EAST ENERGY RESOURCES LIMITED

ABN 66 126 371 828

ANNUAL REPORT 2013

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Corporate Directory

DIRECTORS

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

COMPANY SECRETARY

Ranko Matic

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Your directors submit their report, together with the financial statements of the consolidated entity, consisting of East Energy Resources Limited ("EER" or "the Company") and the entity it controls ("the Group") at the end of, or during the financial year ended 30 June 2013.

Directors

The names of the directors in office at any time during or since the end of the year are:-

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

Principal Activities

The principal activity of the Group for the financial year was mineral exploration. There were no significant changes in the nature of the economic entity's principal activities during the financial year.

Operating Results

The consolidated loss of the Group after income tax for the financial year ended 30 June 2013 amounted to $3,083,669 (2012: profit $442,787).

Dividends Paid or Recommended

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

Review of Operations

Corporate

Idalia Facility

On 27 September 2012 the Company announced that it had entered into a 4 year facility agreement for funding of up to $5,500,000 in the form of a secured draw down facility with Idalia Coal Pty Ltd (Idalia).

The funds provided under the facility to the Company were for working capital and to maintain its exploration program for its Blackall Coal Project (EPC 1149) as well as explore other project opportunities that may become available to the Company from time to time. At the time Idalia was 50.1% owned by Camvill Pty Ltd, which is a subsidiary of the Noble Group Limited ("Noble"). Noble, through its subsidiary Onglory Pty Ltd, who at that time owned 30.46% of East Energy.

Shareholder approval for the security arrangements were obtained at the Company's AGM in November 2012.

This facility was subsequently paid out in May 2013, upon the finalisation of the Acquisition of Idalia Coal Pty Ltd.

Idalia Acquisition

On 23rd January 2013, the Company announced to the market that it had entered into a binding Heads of Agreement to acquire 100% of Idalia Coal Pty Ltd. The Company would be acquiring Idalia from Camvill Pty Ltd (a wholly owned subsidiary of the Noble Group Limited (Noble) (ABN 27 148 845 578) and Majicyl Pty Ltd (a company associated with the Basso-Brusa family) (Majicyl) (ABN 20 118 309 265) in consideration for the issue of fully paid ordinary shares in the capital of EER. Noble currently holds 50.1% of Idalia and Majicyl holds 49.9% of Idalia.

The transaction was completed by EER issuing shares to Noble and Majicyl at a deemed share price of A$0.20 per EER Share. The total shares issued was to be adjusted, based on Idalia's cash balances, GST receivable, accounts payable and outstanding debt balance on the business day immediately preceding the close of the Transaction.

Under the Transaction, EER would become the beneficial owner and ultimate holder of EPCs 1398, 1399, 1400, 1403 and 1407.

As part of the transaction the Noble Group were to provide EER with a Debt re-financing arrangement to be used by EER to repay the debt that EER owes to Idalia under the facility agreement between EER and Idalia in full, and for EER to provide additional funds to Idalia to fully repay the Idalia Loan to the Noble Group. Post the repayment of the EER Facility and the Idalia Loan, EER have a further A$7,500,000 available for draw down and working capital purposes under the Debt Re-Financing arrangement.

This transaction received shareholder approval on 3 May 2013 and the acquisition was finalised on 10 May 2013 via the issue of fully paid ordinary shares in the capital of East Energy Resources, deemed at $0.20 per share. East Energy issued 95,205,844 East Energy Shares to Noble (a 50.1% shareholder of Idalia) and 94,825,781 East Energy Shares to Majicyl (49.9% shareholder of Idalia). Upon completion of the Transaction, Noble and Majicyl now hold 40.93% and 45.87% of the issued shares of EER, respectively. Other shareholders hold 13.2% of EER. The newly issued shares will remain in escrow for 12 months.

The Noble debt re-financing facility also became available and the loan to East Energy from Idalia and the loan between Idalia and the Noble group were repaid in full.

Noble Facility

As part of the Idalia Coal acquisition, the Noble Group provided a Debt Re-Financing arrangement. This facility is provided on normal commercial terms and provided $7.5m in funding after the repayment of the Idalia/EER debt and the Noble/Idalia debt. The facility is for 5 years with an interest rate of Bank Bill Swap Rate plus a 7 % margin and is secured with a charge granted over the assets of both EER and Idalia.

The interest on this facility can be capitalised at the request of East Energy Resources Limited.

The first drawing of $12,200,773 was to repay the Idalia/East Energy debt and the Noble/Idalia Debt on 10 May 2013. Funds available to the Group after this drawing was $7,500,000. A further drawing of $350,000 was made in May 2013 and then another drawing of $1,000,000 was made in August 2013.

Exploration

The highlights for the financial year ended 30 June 2013 included:

- SRK Consulting completing their new Coal Resource Estimate for the Blackall Coal Project on EPC1149.
- The Department of Natural Resources and Mines (DNRM) granted the lease renewal for a further five year term and accepted an application to retain the entire 300 sub-blocks of EPC 1149.
- The Palaris Group completed their first draft of the Desk Top Study on EPC 1149.
- No further drilling was undertaken during the year on EPC 1149, whilst plans for future development work are being prepared.
- East Energy Resources Limited entered into a Share Purchase Agreement to acquire 100% of the total issued shares in Idalia Coal Pty Limited, which was completed and settled on 10 May 2013.
- The Group commenced their drilling program on the newly acquired Idalia tenements.

East Energy Blackall tenement – EPC 1149.

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, 25km south of the township of Blackall in the eastern part of the Eromanga Basin. The total surface 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.

Exploration background

Drilling completed in the southern part of EPC1149 between June and November 2008 provided a good basis for modelling of the geology and establishing the continuity of coal seams in this deposit.

In early 2009, SRK Consulting conducted an independent appraisal of the exploration results and reported an Inferred Raw Coal Resource of 1,222 Million tonnes (Mt) for this area.

Also in 2009 Coffey Mining Pty Ltd completed a high level study into the potential development options for the Blackall Coal Deposit. Their report examined potential mining methods, coal treatment and transport options. Coffey reported that the coal quality appears to be suitable for thermal energy requirements such as in power stations and that the volume of coal available for open cut mining is large.

Coffey anticipated that, with further exploration, the resource is likely to increase in size to allow a potential open cut mine life of over 30 years at a rate progressively increasing to over 20 Mt/a washed product. This potential scale of operations suggests consideration should be given to different processes, products, transport systems and markets to optimise utilisation and value of the deposit. Possible options could include the following singularly or in combinations:

- Local power station (high ash coal),
- Domestic / export coal (standard or clean coal technology),
- Coal gasification (washed coal),
- Coal gasification (underground in-situ) and
- Hydrogenation, liquefaction (gas to liquid).

Following geostatistical analysis by SRK, a further campaign of drilling commenced in early October 2009 with the aim of defining an Indicated Resource over potential open-cut part of the deposit.

Between October 2009 and early 2011 a further 96 core holes and 68 pilot chip holes were drilled and coal samples assayed.

Xenith Consulting were commissioned to update the geological model and undertake an independent resource assessment incorporating the new exploration data. Xenith completed this work in April 2011 and based on the additional drilling results, were able to upgrade a total of 469Mt from Inferred to Indicated Resource.

The focus of exploration then moved to extending the resource into the northern half of the EPC and completion of infill core and chip drilling where necessary to close any gaps in the geological model and expand both the Inferred and Indicated Resources.

An exploration target of 2Bt was considered achievable and, with this in mind, drilling continued through to February 2012, by which time the area explored within EPC 1149 totalled some 295 square kilometres.

Updated JORC report

The new geological, geophysical and coal quality data obtained during the last phase of drilling was provided to SRK Consulting who completed an updated Coal Resource Estimate for the Blackall Project released in September 2012 (see EER Company Announcement 17 September 2012, "*1.74 Billion Tonne Thermal Coal JORC Resource*"). The salient points are summarized below.

The total JORC open cut Resource estimated by SRK is 1,741 Mt, comprising 1,113Mt in the Inferred JORC Resource Category and 628 Mt in the Indicated Resource Category.

The coal resource is developed in the late Cretaceous Winton Formation with six main coal intervals, designated Seams 1 to 6, identified across the project area.

The Blackall coals are sub-bituminous with an average raw ash of 22% (ad) and inherent moistures ranging from 18% to 22% (ad). Average raw specific energy ranges from 15Mj/kg to 17Mj/kg, with the average F1.60 product energy ranging from 19 Mj/kg to 21Mj/kg.

Palaris Desktop Study

Palaris have now completed a first draft of the desk top study for the Blackall Coal Project, with the following scope of work -

- Geology and resources
- Mine planning and operations
- Financial modelling
- Project Establishment and Infrastructure
- Risk / Challenges and Value Drivers

Lease Renewal

EPC 1149 was granted on 22nd April 2008 for a period of five years and was due to expire on 21st April 2013. In December 2012 East Energy Resources lodged a renewal application with the Queensland Department of Natural Resources and Mines.

On 11 June 2013 DNRM renewed EPC 1149 for a further period of five years to 21 April 2018.

East Energy also successfully applied to vary the lease conditions of EPC 1149 to enable the entire 300 sub-blocks to be retained after the lease renewal.

Acquisition of Idalia Coal Pty Ltd

On 19th March East Energy Resources announced it had reached agreement to acquire 100% of Idalia Coal Pty Ltd. Under this transaction EER became the beneficial owner and ultimate holder of EPCs 1398, 1399, 1400, 1403 and 1407. The acquisition was finalised on 10th May 2013.

The transaction created one of the largest coal portfolios in Australia, for which EER believes has the potential to support a large scale mining operation in western Queensland and provides the foundation for the development of rail and port infrastructure.

The acquisition combined the 1.74 billion tonnes JORC resource of EER on EPC 1149 (627.5Mt Indicated and 1,113Mt Inferred), together with a JORC Inferred Resource of 440 million tonnes and a drill identified JORC Exploration Target in the order of 4.0 to 4.5 billion tonnes*[1] in the Idalia EPC's.

Coal Assets Depth <150m	*Exploration Targets*	*Coal Resources*		
	(Bt)	*Inferred (Bt)*	*Indicated (Bt)*	*Measured (Bt)*
EER	-	*1.1*	*0.6*	*-*
Idalia	*4.0 to 4.5*	*0.4*	*-*	*-*
Combined	4.0 to 4.5	1.5	0.6	-

*[1] Idalia – Coal Resource & Exploration Target Estimates

Dec-12					
Idalia Coal Pty Limited	Exploration Targets <150m cover	Coal Resources <150m cover			TOTAL <150m
		Inferred	Indicated	Measured	
Lease / locations	(Mt)	(Mt)	(Mt)	(Mt)	(Mt)
EPC 1399	1,810	240			2,050
EPC 1398	2,290	200			2,490
Idalia Total	**4,100**	**440**			**4,540**
Proportions	*87%*				
Reporting Range	*4,000 to 4,500*				

Notes:
Resource estimates based on JORC guidelines

Points of Observation	*Geophysically logged core holes, maximum spacing of 4km, supported by geophysically logged open holes*
Default Coal Density	*1.4 t/bcm*
Max. Depth of Cover	*150m*
Min. Seam Thickness	*0.3m*
Validation	*Mass Balance (boundary polygon) vs sum of areas of influence*

Coal quality for the Exploration Target, based on samples from the core holes, is shown in the table below.

Idalia Coal Quality			Product		Proximate						
			Yield	TM	IM	Ash	VM	FC	TS	CV Kcal/kg	CV Kcal /kg
		Samples	(Yld %)	(% ar)	(% adb)	(% adb)	(% adb)	(% adb)	(% db)	(gar)	(adb)
Idalia: EPC 1399	RAW Avg	23		29.9	16.8	20.4	32.2	46.6	0.78	3,980	4,728
	F1.60	19	93%		20.5	7.6	29.1	42.9	1.12	4,647	5,274
Idalia: EPC 1398	RAW Avg	53		30.1	16.8	21.8	26.9	34.5	0.6	3,570	4,250
	F1.60	40	73%		14.1	14.1	29.5	40.4	0.6	4,167	4,773

Previous drilling had intersected coal seams which are interpreted to continue along strike (north and south) of the coal seams in EER's Blackall Project (EPC 1149) and indicated that the structure, seam thicknesses and coal quality are similar in nature in all three EPCs (1149, 1398 and 1399).

Idalia Coal tenements – EPCs 1398, 1399, 1400, 1403 and 1407

Commencement of Drilling on Idalia Tenements

In May 2013, the Group commenced its drilling program on the Idalia tenements, EPCs1398 and 1399.

Prior to the purchase of Idalia Coal, Idalia had already undertaken and completed extensive exploration programs in EPCs 1398 and 1399. These two leases share common boundaries to the south and north respectively with East Energy's EPC 1149.

EPC 1398 is located to the south of East Energy's EPC 1149, where Idalia has already completed a total of 40 open (chip) holes and 4 core holes for a total of 8,093m of drilling. EPC 1399, which is located to the north of EPC 1149, has a total of 48 open and 15 core holes, which have been completed for total of 11,500m of drilling. All these holes were geophysically logged.

East Energy then undertook to build on the previous results and undertake a continuation of drilling on the EPCs 1398 and 1399. EER will undertake sufficient drilling to enable the estimation of a JORC Inferred Resource in EPC 1399, with the completion of a further five or six core holes remaining to be drilled. This work was completed in July 2013.

The Group is to then focus on EPC 1398, where they intend to drill a further 30 cored holes and 26 chip holes over the next six months or so. This is then expected to complete the resource drilling on this tenement.

Upon completion of this exploration program, East Energy expects to have sufficient data to enable a JORC Inferred Resource to be estimated for the entire deposit covered by EPC's 1149, 1398 and 1399.

The deposit in the three combined tenements has a strike length of 95km and is 5km to 7km in width from the line of oxidation in the east to the 150m cover line on the western side.

Competent Persons - EER

The JORC Resource for EER's Blackall Project of 1.74Bt is comprised of 627.5 Mt Indicated and 1,113Mt Inferred Resources. The Coal Resource estimation for the Blackall Project (EPC 1149) presented in this report has been carried out in accordance with the principles and guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2004) and the Australian Guidelines for Estimating and Reporting of Inventory Coal, Coal Resources and Coal Reserves, 2003.The information in this report to which this statement is attached, that relates to East Energy's Blackall Coal Resource on EPC 1149 is based on information reviewed by Dr Gerard McCaughan, who is a Member of The AusIMM and is a full time employee of SRK. Dr McCaughan 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 a Competent Person as defined in the 2004 Edition of the JORC Code. Dr McCaughan consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Competent Persons - Idalia

The JORC Exploration Targets and Mineral Resources referred to in relation to Idalia has been carried out in accordance with the principles and guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2004) and the Australian Guidelines for Estimating and Reporting of Inventory Coal, Coal Resources and Coal Reserves, 2003.The information in this report to which this statement is attached, that relates to Idalia Coals' Exploration Targets and Mineral Resources is based on two competent persons assessment and has been prepared in accordance with the principles and guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2004) and the Australian Guidelines for Estimating and Reporting of Inventory Coal, Coal Resources and Coal Reserves. The information in this report that relates to the Exploration Results and Exploration Targets is based on information reviewed by Mr Peter Tighe, who is a Member of The AusIMM and is the exploration manager of Idalia Coal Pty Ltd. Mr Tighe 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 a Competent Person as defined in the 2004 Edition of the JORC Code. Mr Tighe consents to the inclusion in this report of the matters based on this information in the form and context in which it appears. The information in this report that relates to the estimates of Exploration Targets and Mineral Resources is based on information reviewed by Mr Bill Knox, who is a Member of The AusIMM and a director of Idalia Coal Pty Ltd. Mr Knox 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 a Competent Person as defined in the 2004 Edition of the JORC Code. Mr Knox consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Financial Position

The net assets of the consolidated Group are $54,571,133 (2012: $19,648,477). Full details of the financial position of the Group can be found in the Financial Report section within this Annual Report.

The directors believe the consolidated Group is in a strong and stable financial position to pursue its current operations.

Matters Subsequent to the End of the Financial Year

In early August 2013, the Group made an application for a drawing under the Noble Facility, and lodged a Utilisation Notice for $1,000,000. The funds were received by the Group on 9 August 2013.

Other than the above, no matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the consolidated Group, the results of those operations, or the state of affairs of the consolidated Group in future financial years.

Future Developments, Prospects and Business Strategies

The Group intends to continue to pursue its goals to acquire, explore, and exploit coal deposits and explore prospective coal tenements.

Environmental Regulation

The Group is subject to significant environmental regulation in respect of its exploration activities.

The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Company are not aware of any breach of environmental legislation for the year under review.

The directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. For the measurement period 1 July 2012 to 30 June 2013 the directors have assessed that there are no current reporting requirements, but may be required to do so in the future. The directors will reassess this position as and when the need arises.

INFORMATION ON DIRECTORS

Mr Mark Basso-Brusa Managing Director and Chairman
Qualifications: B.E. (Hons)

Mr Basso-Brusa has a Bachelor of Engineering degree completed in 1983 from the University of Western Australia. After graduating he was involved in the design and construction phases of various projects such as the Perth International Airport, LNG Storage Tanks on the Burrup, Iron Ore Ship Unloader Romania (commissioning), HV Substations Cape Lambert and Pannawonica, and CHLOR Alkaline Plant CSBP. In 1992 he formed a construction company with his two brothers which continues to prosper.

Mr Basso-Brusa has developed extensive business management skills over the last 18 years. Mr Basso-Brusa's engineering background provides him with the ability to liaise with consultants, thereby ensuring that projects proceed in a logical, cost effective and timely manner.

Over the past three years Mr Basso-Brusa has not held any other directorships of ASX Listed companies.

Mr Ranko Matic Non-Executive Director and Company Secretary
Qualifications: B.Bus, CA

Mr Matic is a Chartered Accountant with over 20 years experience in the areas of financial and executive management, accounting, audit, business and corporate advisory. Mr Matic has considerable experience in a range of industries with particular exposure to publicly listed companies and large private enterprises.

Mr Matic is a director of a Chartered Accounting firm and a Corporate Advisory company based in West Perth, and has specialist expertise and exposure in areas of audit, corporate services, due diligence, mergers and acquisitions, and valuations. Through these positions Mr Matic has been involved in an advisory capacity to a significant number of initial public offerings on the ASX in the last ten years.

Mr Matic has also acted as CFO and company secretary for companies in the publicly listed and private sectors and currently holds non-executive directorships and corporate secretarial roles for several private and publicly listed companies.

Mr Matic is a current Non-Executive Director of Core Services Group Ltd (since 6 February 2012) and of Celsius Coal Ltd (since 23 December 2012).

Other than disclosed above, over the past three years Mr Matic has not held any other directorships of ASX Listed companies.

Mr Rex Littlewood Non-Executive Director
Qualifications: B.Sc, MAICD.

Mr Littlewood, under his company, Australian Carbon Assets, consults in most aspects of coal mine evaluation, coal technology and marketing and was formerly vice president of Noble Energy, a subsidiary of Noble Group. He was responsible for their Asian coal and coke platform, and for developing the Australian operations.

Mr Littlewood has more than 30 years experience in the international coal market, where he was involved in the development of mines as well as mining and export infrastructure. At Noble he designed and implemented a fully integrated, computerised coal management system from mine to customer, capturing all data in a "paperless" process.

Mr Littlewood is also a current director of Blackwood Corporation Limited (since 6 July 2011). Over the past three years Mr Littlewood has not held any other directorships of ASX listed companies .

Mr William Randall Alternate Non-Executive Director
Qualifications: B.Bus

Mr William Randall is Noble Group Head of the Energy Coal & Carbon Complex business unit. Mr. Randall holds a Bachelor degree in Business, major in International Marketing and Finance. He started his career at Noble in Australia, transferring to Asia in 1998 where he established Noble's coal operations, mining and supply chain management businesses.

Following his appointment as Director of Noble Energy Inc in 2001, Mr. Randall continued to build the global coal and coke marketing network and asset pipeline. He was appointed global head of Coal & Coke division in 2006 and became a member of the Noble Group Executive Board in 2008. He also sits on the capital investment, risk and management committees of Noble Group Limited.

Mr Randall is a Nominee of Noble Group Limited. Alternate Director since 20 July 2010.

Mr Randall is a current director of Blackwood Corporation Limited (since 8 November 2010) and Yancoal Australia Limited (since 26 June 2012). He has had no other directorships of ASX listed companies.

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of East Energy Resources Limited were:

	Ordinary Shares	Options over Ordinary Shares
Mark Basso-Brusa	163,526,982	0
Ranko Matic	220,000	0
Rex Littlewood	0	0
William Randall	0	0

REMUNERATION REPORT (AUDITED)

The Remuneration Report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration
B Service agreements
C Details of remuneration
D Share-based compensation

The information provided in this remuneration report has been audited as required by section 308 (3C) of the Corporations Act 2001.

The remuneration arrangements detailed in this report relate to the following Directors and key management personnel as follows:

Mr Mark Basso-Brusa	(Managing Director and Chairman)
Mr Ranko Matic	(Non-Executive Director and Company Secretary)
Mr Rex Littlewood	(Non-Executive Director)
Mr William Randall	(Alternate Non-Executive Director)
Mr Peter Tighe	(Exploration Manager)
Mrs Andrea Betti	(Chief Financial Officer)

The following table shows the gross revenue, profits/losses and share price of the Company at the end of the respective financial period.

	30 June 2013 $	30 June 2012 $	30 June 2011 $	30 June 2010 $	30 June 2009 $
Revenue from continuing operations	848,861	1,314,490	125,260	159,967	140,984
Net profit/(loss)	(3,083,669)	442,787	(509,024)	(896,320)	(730,776)
Share price	4 cents	14 cents	35 cents	18.5 cents	8 cents

A. Principles used to determine the nature and amount of remuneration

In determining competitive remuneration rates, the Board, acting in its capacity as the remuneration committee, seeks independent advice on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes benefit plans and share plans. Independent advice should be obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

The Board recognises that East Energy Resources Limited operates in a global environment. To prosper in this environment we must attract, motivate and retain key executive staff.

Market Comparisons

Consistent with attracting and retaining talented executives, the board endorses the use of incentive and bonus payments. The board will continue to seek external advice to ensure reasonableness in remuneration scale and structure, and to compare the Company's position with the external market. The impact and high cost of replacing senior employees and the competition for talented executives requires the committee to reward key employees when they deliver consistently high performance.

Board Remuneration

Shareholders approve the maximum aggregate remuneration for non-executive directors currently $220,000 per annum. The Board determines actual payments to directors and reviews their remuneration annually based, on independent external advice with regard to market practice, relativities, and the duties and accountabilities of directors. A review of directors' remuneration is conducted annually to benchmark overall remuneration including retirement benefits.

The employment conditions of the managing director, any executive director and executives are formalised in contracts of employment when such an arrangement is considered appropriate. Other than the managing director, the exploration manager, appointed in June 2008 and the Chief Financial Officer appointed December 2007, are permanent employees of East Energy Resources Limited. The managing director is employed under a fixed 3 year contract, which expired in December 2010. This agreement continues until a party terminates it by giving notice as mentioned in the service agreement.

Performance Based Remuneration

The Company currently has no performance based remuneration component built into director and executive remuneration packages.

Group Performance, Shareholder Wealth and Directors and Executives Remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholders investment objectives and directors and executives' performance. Currently, directors and executives are encouraged to hold shares in the Company to ensure the alignment of personal and shareholder interests. The Company currently does not offer performance based remuneration during the exploration phase of operations. This policy may change once the exploration phase is complete and the Company is generating revenue. At present, the existing policy is not impacted by the Group's performance, including earnings and changes in shareholder wealth.

B. Service Agreements

Employment Contracts Of Directors And Senior Executives

The employment conditions of the managing director, Mr Mark Basso-Brusa, are formalised in an executive service agreement. Mr Basso-Brusa's agreement is a fixed 36 month agreement from date of listing, which commenced in July 2007 and expired in December 2010. After the Initial Term, the agreement continues until a party terminates it by giving notice.

Any party may terminate the agreement after the Initial Term by providing 3 months notice. The Company can also terminate the agreement summarily, and without notice or compensation, in circumstances of serious misconduct or breach by the Executive.

Upon termination, the Executive is subject to a 12 month non-competition covenant, whereby the Executive must not: engage in, directly or indirectly, through any person in an enterprise, company or firm; or carry on a substantially similar activity to that of the Company's business. The Executive is also subject to covenants prohibiting the solicitation of Company personnel.

Mr Matic, Mr Littlewood and Mr Randall are not employed on a formal contract.

B. Service Agreements continued

Key Management Person	Term of Agreement	Base Salary including superannuation	Termination Benefit
Mark Basso-Brusa	No fixed term	$145,250	3 months
Ranko Matic	No fixed term	$54,000	Nil
Rex Littlewood	No fixed term	$38,150	Nil
Peter Tighe	No fixed term	$214,606	Nil
Andrea Betti	No fixed term	$42,896	6 months

C. Details of remuneration

The remuneration for each director and each executive officer of the Company during the year was as follows:

2013

Key Management Person	Short-term Benefits				Post-employment Benefits	Other Long-term Benefits	Share based Payment				
	Cash, salary & Commissions	Cash Profit Share	Non-Cash Benefit	Other	Super-annuation	Other	Equity	Options	Total	Performance Related	Remuneration Consisting of Options
	$	$	$	$	$	$	$	$	$	%	%
Mark Basso-Brusa	145,250	-	-	-	-	-	-	-	145,250	-	-
Ranko Matic (i)	-	-	-	54,000	-	-	-	-	54,000	-	-
Rex Littlewood	38,150	-	-	-	-	-	-	-	38,150	-	-
Peter Tighe	196,886	-	-	-	17,720	-	-	-	214,606	-	-
Andrea Betti	46,703	-	-	-	4,203	-	-	-	50,906	-	-
	426,989	-	-	54,000	21,923	-	-	-	502,912	-	-

(i) Ranko Matic is a director and shareholder of Capital & Corporate Advisors Pty Ltd (CCA). CCA was paid $54,000 in relation to directorship, corporate secretarial and accounting services performed.

2012

Key Management Person	Short-term Benefits				Post-employment Benefits	Other Long-term Benefits	Share based Payment				
	Cash, salary & Commissions	Cash Profit Share	Non-Cash Benefit	Other	Super-annuation	Other	Equity	Options	Total	Performance Related	Remuneration Consisting of Options
	$	$	$	$	$	$	$	$	$	%	%
Mark Basso-Brusa	245,250	-	-	-	-	-	-	-	245,250	-	-
Malcolm Castle	18,750	-	-	-	1,688	-	-	-	20,438	-	-
Ranko Matic (i)	-	-	-	54,000	-	-	-	-	54,000	-	-
Rex Littlewood	45,000	-	-	-	4,050	-	-	-	49,050		
Peter Tighe	196,886	-	-	-	17,720	-	-	-	214,606	-	-
Andrea Betti	41,961	-	-	-	3,776	-	-	-	45,737	-	-
	547,847	-	-	54,000	27,234	-	-	-	629,081	-	-

(i) Ranko Matic is a director and shareholder of Capital & Corporate Advisors Pty Ltd (CCA). CCA was paid $54,000 in relation to directorship, corporate secretarial and accounting services performed.

D. Share-based compensation

Shares Issued on Exercise of Compensation Options

No options granted as compensation in prior periods were exercised, forfeited or lapsed through the year.

Options issued as part of remuneration for the year ended 30 June 2013.

No options were issued in the year ended 30 June 2013.

There is not currently a formal Employee Share Option Plan in place.

Options may be issued to directors and executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to the majority of directors and executives of East Energy Resources Limited to increase goal congruence between executives, directors and shareholders.

Remuneration Consultants

Remuneration Consultants were not used by East Energy Resources in the current year or prior years.

Voting of Remuneration Report at 2012 Annual General Meeting

The 2012 Remuneration Report was voted for, without any commentary or discussion, at the 2012 Annual General Meeting with 55,892,851 votes for (99.83%) and 92,000 votes against (0.17%).

END OF AUDITED REMUNERATION REPORT.

Meetings of Directors

During the financial year, one meeting of the directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
Directors	**Number eligible to attend**	**Number Attended**
Mark Basso-Brusa	1	1
Ranko Matic	1	1
Rex Littlewood	1	1
William Randall (alternate to Rex Littlewood)	0	0

The full board fulfils the role of remuneration, nomination and audit committees.

Indemnifying Officers or Auditor

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001, every Officer of the Consolidated Group shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer, auditor or agent of the Consolidated group or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. The total amount of insurance contract premiums paid is $18,452 (2012: $16,044).

Options

At the date of this report, the unissued ordinary shares of East Energy Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number Under Option
N/A	N/A	N/A	0
			0

During the financial year ended 30 June 2013 there were no options granted, exercised or lapsed.

No options granted under the Company's Employee Option Plan have been exercised.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Proceedings on Behalf of Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of these proceedings.

The Group was not a party to any such proceedings during the year.

Non-audit Services

The board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

No fees for non-audit services were paid/payable to the external auditors during the financial year ended 30 June 2013 (2012: nil).

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 20 for the period ended 30 June 2013.

Signed in accordance with a resolution of the Board of Directors.

MARK BASSO-BRUSA
Director

Dated at Perth this 30th day of September 2013

As an integral part of its preparations to list on the Australian Securities Exchange ("**ASX**"), the Group has considered and set up a framework for embracing the ASX Corporate Governance Principles and Recommendations with 2010 amendments ("**Recommendations**"). The Group has followed each of the Recommendations where the Board has considered the practices appropriate, taking into account factors such as size of the Group and the Board, the resources available to the Group and the activities of the Group. Where, after due consideration the Group's corporate governance policies depart from the Recommendations, the Board has outlined the nature of, and reason for, the adoption of its own practice.

Further information about the Company's corporate governance practices is available on the Company's web site at www.eastenergy.com.au.

The Board sets out below its "if not why not" report in relation to those matters of corporate governance where the Group's practices depart from the Recommendations. As the Group's activities develop in size, nature and scope, further consideration will be given by the Board to the implementation of additional corporate governance structures.

	PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT	
	Recommendation	**East Energy Resources Limited Current Practice**
1.1	Companies should establish the functions reserved for the board and those delegated to senior executives and disclose those functions	Satisfied. The Directors have adopted a Board Charter which outlines the role of the Board. Executive Director Consultancy Agreements outline functions of the executive directors. Non-executive Director appointment letters outline the terms and conditions of non-executive director appointments. As the Group recruits additional management, the roles and responsibilities of these persons will be considered and documented
1.2	Companies should disclose the process for evaluating the performance of senior executives	Not currently applicable. Other than the Directors the Company does not currently employ any senior executives. The full Board will be responsible for the appointment and will regularly review the performance of senior executives having regard to the Nomination and Remuneration Charters
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1 outlined in the Recommendations	Satisfied. Board Charter available at www.eastenergy.com.au
	PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE	
	Recommendation	**East Energy Resources Limited Current Practice**
2.1	A majority of the board should be independent directors	Not satisfied. Currently there is one independent director and two non-independent directors. The Board has been structured such that its composition and size will enable it to effectively discharge its responsibilities and duties. Each Director has the relevant industry experience and specific expertise relevant to the Company's business and level of operations. The Board considers that its structure is, and will continue to be, appropriate in the context of the Company's recent history. The Company considers that the non independent directors possess the skills and experience suitable for building the Company. Furthermore, the Board considers that in the current phase of the Company's operations, the Company's shareholders are better served by directors who have a vested interest in the Company. The Board intends to reconsider its composition as the Company's operations evolve, and may appoint additional independent directors as it deems appropriate
2.2	The chair should be an independent director	Not satisfied. While the Board recognises the importance of independence in decision making, it does not comply with Recommendation 2.2. Given the size and the limited resources of the Company there would be no value to shareholders or the Company in having an independent Chairman at this point in time. This will be revisited should the nature or size of the operations change substantially. The Board believes that Mr Basso-Brusa is the most appropriate person for the position as Chairman because of his experience and knowledge of the Company's operations and mineral projects

	Recommendation	East Energy Resources Limited Current Practice
2.3	Roles of chair and chief executive officer should not be exercised by same individual	Not Satisfied. The role of chairperson of the Board and the CEO (Managing Director) are exercised by the same person with Mr Basso-Brusa being appointed as Chairman by the Board of Directors in 2009. Whilst the Company recognises the benefit in these roles being undertaken by two separate individuals, the size of the Company and its limited resources does not warrant the appointment of an independent individual as Chairman or CEO. This position will be revisited by the Board should the nature or the size of the operations substantially change.
2.4	The board should establish a nomination committee	Not satisfied. The Company does not have a separate Nomination Committee and the full Board will consider the matters and issues arising that would usually fall to the nomination committee in accordance with the Nomination Committee Charter. The Company has adopted a Nomination Committee Charter setting out the board processes to raise the issues that would otherwise be considered by the Nomination Committee. The Board considers that at this stage, no efficiencies or other benefits would be gained by establishing a separate nomination committee
2.5	Companies should disclose the process for evaluating the performance of its board, its committees and individual directors	Not satisfied. The Company has not yet established formal performance review measures or induction procedures for key executives nor has it established a separate nomination committee given the size and stage of the Company's operations. The full Board will review the performance of Directors and key executives on a regular basis
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2 outlined in the Recommendations	The skills and experience of directors are set out in the Company's Annual Report and on its website.
	PRINCIPLE 3 – PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING	
	Recommendation	**East Energy Resources Limited Current Practice**
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code.	Satisfied. Code of conduct and Trading in securities policy available at www.eastenergy.com.au
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	Not Satisfied. After discussing the possibility of adopting a diversity policy at Board level it was determined that due to the nature and size of the current operation this would be of no value to the organisation. Currently there are only three board members and two other permanent members of staff. There are no immediate plans to increase the board size or staff in the organisation or to replace current employees or directors.
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	Not Satisfied. These have not been set as per above, due to the size and nature of the Company.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior positions and women on the board.	See table below
3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3 outlined in the Recommendations	Reported in this Corporate Governance Statement.

	2012 No.	2012 %	2013 No.	2013 %
Women on the Board	0	0	0	0
Women in senior management roles	1	33%	1	33%
Women employees in the Company	1	33%	1	33%

	PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING	
	Recommendation	**East Energy Resources Limited Current Practice**
4.1	The board should establish an audit committee	Satisfied. An audit committee has been established
4.2	The audit committee should be structured such that it: •Consists only of non-executive directors; •Consists of a majority of independent directors; •Is chaired by an independent chair, who is not the chair of the board; •Has at least three members	Not satisfied. The audit committee currently consists of the full board with two being non-executive directors. The Chairman of the Board is not the Chairman of the Audit Committee. The Board notes that ASX Corporate Governance Council recommends the audit committee have at least three members with the majority being independent non-executive directors however considering the current size of the Company and composition of the Board, the Board considers the current audit committee size and composition is sufficient at this stage
4.3	The audit committee should have a formal charter	Satisfied. Available at www.eastenergy.com.au
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4 outlined in the Recommendations.	Satisfied. The Company's Audit Committee Charter is available at www.eastenergy.com.au
	PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE	
	Recommendation	**East Energy Resources Limited Current Practice**
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	Satisfied. Continuous disclosure policy and Securities trading policy available at www.eastenergy.com.au
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5 outlined in the Recommendations	Satisfied. Refer 5.1
	PRINCIPLE 6 – RESPECT THE RIGHTS OF SHAREHOLDERS	
	Recommendation	**East Energy Resources Limited Current Practice**
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Satisfied. Communications with shareholders policy available at www.eastenergy.com.au
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6 outlined in the Recommendations	Satisfied. Refer 6.1
	PRINCIPLE 7 – RECOGNISE AND MANAGE RISK	
	Recommendation	**East Energy Resources Limited Current Practice**
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies	Satisfied. Risk management program available at www.eastenergy.com.au The Board has considered the material risks impacting the Company and its Shares. Key risks impacting the Company will be reviewed and considered by management and the Board on a regular basis
7.2	The board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks	Satisfied. The Board including the Managing Director routinely consider risk management matters.

	Recommendation	East Energy Resources Limited Current Practice
7.3	The board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the management system is operating effectively in all material aspects in relation to financial reporting	Satisfied. The Board has received a Section 295A declaration pursuant to the 2013 financial period.
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	Satisfied. Refer above
	PRINCIPLE 8 – REMUNERATE FARILY AND RESPONSIBLY	
	Recommendation	**East Energy Resources Limited Current Practice**
8.1	The board should establish a remuneration committee	Not satisfied. The Company does not have a separate Remuneration Committee and the full Board will consider matters of remuneration, in accordance with the Remuneration Committee Charter. The Company has adopted a Remuneration Committee Charter setting out the board processes to raise the issues that would otherwise be considered by the remuneration committee. Due to the structure of the Board, a separate remuneration committee is not considered to add any efficiency to the process of determining the levels of remuneration for the Directors and key executives. The Board considers that it is more appropriate that it set aside time at Board meetings to address matter that would normally fall to the remuneration committee. In addition all matter of remuneration will continue to be determined in accordance with the Corporations Act requirements, especially in relation to related party transactions. That is no director will participate in any deliberations regarding their own remuneration or related issues.
8.2	The remuneration committee should be structured so that it: • Consists of a majority of independent directors • Is chaired by an independent chair • Has at least three members	Not applicable – there is no remuneration committee. Refer 8.1 above.
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Satisfied. The structure of directors remuneration is disclosed in the remuneration report of the Annual Report.
8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8 outlined in the Recommendations	Refer to the Remuneration Report in the Company's Annual Report. The Remuneration Committee Charter is available at www.eastenergy.com.au

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Australia

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF EAST ENERGY RESOURCES LIMITED

As lead auditor of East Energy Resources Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of East Energy Resources Limited and the entity it controlled during the period.

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 30 September 2013

Consolidated Statement of Profit or Loss and other Comprehensive Income

for the year ended 30 June 2013

	Notes	2013 $	2012 $
Revenue from continuing operations	4	24,742	100,091
Other Income – Research & Development Tax Concession	4	824,119	1,214,399
Audit Fees	3	(30,257)	(31,322)
Depreciation		(4,334)	(6,296)
Insurance		(18,452)	(16,044)
Public Relations		(29,339)	(65,567)
Rent		(28,721)	(54,734)
Directors & Employee Benefits		(288,306)	(414,475)
Impairment of Exploration Asset		(44,731)	(14,516)
Professional Fees for lodgement of R&D Return		(129,507)	(191,268)
Other Expenses		(232,177)	(77,481)
Interest Expense		(266,673)	-
Profit/(Loss) before income tax		(223,636)	442,787
Income tax expense	5	(2,860,033)	-
Net profit/(loss) attributable to members of the entity		(3,083,669)	442,787
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total Comprehensive income/(loss) for the year attributable to the members of the entity		(3,086,669)	442,787
Basic earnings/(loss) per share (cents per share) for profit/(loss) attributable to ordinary equity holders of the Company	6	(1.60)	0.27
Diluted earnings/(loss) per share (cents per share) for profit/(loss) attributable to ordinary equity holders of the Company	6	(1.60)	0.27

The accompanying notes form part of these consolidated financial accounts

Consolidated Statement of Financial Position

As at 30 June 2013

	Notes	2013 $	2012 $
CURRENT ASSETS			
Cash and cash equivalents	7	1,289,459	1,514,039
Trade and other receivables	8	126,961	281,447
TOTAL CURRENT ASSETS		1,416,420	1,795,486
NON CURRENT ASSETS			
Property, plant and equipment	9	114,887	180,417
Exploration, evaluation and development expenditure	10	72,614,809	19,723,617
TOTAL NON-CURRENT ASSETS		72,729,696	19,904,034
TOTAL ASSETS		74,146,116	21,699,520
CURRENT LIABILITIES			
Trade and other payables	11	3,990,211	2,051,043
TOTAL CURRENT LIABILITIES		3,990,211	2,051,043
NON CURRENT LIABILITIES			
Deferred Tax Liability	5(d)	2,860,033	-
Borrowings	12	12,724,739	-
TOTAL NON CURRENT LIABILITIES		15,584,772	-
TOTAL LIABILITIES		19,574,983	2,051,043
NET ASSETS		54,571,133	19,648,477
EQUITY			
Issued capital	13	59,912,357	21,906,032
Accumulated losses		(5,341,224)	(2,257,555)
TOTAL EQUITY		54,571,133	19,648,477

The accompanying notes form part of these consolidated financial accounts

Consolidated Statement of Changes in Equity

For the year ended 30 June 2013

	Issued Capital $	Accumulated Losses $	Total Equity $
Balance as at 1 July 2011	21,906,032	(2,700,342)	19,205,690
Total comprehensive income/(loss) for the year	-	442,787	442,787
Contribution of Equity, net of transaction costs	-	-	-
	-	-	-
Balance at 30 June 2012	21,906,032	(2,257,555)	19,648,477
Balance as at 1 July 2012	21,906,032	(2,257,555)	19,648,477
Total comprehensive income/(loss) for the year	-	(3,083,669)	(3,083,669)
Contribution of Equity net of transaction costs	38,006,325		38,006,325
Balance at 30 June 2013	59,912,357	(5,341,224)	54,571,133

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The accompanying notes form part of these consolidated financial accounts

Consolidated Statement of Cash Flow

For the year ended 30 June 2013

	Notes	2013 $	2012 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest and Income received		25,167	141,615
Research & Development Tax Concession received		824,119	1,214,399
Payments to suppliers & other expenses		(750,246)	(704,413)
Payments for exploration, evaluation and development		(1,995,670)	(1,921,605)
Net Cash Outflows from Operating Activities	18(b)	(1,896,630)	(1,270,004)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from acquisition of Idalia tenement assets		125,991	-
Payments for property, plant & equipment		(3,941)	(18,577)
Proceeds from sale of property, plant and equipment		-	4,545
Net Cash Outflows from Investing Activities		122,050	(14,032)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net Proceeds from borrowings		1,550,000	-
Net Cash Inflows from Financing Activities		1,550,000	-
Net Increase/(Decrease) in cash and cash equivalents		(224,580)	(1,284,036)
Cash and cash equivalents at 1 July	18 (c)	1,514,039	2,798,075
Cash and cash equivalents at 30 June	18(a)	1,289,459	1,514,039

The accompanying notes form part of these consolidated financial accounts

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This consolidated financial report includes the financial statements and notes of East Energy Resources Limited and its controlled entities (the "consolidated group" or "group"). These principal accounting policies have been consistently applied to all years presented, unless otherwise stated.

It is recommended that this financial report be read in conjunction with any public announcements made by East Energy Resources Limited during the period in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

a. Basis of Preparation

The financial statements is a general purpose financial statement that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial statements of East Energy Resources Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Boards (ISAB). East Energy Resources Limited is a for-profit entity for the purposes of preparing the financial statements.

The financial report was authorised for issue in accordance with a resolution of the Directors on 30 September 2013.

b. Comparatives

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

c. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by East Energy Resources Ltd at the end of the reporting period. A controlled entity is any entity over which East Energy Resources Ltd has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist where the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 20 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

d. Asset Acquisition

The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also include the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and continent liabilities assumed in an asset acquisition are, with limited exceptions, measure initially a their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as deferred exploration expenditure. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

e. Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the Statement of Financial Position date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Tax consolidation

East Energy Resources Ltd and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 10 May 2013. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

Minerals Resource Rent Tax

On 19 March 2012, the Australian Government passed through the Senate, the Minerals Resource Rent Tax Act 2012, with application to certain profits arising from the iron ore and coal extracted in Australia. In broad terms, the tax is imposed on a project-by-project basis. This tax applies to upstream mining operations only, and the effective rate of Minerals Resource Rent Tax is 22.5%. This tax is considered to be an “income tax” for the purposes of AASB 112. Certain transition measures are contained in the legislation which can give rise to deductions in future years, for Minerals Resource Rent Tax purposes. Any modelling and/or valuations performed on behalf of the Group may give rise to an increase in the balance of deferred tax assets at 30 June 2013. However, given the nature of the Group’s operations (i.e.: primarily exploration), the Group has not recognised such amounts as at 30 June 2013 under Deferred Tax Assets (refer to Note (5): Income Tax Expense).

f. Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

g. Exploration, Evaluation and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward where the right of tenure of the area of interest is current and they are expected to be recouped through successful development on the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. The ultimate recoupment of capitalised exploration, evaluation and development expenditure is dependant upon the final approval of exploration permits.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

h. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the economic entity, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

i. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

j. Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

k. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

l. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 12 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

m. Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

n. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

o. Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.
Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

p. Share-based Payment Transactions

The fair value of options granted by East Energy Resources Limited is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the option holder becomes unconditionally entitled to the options. The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the share price at grant date and the expected volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the option.

q. Property, Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on both a prime cost and a reducing balance basis to write off the net cost of each item of plant and equipment over its expected useful life, being 3 to 20 years. The current depreciation rates are as follows:

Motor Vehicles	25%
Office Equipment	10% – 25%
Computer Equipment	20% – 33.33%
Plant and Equipment	13.33% - 25%

r. Trade and Other Payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

s. Trade and Other Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Current receivables for GST are due for settlement within 30 days and other current receivables within 12 months.

t. Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

u. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, has been identified as the Board of Directors.

v. Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

w. Critical Accounting Estimates And Judgements

In preparing this Financial Report the Group has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

x. Significant Accounting Judgements

In the process of applying the Group's accounting policies, management has the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of Exploration and Evaluation Expenditure

The Group has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the areas of interest concerned or on the basis that it is not yet possible to assess whether it will be recouped.

Deferred Tax Assets

The Group expects to have carried forward tax losses which have not been recognised as deferred tax assets as it is not considered sufficiently probable that these losses will be recouped by means of future profits taxable in the relevant jurisdictions.

y. Significant Accounting Estimates And Assumptions

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of Capitalised Exploration and Evaluation Expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

NOTE 2. KEY MANAGEMENT PERSONNEL COMPENSATION

a. Names and positions held of entity key management personnel in office at any time during the financial year are:

Mark Basso-Brusa	Managing Director and Chairman
Rex Littlewood	Non-Executive Director
Ranko Matic	Non-Executive Director and Company Secretary
Peter Tighe	Exploration Manager
Andrea Betti	Chief Financial Officer

Key management personnel remuneration has been included in the Remuneration Report section of the Directors Report.

NOTE 2. KEY MANAGEMENT PERSONNEL COMPENSATION - continued

b. Key management personnel compensation

	2013	2012
	$	$
Short-term employee benefits	480,989	601,847
Post-employment benefits	21,923	27,234
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	502,912	629,081

c. Number of Options Held by Key Management Personnel

Key Management Person	Balance 1.7.2012	Granted as compensation	Options Exercised	Net Change Other	Balance 30.6.2013	Total Vested 30.6.2013	Total Exercisable 30.6.2013	Total Unexercisable 30.6.2013
Mark Basso-Brusa	-	-	-	-	-	-	-	-
Rex Littlewood	-	-	-	-	-	-	-	-
Malcolm Castle	-	-	-	-	-	-	-	-
Ranko Matic	-	-	-	-	-	-	-	-
Peter Tighe	-	-	-	-	-	-	-	-
Andrea Betti	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

Key Management Person	Balance 1.7.2011	Granted as compensation	Options Exercised	Net Change Other	Balance 30.6.2012	Total Vested 30.6.2012	Total Exercisable 30.6.2012	Total Unexercisable 30.6.2012
Mark Basso-Brusa	-	-	-	-	-	-	-	-
Rex Littlewood	-	-	-	-	-	-	-	-
Malcolm Castle	-	-	-	-	-	-	-	-
Ranko Matic	-	-	-	-	-	-	-	-
Peter Tighe	-	-	-	-	-	-	-	-
Andrea Betti	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

NOTE 2. KEY MANAGEMENT PERSONNEL COMPENSATION – continued

d. Number of Shares Held by Key Management Personnel

Key Management Person	Balance 1.7.2012	Received as Compensation	Options Exercised	Net Change Other	Balance 30.6.2013	Balance Nominally Held
Mark Basso-Brusa	68,701,201	-	-	94,825,781[1]	163,526,982	163,526,982
Rex Littlewood	-	-	-	-	-	-
Ranko Matic	220,000	-	-	-	220,000	220,000
Peter Tighe	-	-	-	-	-	-
Andrea Betti	46,000	-	-	-	46,000	-
	69,007,201	-	-	-	163,751,582	163,705,582

[1] Shares issued as consideration for the acquisition of Idalia Coal Pty Ltd (refer note 19)

Key Management Person	Balance 1.7.2011	Received as Compensation	Options Exercised	Net Change Other	Balance 30.6.2012	Balance Nominally Held
Mark Basso-Brusa	68,701,201	-	-	-	68,701,201	68,701,201
Rex Littlewood	-	-	-	-	-	-
Malcolm Castle*	40,000	-	-	-	40,000	-
Ranko Matic	220,000	-	-	-	220,000	220,000
Peter Tighe	-	-	-	-	-	-
Andrea Betti	46,000	-	-	-	46,000	
	63,941,201	-	-	-	69,007,201	68,921,201

*Resigned 24 November 2011

e. Other transactions with key management personnel

Mark Basso-Brusa is a director and shareholder of MCPBB Pty Ltd trading as Evolution Exploration, the drilling company engaged to undertake the drilling program for East Energy Resources Limited. All transactions with Evolution Exploration are on normal commercial terms and conditions.

	Consolidated 2013 $	Consolidated 2012 $
Drilling and Associated Costs	1,031,541	2,029,760
Outstanding balance at year end	1,211,961	1,792,479

Mark Basso-Brusa is also a director and shareholder of Majicyl Pty Ltd, the Company that owned 49.5% of Idalia Coal Pty Ltd when it was acquired by East Energy Resources Ltd. The completion of this transaction resulted in Majicyl Pty Ltd being issued 94,825,781ordinary shares.

NOTE 3. AUDITORS' REMUNERATION

Remuneration of the auditor for:

	2013	2012
– Auditing or reviewing the financial report	30,257	31,322
	30,257	31,322

NOTE 4. REVENUE

	Consolidated 2013 $	2012 $
Interest Received	24,742	100,042
Profit made on sale of fixed asset – motor vehicle	-	49
Other Income – Research and Development Tax Concession	824,119	1,214,399
	848,861	1,224,490

NOTE 5. INCOME TAX

	2013 $	2012 $
(a) **Income tax expense**		
Current tax	-	-
Deferred tax	2,860,033	-
	2,860,033	-
Deferred income tax expense included in income tax expense comprises:		
- (Increase) in deferred tax assets	(5,624,181)	(5,964,517)
- Increase in deferred tax liabilities	8,484,214	5,964,517
	2,860,033	-
(b) **Reconciliation of income tax expense to prima facie tax payable**		
The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Profit/(Loss) before income tax	(223,636)	442,787
Prima facie tax on operating profit/(loss) at 30%	(67,091)	132,836
Add / (Less)		
Tax effect of exploration expenditure	(439,515)	(911,904)
Tax effect of Legal Fees	579	
Tax effect of other	47,732	(374,173)
Tax effect of non-assessable income	(247,236)	
Tax effect of movement in unrecognised temporary differences	81,650	
Tax effect of under/(over) provision for the prior year	1,195,404	
Tax effect of deferred tax asset not brought to account	2,288,510	
Deferred tax asset not brought to account	2,860,033	1,153,241
Income tax attributable to operating loss	-	-
The applicable weighted average effective tax rates are as follows:	nil%	nil%
Balance of franking account at year end	nil	nil
(c) **Deferred tax assets**		
Tax Losses	5,468,460	6,039,983
Other	155,721	18,728
	5,624,181	6,058,711
Set-off deferred tax liabilities	(5,624,181)	(5,964,517)
Net deferred tax assets	-	94,194
Less deferred tax assets not recognised	-	(94,194)
Net Tax assets	-	-

NOTE 5. INCOME TAX – continued

	Consolidated 2013 $	Consolidated 2012 $
(d) **Deferred tax liabilities**		
Exploration expenditure	8,484,214	5,917,085
Other	-	47,432
	8,484,214	5,964,517
Set-off deferred tax assets	(5,624,181)	(5,964,517)
Net deferred tax liabilities	2,860,033	-
(e) **Tax losses**		
Unused tax losses for which no deferred tax asset has been recognised	5,468,460	313,980

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2013 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

i. the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;

ii. the Group continues to comply with conditions for deductibility imposed by law; and

iii. no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the loss and exploration expenditure.

NOTE 6. EARNINGS PER SHARE

	2013 $	2012 $
(a) Earnings/(loss) used to calculate basic and diluted EPS	(3,083,669)	442,787

	Number of Shares	Number of Shares
(b) Number of ordinary shares outstanding at the end of the year used in calculating basic EPS	356,480,930	166,449,305
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	193,001,669	166,449,305

	2013 cents	2012 cents
(c) Earnings/(loss) per share - basic	(1.60)	0.27
Earnings/(loss) per share – diluted	(1.60)	0.27

NOTE 7. CASH AND CASH EQUIVALENTS

	2013 $	2012 $
Cash at Bank	1,289,459	1,514,039

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates

NOTE 8. TRADE AND OTHER RECEIVABLES

	Consolidated 2013 $	Consolidated 2012 $
Other Receivables	126,961	281,447

(a) **Other receivables**

These transactions generally arise from transactions outside the usual operating activities of the entity. The balance consists of receivables relating to refunds expected in relation to good and services tax and operating expense prepayments.

(b) **Ageing of receivables past due not impaired**

As at 30 June 2013 there were no receivables past due not impaired.

(c) **Ageing of impaired trade receivables**

As at 30 June 2013 there were no receivables impaired.

NOTE 9. PROPERTY, PLANT & EQUIPMENT

	Consolidated 2013 $	Consolidated 2012 $
Plant and equipment – at cost	63,388	63,388
Accumulated depreciation	(32,049)	(22,696)
	31,339	40,692
Office equipment – at cost	122,489	120,445
Accumulated depreciation	(83,571)	(64,773)
	38,918	55,672
Motor Vehicle – at cost	179,306	218,797
Accumulated depreciation	(134,676)	(134,744)
	44,630	84,053
Total property, plant and equipment	114,887	180,417

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Plant and equipment $	Office equipment $	Motor Vehicle $	Total $
Opening balance at 1 July 2011	34,428	76,584	130,340	241,352
Additions	16,969	1,560	(4,496)	14,033
Depreciation expense	(10,705)	(22,472)	(41,791)	(74,968)
Balance at 30 June 2012	40,692	55,672	84,053	180,417
	$	$	$	$
Opening balance at 1 July 2012	40,692	55,672	84,053	180,417
Additions	-	2,043	1,898	3,942
Depreciation expense	(9,353)	(18,797)	(41,321)	(69,471)
Balance at 30 June 2013	31,339	38,918	44,630	114,887

NOTE 10. EXPLORATION EXPENDITURE	Consolidated 2013 $	2012 $
Carrying amount at the beginning of the period	19,723,617	16,683,937
Deferred exploration expenditure incurred during the period	1,469,558	3,054,196
Purchase of Exploration Assets including land duty	51,466,365	-
Impairment of tenement	(44,731)	(14,516)
Carrying Value at 30 June	72,614,809	19,723,617

The Group has included $65,137 (2012: $68,671) of depreciation of property, plant and equipment in exploration expenditure for the period.

The value of the Group's interest in exploration expenditure is dependent upon the:

- continuance of the economic entity rights to tenure of the areas of interest;
- results of future exploration; and
- recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The economic entity exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

NOTE 11. TRADE AND OTHER PAYABLES	2013 $	2012 $
Trade payables	1,347,298	2,019,706
Land Duty Payable on Idalia Tenements	2,466,365	-
Other payables	176,548	31,337
	3,990,211	2,051,043

Currently an application is before the Queensland State Revenue Office to provide their assessment of land duty payable on the Idalia tenements. The maximum amount the duty will be assessed at, is $2,466,365.

NOTE 12. NON-CURRENT LIABILITIES

Borrowings

In May 2013, East Energy Resources entered into a Loan Facility Agreement with Noble Group Ltd. This facility provides for funding of up to $7.5m plus the repayment of the loan between Idalia Coal and East Energy Resources Limited and the loan between the Noble Group Ltd and Idalia Coal Pty Ltd.

This facility is for a period of up to 4 years, with staggered drawdowns, as required. The repayment of the two loans occurred on 10th May 2013 with a drawing made for $12,200,773. East Energy then made a further drawing in May 2013 for $350,000 and in August 2013 for $1,000,000.

The facility is provided on normal commercial terms, with the applicable interest rate being Bank Bill Swap Reference Rate (BBSW) 6 month rate, plus a margin of 7.0%. The interest on this facility can be capitalised, at the request of East Energy Resources Ltd.

NOTE 12. NON-CURRENT LIABILITIES - continued

At the end of the 4 year term, East Energy can extend the facility for a further 6 months ("extension period"). Should East Energy not have paid out the funds owing under this facility at this time, Noble Ltd has the option to make application during this extension period to convert the funds owing under this facility into ordinary shares.

East Energy has provided security for this loan (as approved by Shareholders on 3 May 2013), by way of a personal property security interest over the assets of East Energy Resources Ltd and Idalia Coal Pty Ltd and a mortgage over both Company's tenements.

	2013 $	2012 $
Loan Drawings	12,550,773	-
Capitalised Interest	173,966	-
Total Outstanding	12,724,739	-

NOTE 13. ISSUED CAPITAL

		Consolidated			
		2013 Number	2012 Number	2013 $	2012 $
(a) Share capital					
Ordinary shares					
Fully paid	(b)	356,480,930	166,449,305	59,912,357	21,906,032
Total Issued Capital		356,480,930	166,449,305	59,912,357	21,906,032

(b) Movements in Ordinary Shares

Details		**Number of Shares**	**Number of Shares**	**Issue price $**	**$**
Shares at the beginning of the reporting period		166,449,305	166,449,305	21,906,032	21,906,032
Share Issue for acquisition of Idalia Coal	19	190,031,625	-	38,006,325	-
Less: Transaction costs					
Balance at end of year		356,480,930	166,449,305	59,912,357	21,906,032

(c) Capital Risk Management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, being mineral exploration, the Group has ready access to a credit facility from the Noble Group Ltd as detailed in note 12. Further sources of funding are equity raisings. However the Group maintains focus on the Group's current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to utilising the Noble Facility carefully and considering appropriate capital raisings if required. The working capital position of the Group at 30 June is as follows:

	2013 $	2012 $
Cash and cash equivalents	1,289,459	1,514,039
Trade and other receivables	126,961	281,447
Trade and other payables	(3,990,211)	(2,051,043)
Working capital position	(2,573,789)	(255,557)

NOTE 14. RELATED PARTY TRANSACTIONS

(a) **Parent Entity**

The parent entity within the Group is East Energy Resources Ltd.

(b) **Subsidiaries.**

Interests in subsidiaries are set out in Note 20.

(c) **Key management personnel**

Transactions relating to key management personnel are set out in Note 2.

(d) **Transactions with related parties**

During the period there have been no other transactions with related parties other than those set out in Note 2.

NOTE 15. SEGMENT INFORMATION

Management has determined that the Group has one reportable segment, being coal exploration in Queensland. As the Group is focused on coal exploration, the Board monitors the Group based on actual versus budgeted exploration expenditure incurred. This internal reporting framework is the most relevant to assist the Board with making decision regard the Group and its ongoing exploration activities while also taking into consideration the results of exploration work that has been performed to date.

	Consolidated	
	2013 $	**2012 $**
Revenue from external sources	-	-
Reportable segment profit (loss)	(717,249)	(224,483)
Reportable segment assets	72,614,809	19,723,617
Reportable segment liabilities	-	-
Reconciliation of reporting segment profit or loss		
Reportable segment profit/(loss)	(717,249)	(224,483)
Other profit/(loss)	848,861	1,314,490
Unallocated:		
- Corporate Expenses	(355,248)	(647,220)
Profit Before Tax	(223,636)	442,787
Reconciliation of reporting segment assets		
Reportable segment assets	72,614,809	19,723,617
Unallocated:		
- Cash & Receivables	1,416,420	1,795,486
- Property, Plant & Equipment	114,887	180,417
Total Assets	74,146,116	21,699,520
Reconciliation of reporting segment liabilities		

NOTE 15. SEGMENT INFORMATION - continued

	Consolidated 2013 $	Consolidated 2012 $
Reportable segment liabilities	-	-
Unallocated:		
- Trade and other payables	3,990,211	2,051,043
- Deferred Tax Liability	2,860,033	-
- Borrowings	12,724,739	-
Total Liabilities	19,574,983	2,051,043

NOTE 16. COMMITMENTS

Tenement Expenditure Commitments.

The Group is required to maintain current rights of tenure to tenements, which require outlays of expenditure. A tenement will be liable to forfeiture if the expenditure conditions, specified within the terms of the grant are not complied with.

The Group has a 100% share of tenements rental and expenditure commitments of:

	2013	2012
Payable:		
– not later than 12 months	3,861,252	-
– between 12 months and 5 years	7,260,512	-
– greater than 5 years	-	-
	11,121,764	-

Executive Service Agreement Commitments.

The Company had an executive service agreement in place for Mark Basso-Brusa, which has now expired (2012: nil). Refer to the remuneration report within the directors' report for full details. Commitments are detailed below.

NOTE 17. DIVIDENDS

The Group has not declared nor paid a dividend for the period.

NOTE 18. CASH FLOW INFORMATION

	2013 $	2012 $
(a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash	1,289,459	1,514,039
(b) Reconciliation of Cash Flow from Operations with Operating Profit/(Loss) after Income Tax		
Operating profit/(loss) after income tax	(3,083,669)	442,787
Depreciation and amortisation	69,471	74,967
Impairment of exploration assets	44,731	-
Interest Accrued	249,276	-
Income Tax expense	2,860,033	-
Changes in assets and liabilities:		
(Increase)/decrease in receivables	256,567	(25,831)
(Increase)/decrease in exploration assets	(3,976,145)	(3,039,680)
Increase/(decrease) in trade and other payables	1,683,106	1,277,753
Net Cash Flow from/(used in) Operating Activities	(1,896,630)	(1,270,004)

NOTE 18. CASH FLOW INFORMATION - continued

	Consolidated 2013 $	2012 $
(c) Reconciliation of Cash and Cash Equivalents at 1 July		
East Energy Resources Cash 1 July 2012	1,514,039	2,798,075
	1,514,039	2,798,075

NOTE 19. ACQUISITION OF IDALIA COAL PTY LTD

On 10th May 2013 East Energy Resources Limited completed the acquisition of Idalia Coal Pty Ltd from Camvill Pty Ltd (a wholly owned subsidiary of the Noble Group Limited (Noble) (ABN 27 148 845 578) and Majicyl Pty Ltd (a company associated with the Basso-Brusa family) (Majicyl) (ABN 20 118 309 265) in consideration for the issue of fully paid ordinary shares in the capital of EER. At that time Noble held 50.1% of Idalia and Majicyl held 49.9% of Idalia.

The transaction received shareholder approval on 3 May 2013 and was therefore finalised on 10 May 2013. In consideration for $38,006,325 via the issue of fully paid ordinary shares in the capital of East Energy Resources, deemed at $0.20 per share, East Energy issued 95,205,844 East Energy Shares to Noble (a 50.1% shareholder of Idalia) and 94,825,781 East Energy Shares to Majicyl (49.9% shareholder of Idalia). Upon completion of the Transaction, Noble and Majicyl now hold 40.93% and 45.87% of the issued shares of EER, respectively. Other shareholders hold 13.2% of EER. The newly issued shares will remain in escrow for 12 months.

The acquisition of Idalia Coal Pty Ltd is not a business combination, but rather an acquisition of mining tenements.

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised costs of the asset.

Fair value of shares issued as consideration	$38,006,325
Fair value of net assets acquired	$38,006,325

As part of obtaining Shareholder Approval, the Company arranged for an independent valuation which was included in the Notice of Meeting for the General Meeting held on 3rd May 2013. Directors believe that the fair value of net assets acquired to be equal to the shares issued.

NOTE 20. CONTROLLED ENTITIES

Ultimate Parent Entity:

East Energy Resources Ltd

Subsidiary	Country of	Class of shares	Ownership interest 2013	2012
Idalia Coal Pty Ltd	Australia	Ordinary	100%	-

NOTE 21. PARENT ENTITY DISCLOSURES

Parent entity disclosures	Consolidated 2013 $	2012 $
(a) Financial Position		
Assets		
Current Assets	1,168,012	1,795,486
Non-Current Assets	71,641,598	19,904,034
Total Assets	72,809,610	21,699,520

NOTE 21. PARENT ENTITY DISCLOSURES - continued

	Consolidated	
	2013	**2012**
Liabilities	**$**	**$**
Current Liabilities	2,653,705	2,051,043
Non-Current Liabilities	15,584,772	-
Total Liabilities	18,238,477	2,051,043
Equity		
Contributed Equity	59,912,357	21,906,032
Reserves	-	-
Retained (Losses)	(5,341,224)	(2,257,555)
Total Equity	54,571,133	19,648,477
(b) Financial Performance		
(Loss) for the year	(3,083,669)	442,787
Other comprehensive income	-	-
Total Comprehensive (Loss)	(3,083,669)	442,787

(c) Contingent Liabilities of the Parent Entity

There are no such contingencies.

(d) Commitments of the Parent Entity

Not longer than 1 year	171,920	-
Longer than 1 year and not longer than 5 years	839,180	-
Longer than 5 years	-	-
Total	1,011,100	-

NOTE 22. EVENTS AFTER THE REPORTING PERIOD

In early August 2013, the Group made an application for a drawing under the Noble Facility, and lodged a Utilisation Notice for $1,000,000. The funds were received by the Group on 9 August 2013.

Other than the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

NOTE 23. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise cash and short-term deposits. The Group has various other financial assets and liabilities such as other receivables and payables, which arise directly from its operations.

The Group's activities expose it to a variety of financial risks, including, credit risk, liquidity risk and cash flow interest rate risk. The Group is not exposed to foreign exchange or price risk.

Risk management is carried out by the Board of Directors, who evaluate and agree upon risk management and objectives.

NOTE 23. FINANCIAL RISK MANAGEMENT – continued

(a) Market Risk

(i) Interest rate risk
The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

	Floating Interest Rate	Fixed Interest Rate		Non Interest Bearing	Total	Weight Effective Interest Rate
		1 Year or Less	1 to 5 Years			
	2013 $	2013 $	2013 $	2013 $	2013 $	2013 %
Financial Assets						
Cash	1,269,459	20,000	-	-	1,289,459	3.32%
Trade and other receivables	-	-	-	126,961	129,961	
Total Financial Assets	1,269,459	20,000	-	126,961	1,416,420	3.32%
Financial Liabilities						
Trade and other payables	12,724,739	-	-	3,990,211	16,714,950	8.19%
Total Financial Liabilities	12,724,739	-	-	3,990,211	16,714,950	8.19%

	Floating Interest Rate	Fixed Interest Rate		Non Interest Bearing	Total	Weight Effective Interest Rate
		1 Year or Less	1 to 5 Years			
	2012 $	2012 $	2012 $	2012 $	2012 $	2012 %
Financial Assets						
Cash	6,589	246,100	-	1,261,350	1,514,039	8.58%
Trade and other receivables	-	-	-	281,447	281,447	
Total Financial Assets	6,589	246,100	-	1,542,797	1,795,486	8.58%
Financial Liabilities						
Trade and other payables	-	-	-	2,051,043	2,051,043	-
Total Financial Liabilities	-	-	-	2,051,043	2,051,043	-

The Group policy is to monitor the interest rate yield curve out to six months to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates. The Group does not have any receivables or payables that may be affected by interest rate risk.

Sensitivity analysis

At 30 June 2013, if interest rates had changed by -/+100 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss would have been $40,028 (2012: $11,659) lower/higher as a result of lower/higher interest income from cash and cash equivalents. Management have deemed a movement of 100 basis points to be an appropriate measure for this sensitivity analysis.

NOTE 23. FINANCIAL RISK MANAGEMENT – continued

(b) Credit risk

The Group does not have any significant concentrations of credit risk. Credit risk is managed by the Board and arises from cash and cash equivalents as well as credit exposure including outstanding receivables.

All cash balances held at banks are held at internationally recognised institutions. The majority of receivables are immaterial to the Group. Given this the credit quality of financial assets that are neither past due or impaired can be assessed by reference to historical information about default rates.

The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets disclosed within the financial report.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about default rates.

Financial assets that are neither past due and not impaired are as follows:-

	Consolidated 2013 $	Consolidated 2012 $
Financial assets - counterparties without external credit rating		
Financial assets with no defaults in the past	126,961	281,447
Cash and cash equivalents		
'AA-' S&P rating	1,289,459	1,487,951
Bank guarantees	-	26,088
	1,289,459	1,514,039

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash balances and access to equity funding.

The Group's exposure to the risk of changes in market interest rates relate primarily to cash assets.

The directors monitor the cash-burn rate of the Group on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

As at reporting date the Group had sufficient cash reserves to meet its requirements. The Group has access to a credit facility from the Noble Group as detailed in Note 12.

The financial liabilities the Group had at reporting date were other payables incurred in the normal course of the business. These were non interest bearing and were due within the normal 30-60 days terms of creditor payments. The other financial liability is the facility from the Noble Group as detailed in Note 12.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 6 months $	6-12 months $	1-2 years $	2-5 years $	Over 5 years $	Total contractual cash flows $	Carrying amount (assets)/ liabilities $
As at 30 June 2013							
Trade and other payables	3,990,211	-	-	**12,724,739**	-	**16,714,950**	16,714,950
As at 30 June 2012							
Trade and other payables	2,051,043	-	-	**-**	-	**2,051,043**	2,051,043

NOTE 23. FINANCIAL RISK MANAGEMENT – continued

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Group at the reporting date are recorded at amounts approximating their carrying amount.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

The carrying value of borrowings are assumed to be their fair value as the value is periodically confirmed with the borrower as to the amount outstanding and interest accruing. The borrowings at reporting date are recorded at amounts approximating their carrying amount.

NOTE 24. GROUP DETAILS

The registered office and principal place of business of the Group is:

Level 1/12 Kings Park Road

WEST PERTH WA 6005

NOTE 25. CONTINGENT ASSETS AND LIABILITIES

	2013 $	2012 $
There are no contingent assets.		
The Company has provided a bank guarantee, which covers six months rent in the event of a default. At reporting date the Company is in a sound financial position and unlikely to default.	-	26,088

NOTE 26. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

At the date of this financial report the following accounting standards, which may impact the consolidated entity in the period of initial application, have been issued but are not yet effective:

Reference	Title	Summary	Application date (financial years beginning)
AASB 9	*Financial Instruments*	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	1 January 2015
AASB 10	*Consolidated Financial Statements*	Replaces the requirements of AASB 127 and Interpretation 112 pertaining to the principles to be applied in the preparation and presentation of consolidated financial statements.	1 January 2013
AASB 11	*Joint Arrangements*	Replaces the requirements of AASB 131 pertaining to the principles to be applied for financial reporting by entities that have in interest in arrangements that are jointly controlled.	1 January 2013
AASB 12	*Disclosure of Interests in Other Entities*	Replaces the disclosure requirements of AASB 127 and AASB 131 pertaining to interests in other entities.	1 January 2013

NOTE 26. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS - continued

Reference	Title	Summary	Application date (financial years beginning)
AASB 127	*Separate Financial Statements*	Prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	1 January 2013
AASB 128	*Investments in Associates and Joint Ventures*	Prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1 January 2013
AASB 13	*Fair Value Measurement*	Provides a clear definition of fair value, a framework for measuring fair value and requires enhanced disclosures about fair value measurement.	1 January 2013
AASB 119	*Employee Benefits*	Prescribes the accounting and disclosure for employee benefits. This Standard prescribes the recognition criteria when in exchange for employee benefits.	1 January 2013
IFRIC Interpretation 20	*Stripping Costs in the Production Phase of a Surface Mine*	This Interpretation clarifies the requirements for accounting for stripping costs in the production phase of a surface mine, such as when such costs can be recognised as an asset and how that asset should be measured, both initially and subsequently.	1 January 2013

The entity has decided against early adoption of these standards and interpretations. Furthermore, these changes in standards and interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Directors' Declaration

The Directors of the Group declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001, including:

   a. complying with Accounting Standards and Corporations Regulations 2001; and

   b. giving a true and fair view of the Group's financial position at 30 June 2013 and of its performance for the year ended on that date; and

2. In accordance with Section 295A of the Corporations Act the Chief Executive Officer and the Chief Financial Officer have provided the directors with declarations that:

   a. the financial records of the Group for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

   b. the financial statements and notes for the financial year comply with the Accounting Standards; and

   c. the financial statements and notes for the financial year give a true and fair view;

3. in the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

4. The Group has included in the notes to the financial statement an explicit and unreserved statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Board of Directors.

MARK BASSO-BRUSA
Managing Director

DATED at PERTH this 30th day of September 2013

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of East Energy Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of East Energy Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of East Energy Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of East Energy Resources Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of East Energy Resources Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth, 30 September 2013

Shareholder Information

Additional information required by the Australian Securities Exchange Limited Listing Rules, and not disclosed elsewhere in this report.

Class Of Shares And Voting Rights

The voting rights attached to the Fully Paid Ordinary shares of the Company are:

at a meeting of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney; and

on a show of hands every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held.

There are no voting rights attached to any Options on issue.

Substantial Shareholders

The names of the substantial shareholders in the Company's register as at 13 September 2013 are:

		Number
1.	Majicyl Pty Ltd <Basso Investment A/c>	163,526,982
2.	Onglory Pty Ltd	145,913,453

Distribution Of Shareholders (as at 13 September 2013)

SPREAD OF HOLDINGS	NUMBER OF HOLDERS	UNITS	% OF ISSUED CAPITAL
1 – 1,000	37	6,268	0.002%
1,001 – 5,000	136	412,797	0.116%
5,001 – 10,000	134	1,164,905	0.327%
10,001 – 100,000	375	13,985,188	3.923%
100,001 – over	92	340,911,772	95.633%
	774	**356,480,930**	**100.000%**

There were 239 shareholders holding less than a marketable parcel at 13 September 2013. The percentage of shares held by 20 largest shareholders is 91.77%. There is no current on-market buy back taking place.

Distribution of Listed Option holders

There are currently no listed options.

Unlisted Options

There are currently no unlisted options.

Shareholder Information continued

TWENTY LARGEST SHAREHOLDERS (as at 13 September 2013)

Name	Number of ordinary shares held	Percentage of capital held
Majicyl Pty Ltd <Basso Investment A/C>	163,526,982	45.87%
Onglory Pty Ltd/Camvill Pty Ltd	145,913,453	40.93%
Altius Investment Holdings	2,987,892	0.813%
Benison Holdings Pty Ltd	2,225,994	0.624%
Jersey Investments (WA) Pty Ltd	1,417,672	0.398%
DBS Vickers Securities (Singapore) Pte Ltd <Client Account>	1,403,000	0.394%
JP Morgan Nominees	1,060,000	0.297%
Steven Davis Bland	1,028,952	0.289%
Michael Johns <Limestone Hill Super A/C>	833,634	0.234%
Dr Peter Poon	795,000	0.223%
Mario Ambrosino	765,010	0.215%
Gentry Investments Pty Ltd	700,000	0.196%
Ernst Feldmen	700,000	0.196%
Siska Drilling Pty Ltd <Siska Drilling P/L S/F A/C>	614,947	0.173%
Janafield Pty Ltd <Superannuation Fund A/C>	600,000	0.168%
Ms Kim Claudette Parry	568,000	0.159%
Bradley Rowan Pollard	547,276	0.154%
Sebastian Corporation Pty Ltd <Rapanaro Super Fund A/C>	509,562	0.143%
Citicorp Nominees Pty Ltd	475,000	0.133%
Garry Bruce Alcorn & Jenny Leigh Alcorn	470,000	0.132%
Total	**327,141,924**	**91.77%**