



MEDIA RELEASE
12 May 2008

East Energy has major Queensland coal tenement granted – aggressive drilling program to commence within months

Key points:

- **Exploration license for Blackall Coal project granted,**
- **Tenement hosts historical 79 – 90 million tonne mineralisation target¹,**
- **Company believes scope exists to increase the mineralisation target considerably,**
- **Notice of Entry forms to be lodged shortly, with drilling to commence within months, and**
- **East Energy to fast-track delineation of JORC compliant resource at project,**

Perth-based coal exploration company East Energy Resources (East Energy, **ASX: EER**) plans to aggressively explore the highly prospective Blackall Coal Project (EPC 1149), in the Adavale Basin in Queensland, following the granting of an exploration license by the Department of Mines and Energy.

This tenement contains a significant thermal coal resource, with historical estimates based on drilling and other data confirming the presence of a 79 – 90 million tonne mineralisation target.

Importantly, this historical resource covers only a small area of the 867 square kilometre tenement.

The tenement, which consists of 300 sub blocks, has been granted for a period of five years.

East Energy is in the process of preparing Notice of Entry forms which, once completed, will allow the company to commence its aggressive exploration program.

The company is also in final discussions with a drilling company, who plan to commence exploration at the project as soon as all approvals are in place.

It is the intention of the company to conduct an extensive drilling program with the sole focus of confirming a JORC Compliant resource at the project.

“We know, based on historical drilling and evaluation, that this project hosts a sizeable mineralisation target which has strong development potential,” East Energy Chairman Terry Byrt said.

“It is our intention to spend the best part of the next six months drilling at the project so as to prove up this resource and aggressively explore the previously un-explored areas of the tenement.”

ENDS

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



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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.

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.