

QUARTERLY ACTIVITIES REPORT JANUARY TO MARCH 2012

This quarter saw the finalisation of the SRK recommended infill drilling program with the focus then moving to the completion of coal quality assays on samples obtained over this period. The Company's consultant, SRK have commenced the third JORC report which will cover the entire area explored to date. The report will include Inferred and Indicated thermal coal resources.

Highlights

- East Energy targets 1.8 to 2.0 billion tonnes of thermal coal for EPC 1149. #1
- SRK's previously recommended infill drilling was completed during the quarter, with a further 15 partially cored holes or 2,120m drilled in the Carlow area.
- The final coal quality assays for the completed drilling program were finished in early April 2102.
- Upon conclusion of the drilling program, SRK Consulting commenced compiling and auditing all the data available for EPC1149
- The aim for East Energy is to produce a single new JORC resource report covering both Inferred and Indicated resources for the entire area explored to date
- The JORC report will only include coal which can be open cut mined as this is the most cost effective technique.

EXPLORATION

Blackall EPC 1149

During the previous quarter East Energy requested SRK Consulting review all the data available at that time for EPC 1149. In 2009 SRK had completed East Energy's maiden 1.2Bt Inferred Resource Report.

Recommendations from SRK's review included 22 infill core holes between the Alambi and Carlow deposits and in the deeper resource

EAST ENERGY RESOURCES LTD

ASX: EER

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

It has a Maiden JORC Indicated Resource of 469Mt of Thermal Coal and a JORC Inferred Resource of 280 Mt of Thermal Coal at its Blackall Project, located south west of the major deposits of Hancock Coal and Waratah Coal in the Galilee Basin.

Capital Structure

Share Price: \$0.23

Market Cap: \$38.28M

Shares on Issue: 166,449,305

Board of Directors

Mark Basso, Managing Director

Ranko Matic, Non-Executive Director

Rex Littlewood, Non-Executive Director

Contact Us

www.eastenergy.com.au

Level 7/16 St Georges Terrace
PERTH WA 6000
PO Box 3160
EAST PERTH WA 6892

Ph: +61 8 9225 5833

Fax: +61 8 9225 7311

Email: info@eastenergy.com.au

Web: www.eastenergy.com.au

area to the West of Carlow. This will allow the entire area explored on EPC1149 to be combined into a single JORC resource report.

During the quarter East Energy completed all of this recommended infill drilling and has provided the drill hole data to SRK for inclusion in their new JORC report.

Based on an assessment of the results from a total of 184 core holes drilled on the combined deposits, previous geological modeling of the Carlow deposit by SRK and preliminary geological modeling of the Alambi deposit, Peter Tighe, Exploration Manager, has advised that East Energy now has an exploration target of between 1.8 to 2.0 Bt of thermal coal for the combined deposits. #1

The table below details the parameters and ranges for this exploration target, obtained from the above drilling and analysis.

Raw Coal analysis – air dried basis	From	To
Relative Density g/cc	1.39	1.52
Moisture %	19	22
Ash %	17	27
Volatile Matter %	23	29
Fixed Carbon %	32	38
Sulphur %	0.35	1.23
Specific Energy Mj/kg	15.0	17.7

SRK has commenced work on a new JORC resource assessment which will report on the entire area explored to date within EPC 1149, Blackall QLD.

It is expected that the JORC report will be completed before the end of May 2012.

Peter Tighe
Exploration Manager

Competent Persons Statement

The information in this report relating to exploration results at Blackall, is based on information compiled by Mr Peter Tighe who is a member of the Australasian Institute of Mining and Metallurgy and is a full time employee of East Energy Resources Ltd. Mr Tighe is a qualified geologist 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tighe consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Note #1: The potential quantity and grade in the target is conceptual in nature, as there has been insufficient analysis of all exploration results to define a Mineral Resource. It is not certain that further exploration and assessment will result in the determination of a Mineral Resource.