in developing their rail lines, which will significantly benefit third party users such as East Energy. East Energy will keep shareholders updated with any material developments relating to its infrastructure requirements.

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: \$0.26

Market Cap: \$43,276,819

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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East Energy Managing Director Mark Basso said:

“In tandem with proving up the size and strategic value of our JORC resource, we continue to explore options for rail access to the Blackall site. As with all new coal projects, access to transport infrastructure is a key issue, and we believe that East Energy is well positioned to leverage the major rail projects being proposed for the Galilee Basin in order to achieve our ultimate goal of successfully exporting thermal coal from Blackall to Abbot Point.”

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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.