

2 July 2014

Further Funding secured for PT PAR-BBA Indonesian Coking Coal Project with Coal Shipments Scheduled

South East Asia Resources Limited (ASX: **SXI**) (**Company**) is pleased to announce that it has secured through its wholly owned Singapore subsidiary South East Asia Energy Resources Pte Ltd (SEAER) one million USD (\$1,000,000) funding for continued production of the companies' coking coal project PT PAR in East Kalimantan Indonesia and development of the companies' other pipeline projects. (**Funding**).

An agreement has been reached with Wide Bay Limited (a BVI registered company) to provide the funding on an interest free basis over three tranches until the 18th July 2014. In consideration Wide Bay Limited will be entitled to fifty per cent of the net profit of coal produced and sold from PT PAR-BBA. The funding amount will be repayable within 26 weeks from the first tranche drawdown or alternatively the funding amount or part thereof can be converted to new issued ordinary share in SXI at \$0.017.

PT PAR Coking Coal project has secured IUP Production Licensing and has all required infrastructure in place for immediate mine production, including camp, mining equipment, haul road and processing crush facilities. The hauling road distance from the boundary of the PT PAR concession is 32 kilometres to the jetty facility (which has a port weight bridge and belt loading conveyor capacity of 1000Mt per hour). Loading of coal onto export coal vessels is estimated to take 10 hours.

The Company has through its Indonesian mining entity PT UMES taken over the mining contractor, mining equipment and workforce and currently undertaking all mining and civil works.

The Company has also completed preliminary agreements for the adjoining coal concession, which will provide continued production on completion of mining from PT PAR.

An initial domestic coal off-take arrangement has been finalised with steel mills, for the supply of this coking coal, which will be barged from the port of Telen. Although a very wet weather period over the past month has reduced production and created some issue on the main access road with new truck bridge construction being required, PT UMES is still scheduling a coal shipping date between 14-25th July, dependant on the programmed loading requirements of the purchaser. This is being achieved with taking production operations from 2 to 3 shifts per day and running in interim on a 7 day program until delays have been caught up.

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