



Next Generation Coal Frontier

Annual General Meeting, 25 November 2010

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Geological Attribution

The information in this report that relates to Exploration Results 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 to qualify as a Competent Person for the purposes of the 2005 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Tighe consents to the inclusion in the presentation of the matters based on the information in the form and context in which it appears.

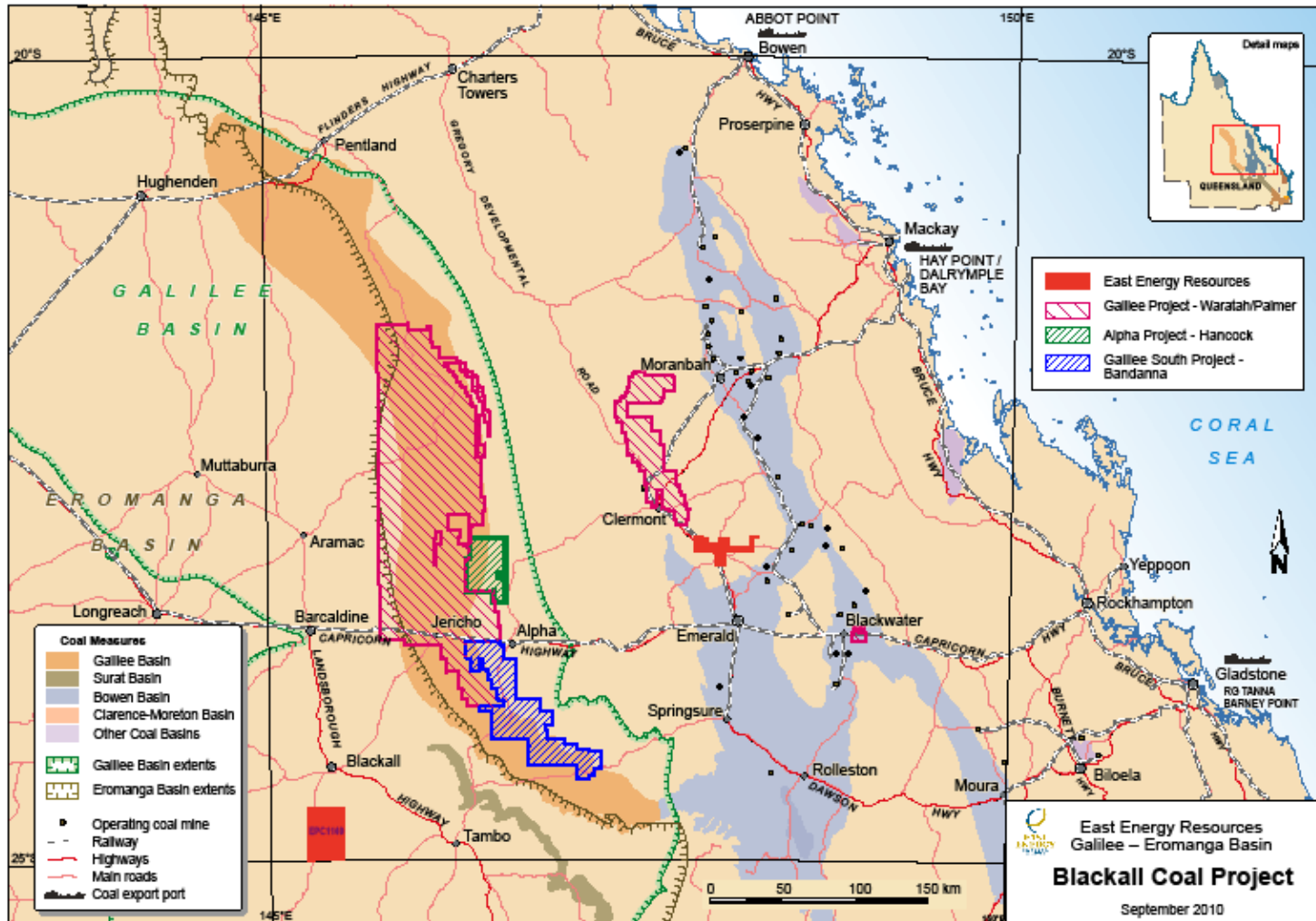
East Energy Resources Overview

- **Next generation coal opportunity**
 - Blackall Coal Deposit contains inferred resources of 1.22 billion tonnes of sub-bituminous thermal coal near Blackall in central Queensland
 - Recently commenced drilling program to evaluate coal deposit in northern half of Blackall tenement (Allambi Deposit).
 - Other exploration lease opportunities nearby
- **Export rail and port access**
 - Resources are located within range of approved rail and port developments
 - Export chain under development with potential for port access at Abbott Point
- **Coal market**
 - Next generation power generators in the high growth economies such as China and the Indian subcontinent
 - Demand expected to tighten for lower rank bituminous coals in response to demand pressures on higher rank Newcastle grade coals by their long term Asian buyers
- **Principal Investors**
 - Majicyl Pty Ltd (Mark Basso) 50.2%
 - Noble Group Limited 19.9%

Blackall Coal Deposit Overview

- **Project scale**
 - Blackall/Carlow Coal Deposit (EPC 1149) has an Inferred Raw Coal Resource of 1.22 billion tonnes of lower rank bituminous coal.
 - Drilling continuing to prove JORC resource
 - 20mtpa projected output
- **Location**
 - Situated in Eromanga Basin 45 km from Blackall in central Queensland
 - Eastern Eromanga Basin
 - Rail and port export chain under development to unlock potential port access at Abbott Point
- **Favourable geological conditions**
 - Near surface coal / low strip ratio
 - Access via open-cut multi-pit mining operation
- **Two Exploration Areas in EPC 1149**
 - Carlow Deposit – south
 - Allambie Deposit – north

Blackall Coal Deposit Overview – Location



Carlow Deposit – southern EPC 1149

- **SRK Consulting Resource Report**
 - Inferred Raw Coal Resource of 1,222 Million tonnes
- **Exploration**
 - 250 holes in an area 23km x 5km
 - Five main economic seams
 - Variable quality
- **Bulk Sample**
 - Located at 15 metres – 24 metres depth
 - Sampling 350kgs show good calorific values and relatively low ash
- **Coffey Mining Report - July 2009**
 - Potential for 30 years at 20 Mtpa
 - Local power station
 - Domestic/export
 - Coal gasification (washed coal)
 - Coal gasification (underground in-situ)
 - Hydrogenation , liquifaction (gas to liquids)



Allambie Deposit – northern EPC 1149

- **Exploration drilling completed April 2010**

- Area 12km x 12km
- 25 holes at approx 3km centres

- **Initial testing**

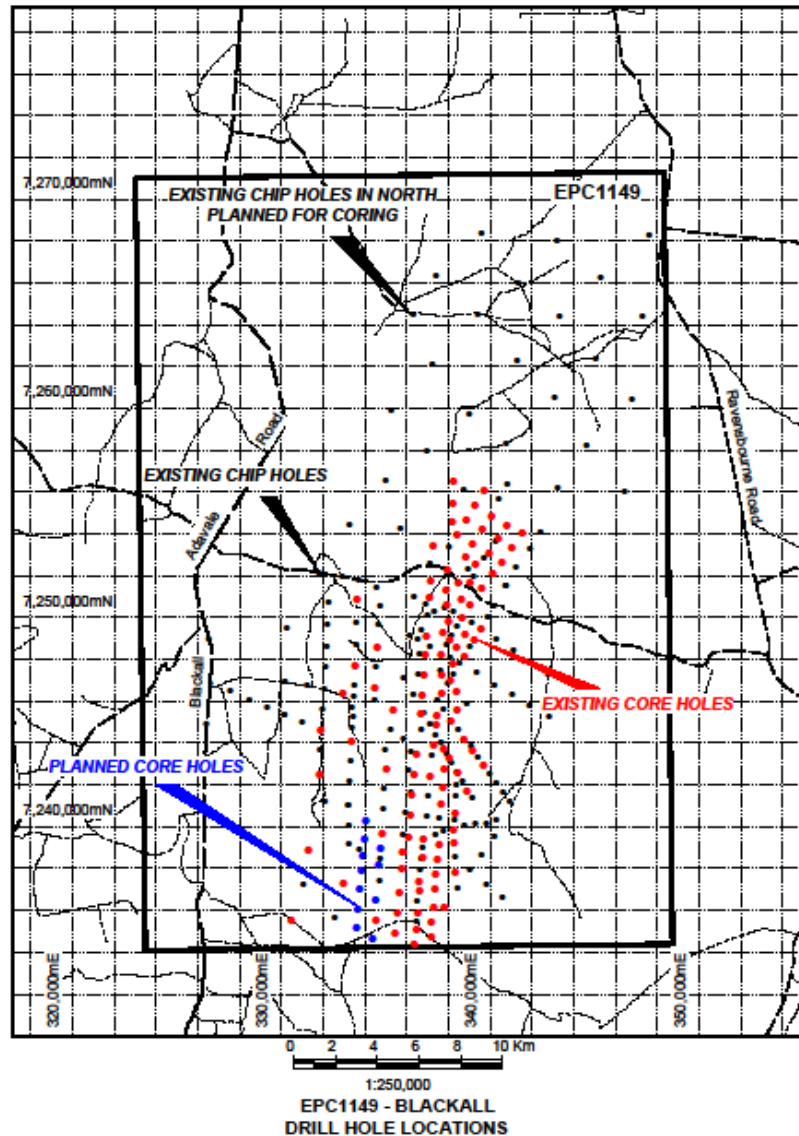
- Rock chip and geophysical logs indicate Allambie is continuous with Carlow and appears similar in geology seam thickness and quality
- Implies 14km additional strike length

- **Resource potential**

- High expectation that data will provide additional JORC compliant Inferred Resources

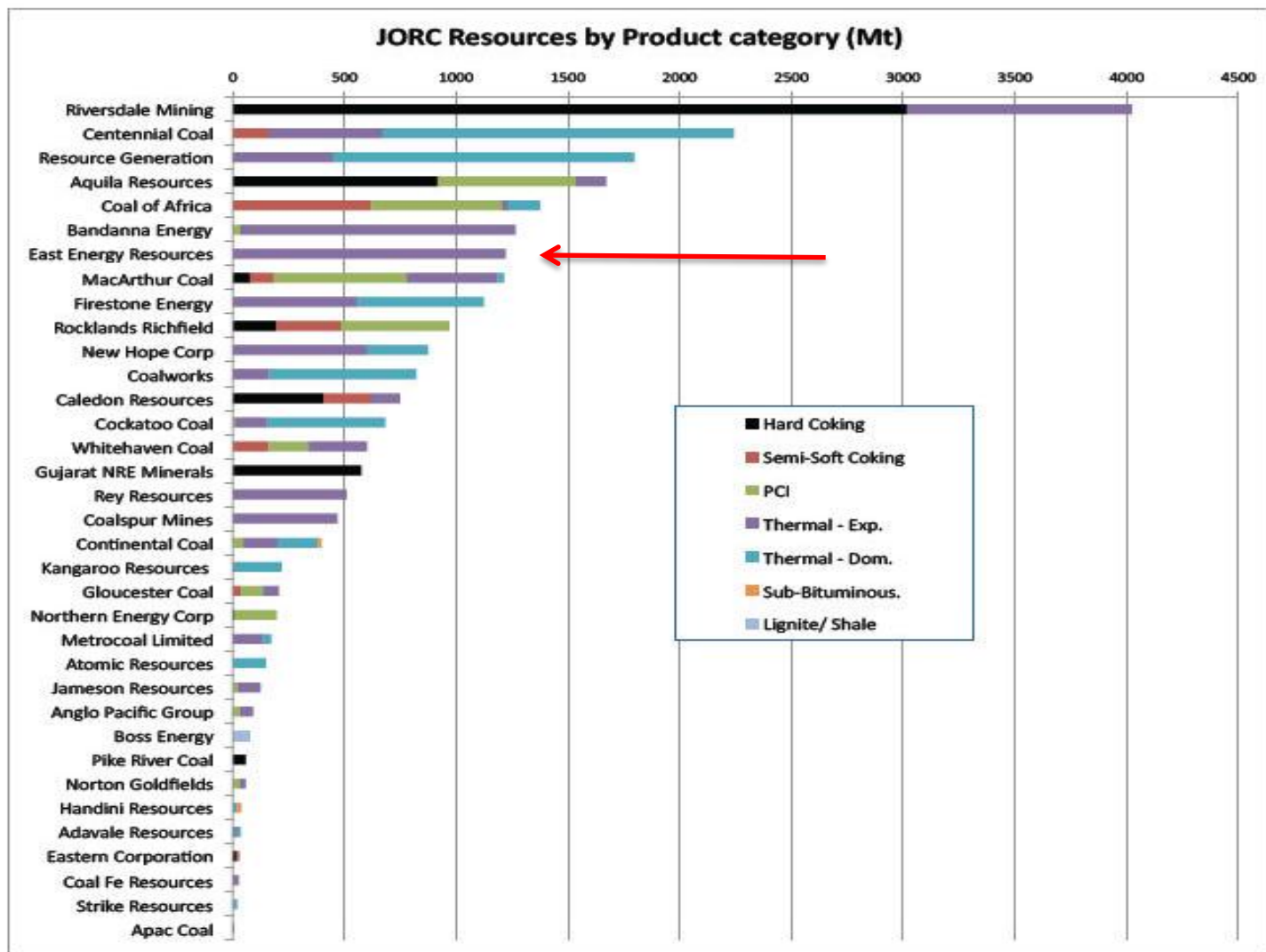


Blackall Drilling Locations

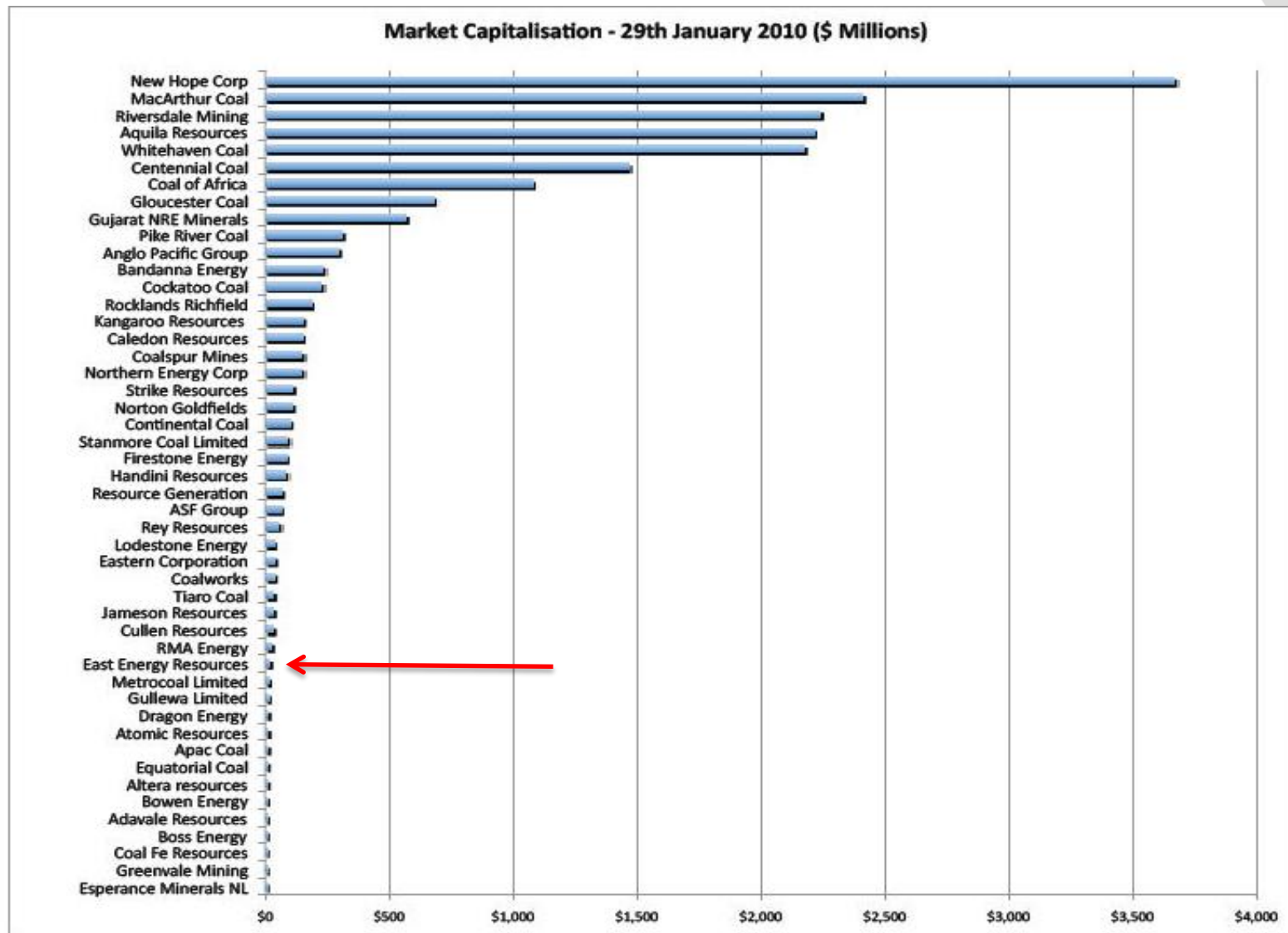


East Energy Peers

JORC Resource - Measured, Indicated, Inferred by product



East Energy Market Capitalisation



Market – next generation coal potential

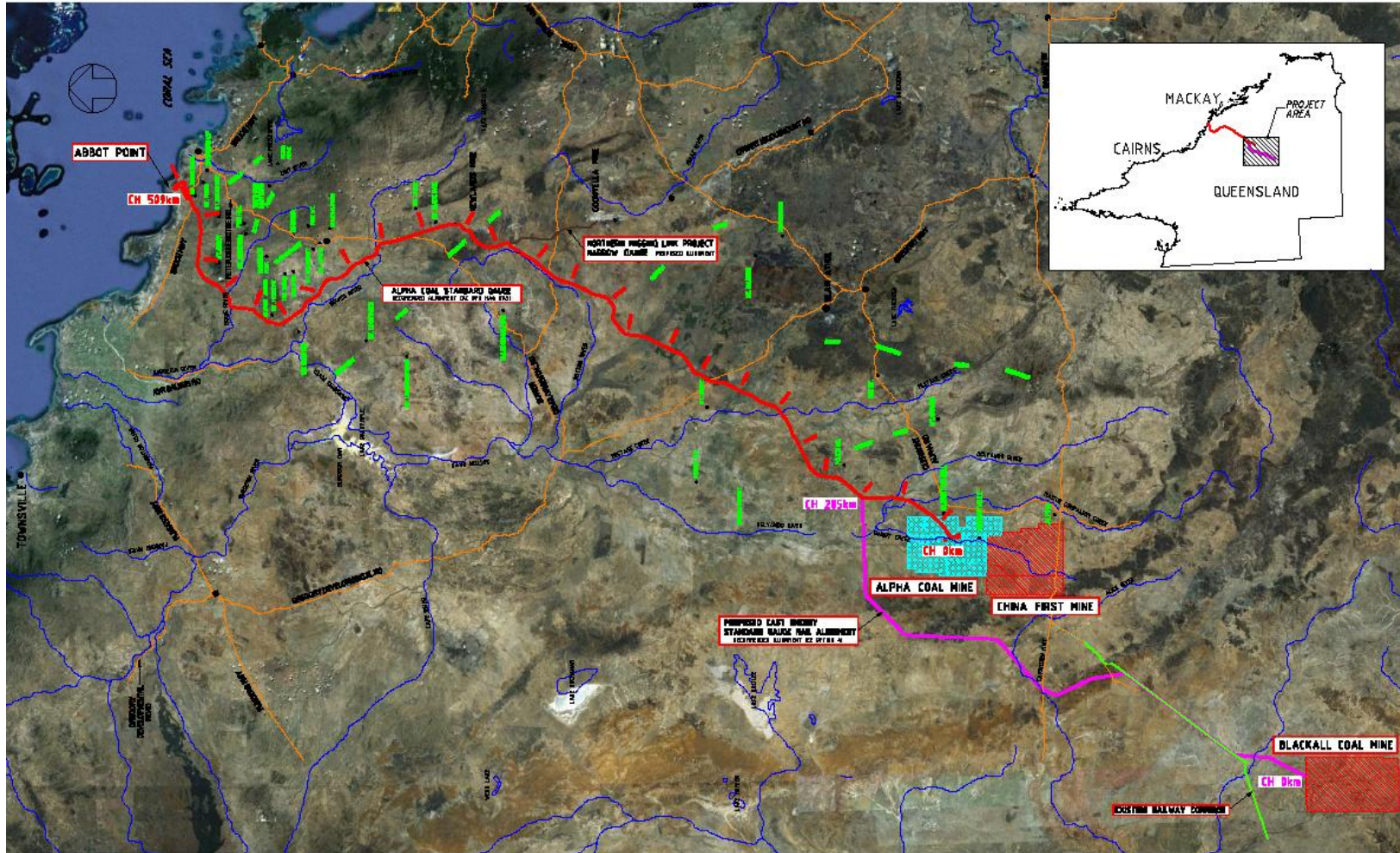
- **New economies driving coal demand**
 - Next generation thermal power stations designed for lower rank bituminous fuel
 - Priced out of Newcastle-benchmarked thermal coal market
 - Rising prices for coal expected to face long term tightening with the economic recovery and increasing world coal demand
- **Ideal for next generation thermal power projects in China and India**
 - Indonesian sub-bituminous coal of similar quality CV of 5,000kj is already used in many coal fired power stations in Japan, Korea, Taiwan, Thailand, India, China and Europe

Rail access

- **Blackall rail extension**

- Calibre Rail commissioned to undertake a preliminary review of rail infrastructure options
- Includes approximately 200 kilometre extension of the Hancock Alpha Railway to Blackall connection to the new port at Abbott Point
- Letter of Confidentiality signed with Hancock
- Queensland Transport Department grants permission to access existing rail corridor from Jericho to Blackall for Preliminary Rail Study.

Rail Access - Map



Project Timetable

Critical Milestones	Date
Drilling to Indicated Reserve (JORC)	December 2010
Apply for Mining Development Licence (MDL)	January 2011
MOU for access to Hancock Alpha Coal line	Mid 2011
Commence Port access studies	Mid 2011

Corporate Overview

Financial Overview	
Total shares issued (including escrow)	131.7 mil
Market Capitalisation (@23 cps @ 19/11/10)	\$30.3 mil
Net assets (1/10/2010)	\$12.7 million
Cash	\$1.15 mil
Current share price	23 cents
52 week high and low	29c – 7c
Major Shareholders	Majicyl 50.2%
	Noble Group 19.5%
	Altius Investment 3.3%
Top 20 shareholders	80.14%

Strong Board and Management Team

Mr Mark Basso-Brusa (B.E. (Hons)) *Managing Director and Chairman*

Mr Basso-Brusa has developed extensive business management skills over the last 15 years as CEO of a prosperous construction company with his two brothers. His engineering background provides him with the ability to liaise with project management experience ensuring that projects proceed in a logical, cost effective and timely manner. He was involved in the design and construction phases of various projects such as the Perth International Airport, LNG Storage Tanks on the Burrup, Iron Ore Ship Unloader Romania (commissioning), HV Substations Cape Lambert and Pannawonica, and CHLOR Alkaline Plant CSBP. Mark has a Bachelor of Engineering degree completed in 1983 from the University of Western Australia.

Mr Malcolm Castle (B.Sc.(Hons), GCertAppFin (Sec Inst), MAusIMM) *Non-Executive Director*

Mr Castle has over 40 years experience in exploration geology and property evaluation. He has worked for major companies over 20 years as an exploration geologist, and established a 20 year mature consulting company, specialising in exploration management, technical audit, due diligence and property valuation at all stages of development.

Mr Ranko Matic (B.BUS, CA) *Non-Executive Director and Company Secretary*

Mr Matic is a Chartered Accountant with over 18 years experience in the areas of financial and executive management, accounting, audit, business and corporate advisory. Mr Matic is a director of a chartered accounting firm and a corporate advisory company based in West Perth, and has specialist expertise and exposure in areas of audit, corporate services, due diligence, mergers and acquisitions, and valuations.

Mr Rex Littlewood (academic) *Non-Executive Director*

Mr Littlewood was formerly Senior Vice President at Noble Energy, the subsidiary of Noble Group responsible for coal and coke trading. He has 30 years experience in coal technology, coal utilisation and marketing and has been responsible for the development of mines, mine management ,mining infrastructure and logistics.

Mr William Randall (B.BUS) *Alternative Director*

Mr Randall is Noble Group Head of the Coal & Coke division and a member of the Noble Group Executive Board since 2008.



Noble Group support

- **Noble Group Limited (NGL) is cornerstone investor**
 - Noble Group holds 19.9%
 - One Non-Executive Director (with an Alternative Director)
 - Provides experience and first hand knowledge across all aspects of coal industry.
 - Particular expertise in coal marketing, pricing, international networks and long term trends.
- **About Noble Group**
 - Noble is a market leader in managing the global supply chain of energy, industrial and agricultural products.
 - Noble Energy is responsible for coal and coke trading from all major coal producing centres in the world to all consumers of these products worldwide.
 - Noble specialises in the origination and delivery of strategic raw materials, adding value at each stage of the supply chain. This includes technical ship management, trade finance and coal mining.
 - Noble's global network includes 38 countries across five continents.
 - Noble Group Limited is based in Hong Hong and listed on the Singapore and Hong Kong Stock Exchanges.

Summary

- **East Energy Resources – next generation coal development**
- **1.22 billion tonnes inferred coal resource – near surface open cut mine**
- **Lower rank bituminous coal similar to Indonesian coals currently exported to China, India and East Asia**
- **Increasingly price competitive against higher rank Newcastle coals**
- **Potential for accessible rail and port infrastructure subject to Hancock Alpha Coal Project Progressing**
- **Development to MDL status ‘on track’**
- **Financially stable**
- **Strong management team**
- **Noble Group cornerstone investor**