

DNRM APPROVES PROJECT STATUS FOR COMBINED EAST ENERGY AND IDALIA COAL TENEMENTS AT BLACKALL

Highlights:

- Queensland's Department of Natural Resources and Mines has approved the combination of all East Energy and Idalia coal tenements into the department's Project based permit administration system
- The total area under EPC/MDL within the Project is now 3,580 square kilometres
- The total Coal Resource within the Project comprises 627.5Mt of JORC Indicated Coal resources and 2,817Mt of JORC Inferred resources*
- An additional Exploration Target of 2.0 billion tonnes to 2.5 billion tonnes exists within the Project*
- Potential to be explored for possible further definition and increased tonnages via future exploration.

The Blackall Project is located immediately to the south of the township of Blackall in the Eastern Eromanga Basin in Central Queensland.

In November 2014, East Energy Resources Limited (EER) lodged a variation for the Blackall Project with Queensland's Department of Natural Resources and Mines to revise the expenditure and work program conditions for all Exploration Permits for Coal (EPC's) held under the Project and to include EPC Number 1149 and Mineral Development license (MDL) Number 464 within the Project based permit administration system

EER is pleased to announce that it has now received written approval for the variation from the Department, pursuant to Section 141C of the Mineral Resources Act 1989.

The variation includes the provision for the company to reduce its overall exploration expenditure required within the Project and still remain compliant with the terms and conditions of each of the tenements. This will help conserve capital within the company and allow the flexibility to

ASX: EER

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

EER has a JORC Resource of 3.4455Bt of Thermal Coal (627.5Mt Indicated and 2817Mt Inferred) located south west of the major deposits of Hancock Coal and Waratah Coal in the Galilee Basin.

Capital Structure

Share Price: \$0.01

Market Cap: \$3.565m

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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concentrate work programs in the areas of the Project that will be most prospective in the short term, during the current subdued state of the thermal coal market.

The total resource remains unchanged at 627.5 million tonnes of JORC Indicated Coal resources and 2,817 million tonnes of JORC Inferred Coal Resources*. With fresh coal occurring only 15m to 20m below surface this represents an excellent basis for the development of future open cut mining.

In addition, the Project hosts an Exploration Target in the range of 2.0 billion tonnes to 2.5 billion tonnes which has been defined by geophysically logged, non-cored exploration boreholes in areas adjacent to the JORC resource areas*.

Managing Director of East Energy, Mark Basso, said the combination of the East Energy and Idalia tenements under the DNRM's Project based system will help reduce administration costs and provide flexibility in the short term to concentrate exploration dollars in the most prospective parts of the Project. "This is part of the company's plan to conserve cash during the current drop in the thermal coal price and be well prepared for an upturn in the world coal market", he said.

"The recent agreement signed between the Queensland State Government and Indian companies Adani Enterprises and GVK to expand the Abbot Point coal terminal shows that the Queensland Government supports the responsible and sustainable development of the Galilee Basin", he said.

According to recent media reports, Adani can now progress with developing its \$16.5B Carmichael thermal coal mine, and GVK can go ahead with its \$6B Alpha mine. As part of these projects, ports and railroads will be built or upgraded to transport coal from the Galilee Basin which lies 500km from the coast. The new projects are expected to create some 4,000 jobs in the region¹.

"These developments in the Queensland Coal market present the Company with an exciting opportunity as this infrastructure is critical for the establishment of mining operations within our Blackall Project" Mr Basso concluded.

*For detailed breakdown of Coal Resources and Exploration Targets including coal quality data and competent persons statements, refer to the company's ASX announcement of 10 July 2014 "EAST ENERGY REPORTS 3.44 BILLION TONNES JORC RESOURCE FOR BLACKALL PROJECT"

ENDS

Further information contact:

Mark Basso

Managing Director

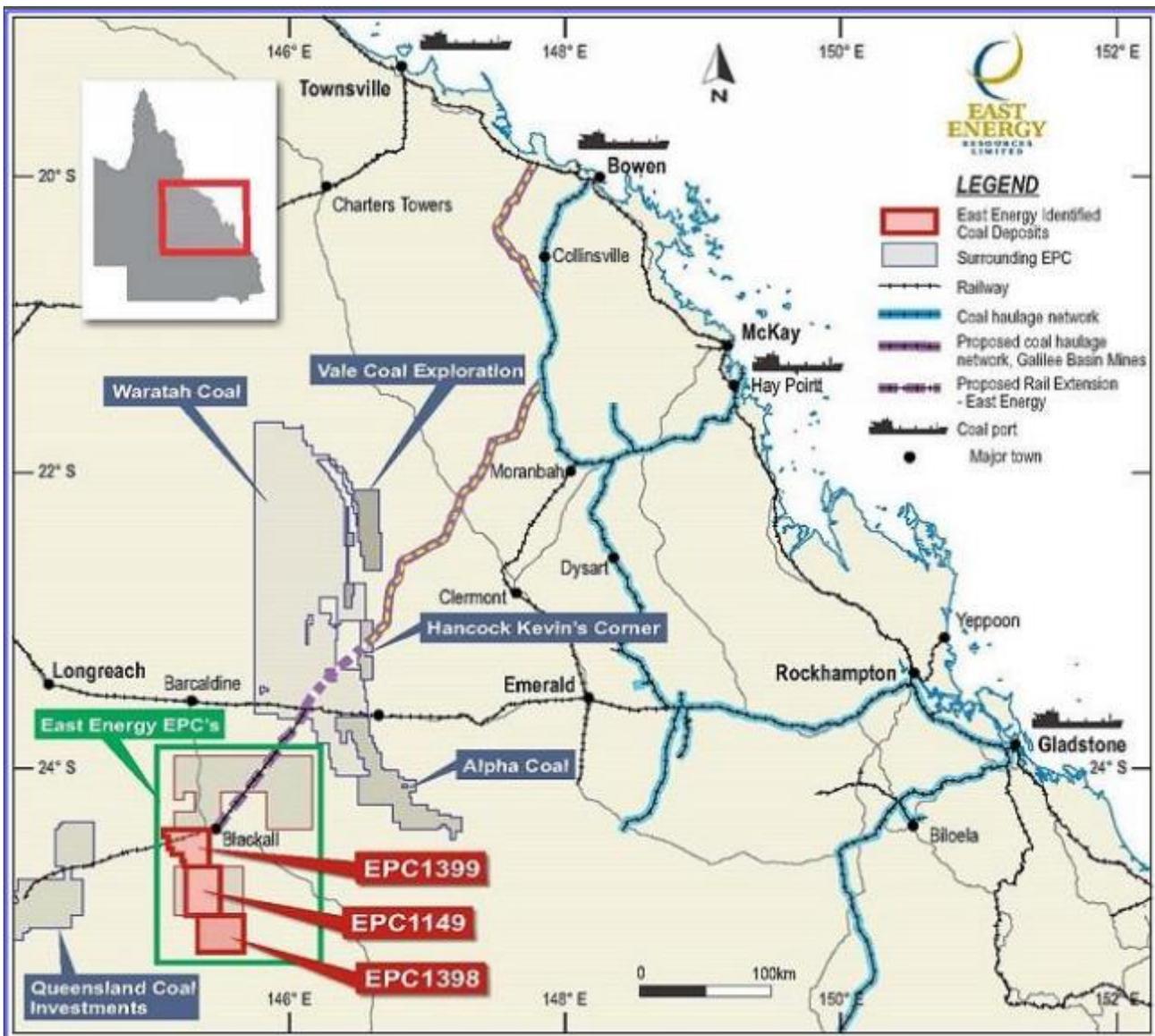
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¹ www.mining-technology.com/news/newsqueensland-signs-new-deal-with-adani-and-gvk-for-abbot-point-coal-terminal-expansion-4529857

Figure 1 : Map showing Blackall Project Tenements and surrounding Mine Development Projects



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.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.