

Media release: September 15 2011

East Energy makes strong progress in Eromanga Basin

East Energy Resources Limited (ASX-EER) is making solid progress with its drilling program in the Eromanga Basin, representing the new frontier in Australian coal.

The emerging coal exploration and development company announced today it had completed 12 Rotary Air Blast (RAB) holes for a depth of 1,562m plus 30 core holes at its Alambi deposit, south of Blackall in Queensland.

EER Managing Director Mark Basso said drill data was currently being analysed by geological consultants and the company was expected to announce a JORC compliant Inferred Resource for Alambi in Q4 – 2011

"We are very pleased with the progress made in our Alambi drilling program where we are evaluating an extensive coal deposit on the northern half of our Blackall Tenement (EPC 1149) in the Eromanga Basin," Mr Basso said.

Field work continues to increase confidence in the Alambi resource. At this stage, we have only explored the lower half of the Alambi deposit.

Mr Basso said the Alambi deposit represented an exciting opportunity in the emerging Eromanga Basin, a 1,000,000 km² coal rich area in Central and Northern Australia covering parts of Queensland, the Northern Territory, South Australia and New South Wales.

"Eromanga is little known but it is a highly lucrative location that will play a significant role in the future of Australia's coal industry," he said.

EPC 1149, comprising East Energy's Alambi and Carlow deposits, lies to the south-west of significant deposits in the Galilee Basin, including Hancock Coal's Alpha Project, Waratah Coal's China First Project and Adani Coal's Galilee Project.

It covers 300 sub-blocks over an area of approximately 900km² that topographically consist of gently sloping smooth plains.

"Eromanga is only 200km away from the Galilee Basin which has emerged as the strongest source of new thermal coal growth coal in Australian mining," Mr Basso said.



ABOUT EAST ENERGY RESOURCES LIMITED: East Energy Resources Limited (EER) is an ASX-listed coal exploration and development company with an Exploration Permit for Coal (EPC1149) in the Eromanga Basin situated near the Galilee Basin in Central Queensland. EPC 1149 has a total area of 90,000 hectares. The company is headquartered in Perth, Western Australia.

<u>ENDS</u>

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