

## Quarterly Activity Report For the period ending 30 June 2014

South East Asia Resources Limited (ASX: **SXI**) ("the **Company**"), is pleased to provide shareholders with this Quarterly Activities Report for the three (3) months ending 30 June 2014.

### Corporate Matters

- The Company announced, in May 2014, the completion of the placement of 33,333,333 ordinary shares at \$0.015 per share to raise \$500,000 (**Placement**).
- On 2 July, 2014, the Company announced that it had secured, through its wholly owned Singapore subsidiary South East Asia Energy Resources Pte Ltd (SEAER), one million USD (\$1,000,000) in funding. The funds received have been used for continued production of the Companies' coking coal project - PT PAR, in East Kalimantan Indonesia and the 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 (50%) 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 shares in SXI at \$0.017.

### Projects Review

#### PT PAR COKING COAL PROJECT (INDONESIA)

Coal production has commenced at the PT PAR area of the PAR BBA Mine in East Kalimantan with a fleet of Cat and Doosan Excavators, Cat Dozers, dump trucks and support equipment mobilised in Pits 1 and 2 of PT PAR. In addition, major civil works are being applied to the construction of haul road and bridge repairs for trucking of the coal to the port.

Some delays have been experienced during the period with unseasonal wet weather and the annual Ramadan holiday period.

Finalisation of the domestic off-take arrangements have been undertaken with the coking coal for steel mills to be barged from the port of Telen, which is 32 kilometres from the PT PAR Mine. Coal transportation by truck has commenced, with product coal stockpiles now being prepared at Tele for conveyor barge loading.

The scheduled coal shipments under the off-take arrangements will be during August given the Ramadan (Muslim Holiday) period occurring in July.

The Company has additionally commenced negotiations with major off-take companies for export supply beyond the domestic supply chain.

## **TASMANIA COAL PROJECTS**

The Company's ongoing strategy is to develop a thermal coal project in the Midland Area of Tasmania. The Company has, during the period, been in discussions with the respective authorities and tenement holders with the view of developing these resources, either by acquisition or joint venture. This is currently at due diligence stage with the respective parties.

The Company has continued discussions with major offshore resource groups who have also expressed interest in the Tasmanian coal, given that it offers consistent properties, essential to the cement manufacturing process. Negotiations have commenced and are well advanced in relation to off-take and project investment.

Through the SXI subsidiary, South East Asia Energy Resources (Tasmania), the Company has a strong presence in Tasmania. Other areas of resource opportunities have also been progressed outside of the Midland Coal area. Further review in this area will continue through August.

## **MALALA MOLYBDENUM PROJECT, SULAWESI, INDONESIA**

Over the period, the Company has actively progressed discussions with major offshore groups with the view of developing this asset. In light of the substantial increase in Molybdenum it is the Company's view now that this project is to be progressed utilising the technical resources within the Company's Indonesian subsidiary, PT UMES. A technical data room has been prepared and all exploration and engineering works consolidated into a single facility for this purpose. The reviews of this data, undertaken during the period, fully support world-class resources.

Utilising the Company's Indonesian lawyers, PT UMES has held discussions with provincial Government and other officials concerning all licenses and administrative matters. This has progressed and all licenses are being updated and made compliant. In addition, all of the IUP holding companies have been consolidated, such as to provide single ownership back to the Company, through a wholly owned subsidiary company.

The Malala Project is located in the ToliToli Regency of Central Sulawesi Province, Indonesia, approximately 150km to the north of Palu. The total area forming the Malala Project is in excess of 240km<sup>2</sup> spread across the five concessions all of which are located within 15km of the coast.

## **About South East Asia Resources Limited**

South East Asia Resources Limited is resources focused exploration company listed on the Australian Securities Exchange (ASX code: SXI) and Frankfurt Stock Exchange (FSE code: R1E), with a vision to find, prove and extract value from world-class resource projects in South East Asia.

## **Forward-looking statements**

This announcement contains forward-looking statements, which involve a number of assumptions, risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward-looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

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