



## Media Release

18 June 2008

# EAST ENERGY STARTS BLACKALL COAL PROJECT DRILLING PROGRAM

## Key points

- **Drilling commences on Blackall Project**
- **Tenement hosts historical 79 – 90 million tonne mineralisation target<sup>1</sup>**
- **Company believes scope exists to increase the mineralisation target considerably and has started an aggressive drilling campaign**
- **Delineation of JORC compliant resource at project to be fast-tracked**

Coal exploration company East Energy Resources Ltd has wasted no time in its quest to become Queensland's next new coal player.

Drilling started on its Blackall Coal Project tenement (EPC 1149) in Queensland late last week.

"It has been a major achievement to now be in a position to have drilling under way, particularly having only being granted the tenement late in April 08," Managing Director of the Perth, West Australian-based company, Mark Basso said.

"Being able to secure the first drilling rig has allowed us to move rapidly into a drilling programme."

The first series of RAB exploration drill holes started on Thursday the 12/06/08. All of the 5 holes drilled to date, have intersected coal seams. Terry Byrt, East Energy Chairman, witnessed the first drill holes. "I am extremely pleased with the progress to date. We want to get as many holes drilled, as soon as possible, to determine the full potential of this tenement"

The Blackall Project, in the Adavale Basin Queensland, covers 300 sub blocks or approximately 867 km<sup>2</sup>. Historical estimates, based on drilling and other data, confirms the presence of a 79 – 90 million tonne mineralisation target. Importantly, this historical estimation covers only a small area of the tenement.



Peter Tighe, East Energy's Geologist and Exploration Manager, is currently on site supervising the first phase of the exploration program. Peter has inspected and confirmed the presence of coal in all of the initial drill holes. "Once diamond core samples are available I will forward them to a laboratory for testing. I have also arranged for the exploration holes to be geophysically logged next week."

East Energy Resources' other coal tenement is the Norwich Park Project in Queensland's Bowen Basin adjacent to an existing mine.

<sup>1</sup>Mineralisation Target is not JORC Compliant (Refer ASX announcement 22 January 2008)

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## **Company Background**

East Energy Resources has acquired the rights to two coal tenements in the Bowen Basin and Adavale Basin in Queensland.

The Norwich Park tenement is an exploration phase project with identified coal material in the western portion of the block. Coal measures are being mined adjacent to the tenement area and further data review, exploration and drilling is required to assess the area.

The Blackall tenement includes a potential quantity of coal measures of thermal coal which has been defined by a limited number of drill holes. Large adjacent areas remain to be evaluated.

## **Competent persons statement**

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Ian Splatt who is a member of The Australasian Institute of Geoscientists. Mr Splatt 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 a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Splatt consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.