

RESTRUCTURE OF FACILITY AGREEMENT

Energy Resources Limited (the Company) and Noble Group Limited (Noble) entered into a facility agreement dated 10 May 2013 (Facility Agreement) pursuant to which Noble agreed to make a loan facility available to the Company. The parties also entered into a general security deed dated 10 May 2013 (General Security Deed).

The Company and Noble have been in discussions to restructure the terms of the Facility Agreement. As part of the restructure, Noble has agreed to provide an Advance of \$500,000 to the Company under the Facility Agreement to pay costs and expenses of the Company incurred to date or which are incurred in the future.

In exchange for this immediate funding The Company has agreed to the following material terms and conditions.

- 1) to amend the Facility Agreement to bring forward the date upon and from which Noble's rights of conversion shall be exercisable;
- 2) to work together in good faith to convene an extraordinary general meeting of the Company's shareholders (EGM) in early 2018 to consider shareholder resolutions to approve the issue of shares in the Company to Noble upon the exercise of Noble's option to convert its debt into equity in the Company under the Facility Agreement and any other matters which are required to be put to shareholders in connection with the proposed restructure;
- 3) following the exercise by Noble of its rights of conversion under the Facility Agreement, the incumbent officers of the Company and its subsidiaries will resign from their respective offices and Noble shall be entitled to appoint 3 officers to fill each office which is so vacated.

The Company has today received the \$500,000 in funding from Noble. The funding, together with the signing of the agreement as referred to above, has resolved the Company's current discussions with Noble as referred to in the request for Voluntary Suspension made on 29 September 2017. The Company will lodge its Audited Annual Report for the financial year ending

ASX: EER

East Energy Resources is a coal exploration and development company primarily focused in the Eromanga Basin in Queensland.

EER has combined Total JORC Resources of 3.44Bt of Thermal Coal (627.5Mt Indicated and 2817Mt Inferred) located south west of the major deposits of GVK Hancock Coal and Waratah Coal in the Galilee Basin.

Capital Structure

Last Share Price: \$0.01

Market Cap: \$3.56m

Shares on Issue: 356,480,930

Board of Directors

Mark Basso
Managing Director

Ranko Matic
Non-Executive Director

Rex Littlewood
Non-Executive Director

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30 June 2017 and Quarterly Reports for the Quarter ended 30 September 2017 with the ASX within the next two weeks. Upon lodgement of these outstanding financial reports, the Company will then make formal request to the ASX to lift the voluntary suspension and request that its securities be reinstated to trading.

Further information:

Mark Basso

Managing Director

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Competent Persons Statement – EPC 1399 Resources

The information in this report relating to estimates of Mineral Resources within EPC1399, is based on information compiled by Mr Peter Tighe who is a member of the Australian Institute of Mining and Metallurgy. Mr Tighe is employed full time as Exploration Manager with East Energy Resources Limited. Mr Tighe has had over 30 years' experience in exploration, mining and resource evaluation and 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 Competent Person as defined in the 2012 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 the information, in the form and context in which it appears.

Competent Persons Statement – EPC 1398 Resources

The information in this announcement relating to the estimates of Mineral Resources within EPC 1398 is based on the 2004 JORC code and information reviewed by Mr Bill Knox, who is a Member of The AusIMM. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Mr Knox 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 2012 Edition of the JORC Code. Mr Knox consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Competent Persons Statement – EPC 1149 Resources

The Coal Resource estimation for the Blackall Project (EPC 1149) presented in this announcement has been carried out in accordance with the principles and guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2004) and the Australian Guidelines for Estimating and Reporting of Inventory Coal, Coal Resources and Coal Reserves, 2003. The information in the announcement to which this statement is attached, that relates to East Energy's Blackall Coal Resource on EPC 1149 is based on information reviewed by Dr Gerard McCaughan, who is a Member of The AusIMM and is a full time employee of SRK. . This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Dr McCaughan 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 JORC Code. Dr McCaughan consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

Competent Persons Statement – Exploration Targets

The information in this announcement relating to Exploration Targets within EPC 1398 and EPC 1399 is based on information compiled by Mr Peter Tighe who is a Member of The AusIMM and a full time employee of East Energy Resources Ltd. 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tighe consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Forward Looking Statements

This Announcement may contain forward looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements are subject to risk factors associated with the Company's business, many of which are beyond the control of the Company. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You should not place undue reliance on forward-looking statements and neither East Energy Resources Limited nor any of its directors, employees, servants, advisers or agents assume any obligation to update such information.

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.