



Leading the charge in Australia's new coal heartland

2011 Annual General Meeting

Perth 10:00am - 28 November 2011

Bentleys

12 Kings Park Road

West Perth WA

EAST ENERGY RESOURCES LTD (ASX: EER)



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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.

Meet your Directors



- Mark Basso (Managing Director and Chairman)
- Ranko Matic (Non-Executive Director)
- Rex Littlewood (Non-Executive Director)
- William Randall (Alternate Non-Executive Director)

Interesting Facts

- In just one day, the global population will grow by 212,500 people.
- 300,000 new Twitter accounts will be opened today.
- Approximately 100,000 people today will move to the cities in China and India.
- 162,500 new cars will be sold today.
- Approximately 3.6 billion people lack adequate energy access and 1.5 billion have none at all.
- **17.5 million tonnes of coal will be consumed today to partially meet energy demands.**
- **Growth = increasing global demand for thermal coal.**

Source Feature Article Volume 5 Number 3 , Australian Resources and Investment – Gina Rinehart

Corporate Overview



Project (Eromanga Basin)

- Located 45 km South of Blackall, Central QLD
- Eromanga Basin, a world-class emerging coal precinct situated near the Galilee Basin
- Carlow and Alambi deposits

Resource

- 1.2Bt inferred resource over an area of 17,000 ha – SRK report 2009
- 469Mt indicated and 280Mt inferred resource over a smaller exploration area of 9,500 ha – Xenith report 2011
- Application for Mineral Development Licence (MDL) is underway

Market Information 21st November 2011

- Current share price: \$0.24
- Shares on issue: 166,449,305
- Market capitalisation: \$39,947,833
- No outstanding options
- 52-week low and high: \$0.19 - \$0.74

Coal Production

- Thermal coal
- Potential 20Mtpa output

Strong Management and Board

- Experienced Board
- Noble Group support and Board representation

Principal Investors

- Basso Majicyl Pty Ltd: 42%
- Noble Group Limited: 30%
- Other: 28%

2011 Highlights

- Application underway for a Mineral Development Licence (MDL) over the Blackall Coal Resource
- Raising of \$7.569 million through the successful conversion of options in the Company during the six month period ended 31 March 2011. The funds raised will be used to progress the MDL application, scoping studies and further exploration.
- Xenith Consulting upgrades a total of 469Mt at Carlow from Inferred Status to Indicated Resource – a much higher level of confidence.
- Application lodged with North Queensland Bulk Ports Corporation (NQBP) to become a Preferred Capacity Seeker in the Port of Abbot Point Terminals 4 - 7 expansion program. Aiming to secure up to 20Mtpa export capacity
- East Energy makes solid progress with drilling program in the Eromanga Basin, representing the new frontier in Australian coal
- Field work continues to increase confidence in the Alambi Resource. Announcement of a JORC compliant Resource for EPC 1149 expected in Q1 – 2012
- GVK group agrees to pay \$1.26 billion for majority stake in the Hancock Coal project located on the doorstep of East Energy's Eromanga Basin tenement, further highlighting the global recognition of Queensland's quality coal resources



Strong Industry Prospects



November 2011 Wood Mackenzie Coal Supply Service Insight report predicts that M&A activity from Chinese coal companies is likely to increase across major coal producing regions.

With the competitiveness of imported coal increasing into southern China, and greater purchasing power of the Chinese currency, the report says Chinese companies are expected to increase investment into foreign coal sectors.

UBS Investment Research, Australian Resources, released in November 2011 states the competitive landscape is transforming rapidly in the Australian and global coal sector.

“It would appear the corporates are taking a more positive longer term view of the coal industry. By that we believe the corporates are assuming much higher coal prices than the equity market is imputing into equities. This is evidenced by the increase in M&A at prices well above market valuations and the commitment to projects which on market estimates do not make an economic return above the cost of capital,” the report said.

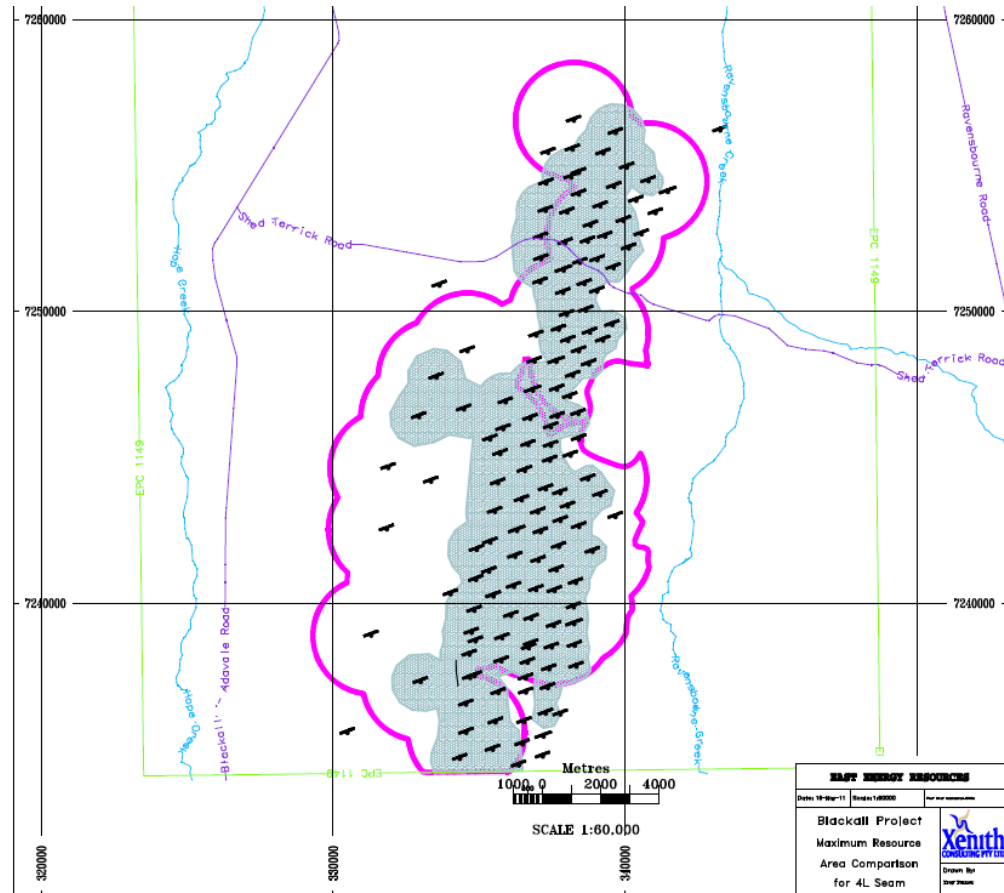
Opportunities Ahead

- East Energy tenement is located in a major new thermal coal basin with significant resource growth expected over the next 10 years; Thermal coal demand underpinned by worldwide growth in new coal fuelled power generation
- Very large deposit, targeting bulk tonnage of up to 20Mtpa over 30+ year mine life; Drilling in previously unexplored areas is unveiling further large resource targets
- Well positioned to gain access to new and expanded port and rail infrastructure; sea freight advantage to meet burgeoning demand from Asian and sub-continent consumers
- Experienced management team with strong shareholder support from key investor Noble Group, with both mine development and marketing expertise



Resource Update

- **SRK 2009** JORC Statement reported initial inferred resources of 1.2Bt thermal coal from 17,000 ha based on drilling grid of 4km centres
- **Xenith 2011** (April) JORC Statement reported indicated resources of 469Mt and inferred resources of 280Mt thermal coal from 9,500 ha based on drilling grid of 1-2km centres
- The Xenith JORC Statement represents a smaller area compared to the previously reported 1.2Bt inferred resource and provides higher certainty from in-fill drilling of the original drilling
- EER has continued to increase the certainty over the larger landholding. The 2011 drilling program in the Alambi area will increase the JORC resource.



Review of Operations

Corporate

During the financial year ended 30 June 2011 - 37,246,956 options which were to expire on 31 March 2011 were exercised at \$0.20, resulting in the issue of 37,246,956 ordinary fully paid shares and providing the Company with \$7,449,391.20.

These funds contributed to the continuation of the exploration and development of the Blackall Coal Deposit and to general corporate overhead expenses.

Exploration

The company holds **EPC1149** granted by Queensland's Department of Mines and Energy on 22 April 2008. The tenement is located in Central Western Queensland, 45km south of the township of Blackall in the eastern part of the Eromanga Basin. The total area of EPC1149 is approximately 900 sq km.

East Energy Resources Ltd commenced exploration drilling in early June 2008 and has been continuously exploring since that time to prove up the coal resources within the tenement. On the basis of exploration work completed to date the resource has been divided into the southern "Carlow" field and the northern "Alambi" field, however it is now known that the coal deposit is continuous between the two areas.



Infrastructure

- Preliminary rail infrastructure studies commenced in 2010, including a 285km extension of Hancock Alpha Railway to Blackall, providing direct connection to Abbot Point port
- The preferred rail route utilises a large portion of an existing, disused, rail corridor between Blackall and Jericho.
- Conceptual design based on using standard gauge rail in lieu of narrow gauge rail for increased efficiency.
- EOI submission lodged with Hancock infrastructure Pty Ltd late 2011. Hancock infrastructure is encouraging 3rd party usage of their proposed rail to Abbot Point.
- Waratah Coal is also well advanced with the design of a proposed new rail from the Galilee Basin to Abbot Point. Initial discussions have also indicated that 3rd party access to this line is strongly supported by Waratah and the Queensland Government.
- Initial EOI submitted to North Queensland Bulk Ports Corporation to secure up to 20Mtpa export capacity at the new T4-7 port expansion at Abbot Point.
- Due to strong interest in the proposed T4-7 port expansion North Queensland Bulk Ports Corporation has confirmed that they are now contemplating terminals T8 and T9.

Blackall Coal Project

Carlow Deposit (South)

- Infill drilling program nearing completion in accordance with SRK Consultants requirements
- Previous bulk sample extracted from depth of 15-24m, showing good sulphur value and relatively low ash
- The shallow depth of the coal seams will enable the coal to be mined using cost effective open cut mining techniques

Alambi Deposit (North)

- Extensive drilling program undertaken in 2011 with the aim of establishing additional JORC compliant inferred thermal coal resources
- Drill spacing reduced to a 2km grid in several areas in order to increase confidence in the geological structure and provide additional coal quality data
- Rock chip and geophysical logs indicate Alambi is continuous with Carlow, and appears similar in geology seam thickness and quality
- Implies 14km additional strike length



Exporation drilling on EPC 1149 Blackall

Key Milestones

- ✓ Aug 2011 EOI lodged with NQBP for export capacity at Abbot Point
- ✓ Oct 2011 EOI lodged with Hancock infrastructure Pty Ltd for rail access to Abbot Point
- ✓ Nov 2011 Drilling program completed and results forwarded to Consultants for evaluation
- Feb 2012 Updated JORC report scheduled for completion. Exploration target in excess of 1.5 billion tonnes
- Apr 2012 Consultant to be engaged to undertake scoping study.
- Mid 2012 Issue of Mining Development Licence (MDL)
- Sept 2012 Pre-feasibility study



Thermal Coal Market

- Next generation electricity producers driving demand in high growth economies such as China and India
- Indian import demand expected to rise from 60Mt in 2010 to over 120Mt by 2015
- Chinese import demand forecast to grow at a Compound Annual Growth Rate (CAGR) of 8% over next 10 years for imports, with domestic industry unable to meet additional 350-400Mt of new supply annually
- Indian and Chinese companies have been active in acquiring thermal coal assets given their country's demand for coal
- Uncertainty over uranium as a source of energy supply following the Japanese Fukushima nuclear disaster, with recent reports from the Japanese government to not build any new nuclear plants
- 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
- Indonesian exports of thermal coal expected to flat line in 2015/16 due to a projected increase in domestic consumption



About Nobel Group

- One of the world's largest commodity traders with a market capitalisation of S\$11.6B as at July 2011
- Based in Hong Kong and listed on the Singapore Stock Exchange
- Global network spanning 38 countries across five continents
- Specialises in the origination and delivery of strategic raw materials, adding value at each stage of the supply chain with “hands on” approach
- Coal focus includes sophisticated supply chain management, strong sourcing and distribution capabilities
- Active in Australia in coal and iron ore

Noble and EER

- Noble Group holds direct interest of 30.47%
- One Non-Executive Director
- Provides experience and firsthand knowledge across all aspects of coal industry
- Particular expertise in coal marketing, pricing, international networks and long term trends

