



MEDIA RELEASE
27 October 2009

Exploration Drilling concluded at Capella

Perth-based coal exploration company East Energy Resources ("East Energy" or the "Company") has concluded the exploration drilling at their Capella Coal Tenement (EPC 1066), in the Bowen Basin in Queensland.

A total of 16 exploration holes were drilled at approximately 4km centres, to depths of between 100m and 150m. No coal seams were intersected.

Whilst this result was disappointing, the program was designed to test for the presence of any isolated sub-basin that could potentially contain significant coal seams near the surface. Results from the drilling have shown that this does not occur.

Accordingly, the East Energy board have decided that no further exploration drilling will be undertaken on EPC 1066, and the Company will commence relinquishment of the tenement..

East Energy will now re-focus its attention and efforts on the Blackall Coal Project (EPC 1149), with the aim of upgrading the current 1.2 billion tonne *JORC Inferred* Coal Resource, to a *JORC Indicated* Resource by completing infill drilling and testing to close up the exploration grid to less than 1km spacing. SRK Consulting have completed a geostatistical analysis of the exploration results from the 2008 program and have provided East Energy with advice on optimising the drilling for this next stage of the project.

ENDS

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Competent persons statement

*The information in this report relating to resources is based on information compiled by Peter Tighe who is a member of the **Australian Institute of Mining and Metallurgy** and who is employed by **East Energy Resources Limited**. 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.*

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