

QUARTERLY ACTIVITIES REPORT THREE MONTHS TO 31 DECEMBER 2011

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: \$0.20

Market Cap: \$33.29M

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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This quarter saw the commencement of some final infill drilling upon recommendation from SRK consulting. The aim of this final infill drilling is to produce a single new JORC resource report covering both the Inferred and Indicated resources for the whole tenement.

Highlights

- East Energy has now set a new target of 2.0 billion tonnes of in situ coal for the entire tenement covered by EPC 1149.
- SRK Consulting has completed a review of all the data available for EPC1149, including the Carlow and Alambi fields. Upon review of this data, their recommendation was to complete a number of additional infill drill holes, with the ultimate aim of producing a single new JORC resource report covering both Inferred and Indicated resources for the entire tenement.
- The above recommendation from SRK consulting was adopted and as part of this recommendation, a further 14 partially cored holes were drilled in the Carlow area during the quarter.
- All coal quality assaying for the previous quarter's drilling at Alambi has now been completed by East Energy's laboratory service provider, HRL Technology.

EXPLORATION

Blackall EPC 1149

In the previous quarter East Energy completed the resource definition drilling for the Alambi field in the northern half of EPC 1149. Four partially cored holes and one chip hole were drilled to complete this work. In this quarter, all coal quality assays from this drilling have now been completed. The company received pleasing results, with coal to a similar quality within the Alambi area, as for the other areas of EPC1149.

During the current quarter East Energy also secured the services of SRK Consulting to review all the data now available for EPC 1149. SRK was the company that completed the original 1.2Bt Inferred Resource Report for East Energy in 2009 and therefore were familiar with the tenement and the resource.

Upon reviewing all data available, SRK provided a new report which recommended that a further 22 infill core holes between the Alambi and Carlow deposits and in the deeper resource area to west of Carlow, should be completed. The ultimate aim of the report is to combine the entire area explored on EPC1149 into one single JORC resource report.

During the December quarter East Energy completed 14 of the 22 recommended drill holes and is planning to complete this program in Quarter 1 of 2012.

Based on the above, Peter Tighe, Exploration Manager, has advised that East Energy now has a target of 2.0 Bt of insitu coal for the entire combined deposit.

On completion of the recommended drilling and coal quality testing, SRK will be asked to complete a JORC resource assessment and report on the entire area now explored within EPC 1149, an area of some 295 square kilometers.

It is intended that this report will be completed within the first half of 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".