

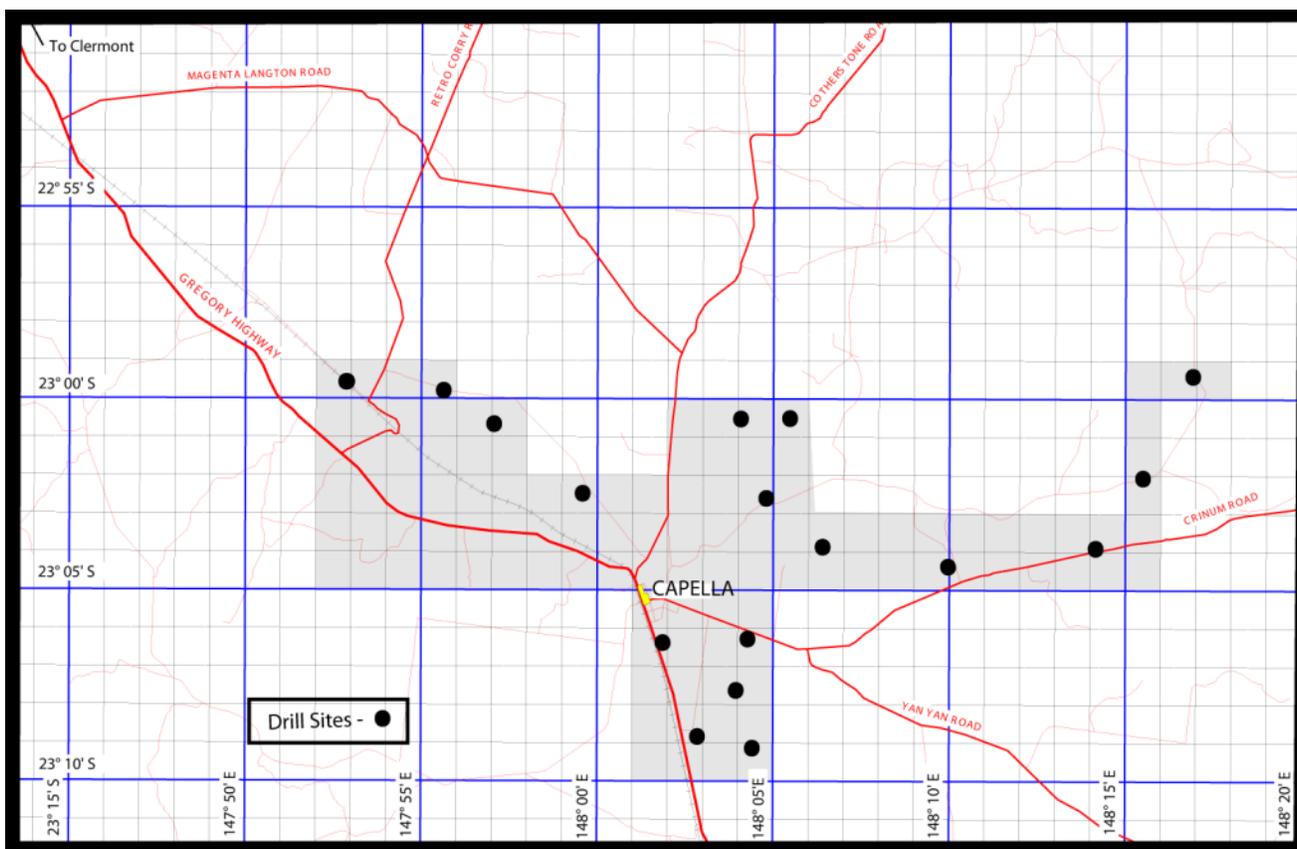


MEDIA RELEASE
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Exploration Drilling program to commence at Capella

Perth-based coal exploration company East Energy Resources (East Energy) will soon commence their exploration drilling program at their prospective Capella (previously referred to as "Norwich Park") Coal Tenement (EPC 1066), in the Bowen Basin in Queensland, following recent Board approval.

This tenement, made up of 179 sub blocks, has potential for Class 1 and Class 2 coal deposits. The Board has approved an initial program of 17 RAB holes, to be drilled to approximately 150m depth, spread across the lease to investigate the coal potential in areas that have not been drilled by previous explorers. The drill spacing is between 3 to 5 km. Holes that intersect coal will be geophysically logged and all significant coal seams will be cored.





Previous desktop studies have revealed that this tenement is close to existing coal reserves and within a known “coal zone”. It bears all the hallmarks of an area that has the potential to host an economic coal resource. The tenement is located 10 to 15 km to the west of the major open cut coal mines of German Creek, Oakey Creek, and Gregory and 50km southeast of the Blair Athol open cut.

As part of its pre-exploration activities East Energy has issued the required Notice of Entry forms, undertaken its preliminary Native Title and Cultural Heritage requirements and engaged a drilling company to commence the drilling program. Drilling will commence within the next few weeks.

“It is the intention of the company to conduct an initial drilling program on EPC 1066 with the sole focus of ascertaining whether a further exploration drilling program is required,” said East Energy Managing Director Mark Basso.

About the Capella Coal Project

The Capella Coal Project is an exploration permit predominantly surrounding the Central Queensland township of Capella. The area within and around the Capella Coal Project has been the focus of several phases of coal exploration since the early 1970's and as such there is an abundance of high quality exploration data that was sourced and reviewed by the Company.

The EPC is close to significant infrastructure with the Gregory Highway and a major rail route crossing the tenement in the west and another major rail line running close to the tenement to the east. EPC 1066 covers a range of geological terrains from modern fluvial cover sequences through Tertiary basalts and sediments, Permian sedimentary units (the primary host for Bowen Basin coal measures) to Devonian basement rocks.

Portions of EPC 1066 have been explored by previous exploration groups. Other sections appear under-explored or have minimal public domain data available for review.

ENDS

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