



# ASX ANNOUNCEMENT

## 16<sup>th</sup> May 2013

### EAST ENERGY MAKES ITS FIRST DRAWING ON NEW NOBLE LOAN FACILITY

East Energy Resources Ltd (**ASX:EER**) is pleased to announce it has made its first drawing on the new loan facility provided by the Noble Group (**Noble**). This facility was provided as part of the Idalia acquisition which was completed on Friday 10th May 2013 (refer to ASX announcement dated 10<sup>th</sup> May 2013).

As detailed in the 10<sup>th</sup> May announcement, the loan facility from Noble provides funding as follows:

- Funds to payout the EER loan provided by Idalia Coal Pty Ltd
- Funds provided to Idalia to payout the Idalia loan from Noble
- Funds to pay the stamp duty on the Idalia acquisition
- Funds to cover working capital and exploration expenditure for East Energy and Idalia Coal.

The funds available to East Energy under this facility, once the two loan facilities have been paid out and stamp duty paid, is approximately \$5m. These funds will provide East Energy with working capital to maintain its exploration program for its Blackall Coal Project (EPC 1149) as well as the new Idalia tenements.

Interest on the facility may be capitalized for the term of the facility, at the discretion of East Energy. The applicable interest rate is the 6-month bank bill swap rate plus a margin of 7.0%. East Energy has provided security for this facility with a personal property security over the Company's assets and a mortgage over the tenements held by East Energy and Idalia. The security arrangements were approved by shareholders at General Meeting held on 3<sup>rd</sup> May 2013.

The funding will be provided on a staggered basis. Repayment of the facility can be made at any time and without restriction within the five year term, with a six month extension available to East Energy. Should this extension be required at the end of the five year term, Idalia may, subject to any required shareholder approval, to convert all or any part of the drawn down balance of the facility into ordinary shares in East Energy.

"It is great to have the Idalia transactions completed and to have access to this facility to enable the further development of our Blackall project and now our new

#### ASX: EER

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

It has a JORC Resource of 1.74Bt of Thermal Coal (627.5Mt Indicated and 1,113Mt Inferred) located south west of the major deposits of Hancock Coal and Waratah Coal in the Galilee Basin.

#### Capital Structure

Share Price: \$0.065

Market Cap: \$23.17m

Shares on Issue: 356,480,930

#### Board of Directors

Mark Basso  
Managing Director

Ranko Matic  
Non-Executive Director

Rex Littlewood  
Non-Executive Director

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Idalia tenements as well. We are currently finalising our exploration plans going forward, now that we have several more tenements to consider. It is a very exciting time for East Energy” said Mark Basso, Managing Director of East Energy Resources Limited.

**For more information:**

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***Competent Persons Statement***

**Competent Persons - EER**

The JORC Resource for EER’s Blackall Project of 1.74Bt is comprised of 627.5 Mt Indicated and 1,113Mt Inferred Resources. Refer to the Competent Persons statement in the EER Announcement dated 17 September 2012.

**Forward Looking Statements**

This Announcement may contain forward looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements are subject to risk factors associated with the Company’s business, many of which are beyond the control of the Company. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You should not place undue reliance on forward-looking statements and neither East Energy Resources Limited nor any of its directors, employees, servants, advisers or agents assume any obligation to update such information.