



Media Release
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Significant coal seam structure confirmed during first-up drilling at Blackall Coal Project, QLD

Highlights

- First phase drill program at Blackall Coal Project in QLD completed,
- To date 35 RAB holes drilled with coal seams encountered in 94% of holes,
- Drilling depths generally restricted to a maximum of 100m which is well in the range of open cut mining,
- Tenement hosts historical 79 – 90 million tonne mineralisation target¹, and
- Company believes scope exists to increase the mineralisation target considerably and plans to continue aggressive exploration program,

Perth-based coal exploration company East Energy Resources Limited (“East Energy” or “the Company”) (**ASX:EER**) has confirmed the presence of a significant coal seam structure at its 100 per cent owned Blackall Coal Project (EPC 1149) in Adavale Basin in Queensland, following the completion of its phase one drill program.

To 30 June 2008 a total of 35 RAB (Rotary Air Blast) holes, totaling 2946 metres, were drilled as part of this first up drill program, with most holes drilled in the South East quarter of the tenement. This program was designed to confirm the lateral extent and structure of the known coal seams on the tenement.

Geophysical logging of the 35 holes has been completed using standard wire logging techniques. The logs confirm and clearly indicate the presence of coal as well as accurately defining the top and bottom depth of each coal seam. Coal seams were encountered in 94% of the holes drilled.

The 35 holes drilled varied from 500m to 1000m apart and were positioned over an area of approximately 13km x 5km. Multiple coal seams were encountered in most holes with cumulative seam thickness, on average, in excess of 3m.

Detailed analysis is well under way, using proprietary software, to calculate the volume of the coal in ground based on data from the stage one drilling program.

¹ Mineralisation target is not JORC Compliant (Refer ASX announcement 22 January 2008)



Stage 2 drilling will involve additional RAB drilling as well as coring of coal samples for detailed analysis, including limit of oxidation.

This tenement, made up of 300 sub blocks totalling approximately 867km², is known to contain significant thermal coal mineralisation. Historical estimates based on previous drilling and other data confirms the presence of a 79 – 90 million tonne mineralisation target. Importantly, this historical estimate is based on drilling that was undertaken in a small area of the tenement.

ENDS

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Competent person statement

*The information in this report relating to resources is based on information compiled by Peter Tighe who is a member of the **Australasian Institute of Mining and Metallurgy** and who is employed by **East Energy Resources Ltd**. Mr Tighe 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 Tighe consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

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.