

QUARTERLY ACTIVITIES REPORT THREE MONTHS TO 30 JUNE 2012

Highlights

- SRK Consulting commenced geological modelling for the new resource using all the data now available for EPC1149.
- No further exploration drilling was carried out during the quarter while the focus was on updating the geological model of the resource.
- Variation to EPC1149 was granted by DNRM

EXPLORATION

Blackall EPC 1149

During the previous quarter East Energy completed the infill drilling recommended by SRK Consulting which would allow the entire area explored on EPC1149 to be combined into a single JORC resource report. In their project review SRK had recommended 22 infill core holes between the Alambi and Carlow deposits and in the deeper resource area to west of Carlow.

The area now explored within EPC 1149 totals some 295 square kilometres.

All the new geological, geophysical and coal quality data has now been provided to SRK who completed a thorough audit on the data. SRK have now commenced geological modeling to enable the completion of the updated and highly anticipated JORC report.

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: \$0.15

Market Cap: \$24.97M

Shares on Issue: 166,449,305

Board of Directors

Mark Basso, Managing Director

Ranko Matic, Non-Executive Director

Rex Littlewood, Non-Executive Director

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SRK have advised that their new resource report will be available in August/September 2012.

Mineral Development Licence (MDL)

An application to progress EPC1149 to an MDL was submitted to DNRM near the end of last year. East Energy has continued to follow up the progress of the MDL application. The application was close to being granted, when East Energy made the decision to vary the MDL application area in order to reduce costs. This amendment is currently being finalised for submission to DNRM. East Energy will continue to follow up the application and anticipates approval within the next few months.

Variation to Exploration Permit (EPC 1149)

A request to vary the Exploration Permit held over Blackall (EPC 1149) was submitted to DNRM in April 2012. The variation contained a request to defer the need to relinquish any subblocks contained within the tenement for a further 12 months. Similar requests have been made and granted to East Energy each year since the granting of the EPC in 2008. The approval of the requested variation was provided by DNRM in July 2012.

During the quarter, East Energy also commenced rehabilitation works on the drilling sites contained within the tenement.

Peter Tighe
Exploration Manager