

QUARTERLY ACTIVITIES REPORT THREE MONTHS TO 31 MARCH 2013

Highlights

- East Energy Resources Ltd entered into a Share Purchase Agreement to acquire 100% of the total issued shares in Idalia Coal Pty Ltd.
- No further exploration drilling was carried out during the quarter, pending the finalisation of the Idalia transaction.
- An application made to vary the lease conditions of EPC 1149 to retain all 300 sub-blocks for EPC 1149 was lodged and approved by the Queensland Department of Resources and Mines.

Idalia Coal Purchase

On 19th March, East Energy Resources Ltd (EER) announced it had entered into an agreement to acquire 100% of the total shares in Idalia Coal Pty Ltd. Idalia is currently owned by Camvill Pty Ltd (a wholly owned subsidiary of the Noble Group Limited) and Majicyl Pty Ltd (a company associated with Basso-Brusa Family) in consideration for the equivalent of \$40,000,000 via the issue of fully paid ordinary shares in the capital of EER at 20 cents per EER share.

Under this transaction EER will become the beneficial owner and ultimate holder of EPCs 1398, 1399, 1400, 1403 and 1407 and will assume control of these Exploration Permits, held by Idalia.

Within EPC 1398 and 1399 Idalia Coal has JORC Inferred Resources of 440Mt and a drill identified JORC Exploration Target in the order of 4.0 to 4.5 billion tonnes (refer to ASX announcement on 19/03/2013).

Drilling has intersected coal seams, which are interpreted to continue along strike (north and south) of the coal seams in EER's Blackall Project (EPC 1149).

As part of this transaction, the Noble Group will provide EER with a debt re-financing facility 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 to provide EER with additional funds to Idalia to fully repay the Idalia Loan to

ASX: EER

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

It has a JORC Resource of 1.74Bt of Thermal Coal (627.5Mt Indicated and 1113Mt Inferred) located south west of the major deposits of Hancock Coal and Waratah Coal in the Galilee Basin.

Capital Structure

Share Price: \$0.077

Market Cap: \$13.05M

Shares on Issue: 166,449,305

Board of Directors

Mark Basso
Managing Director

Ranko Matic
Non-Executive Director

Rex Littlewood
Non-Executive Director

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the Noble Group. EER will also have a further \$5m to \$6m available for drawdown and working capital purposes under the debt re-financing arrangement.

The Idalia transaction will create one of the largest coal portfolios in Australia that EER's Board believe 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.

This transaction requires shareholder approval which is being sought at General Meeting to be held on 3rd May 2013.

Details of the transaction are provided in ASX Announcements dated 23rd January 2013 and 19th March 2013.

Exploration

No further exploration was undertaken in EPC 1149 during the current quarter, whilst plans for the acquisition of Idalia Coal were completed.

EPC 1149 Lease Renewal

EPC 1149 was granted on 22nd April 2008 for a period of five years and is due to expire on 21st April 2013.

During the quarter East Energy Resources lodged a renewal application for a further period of five years with the Queensland Department of Natural Resources and Mines. This will provide for further exploration and development of the resource through to 21st April 2018. The approval of this application is pending.

The application made to retain the entire 300 sub-blocks within the EPC was approved by the Queensland Department of Resources and Mines in the quarter.

Peter Tighe
Exploration Manager

Competent Persons Statement

Competent Persons - Idalia

The information in this announcement 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 2012 Edition of the JORC Code. Mr Tighe consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

The information in this announcement 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 2012 Edition of the JORC Code. Mr Knox consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

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. Refer to the Competent Persons statement in the EER Announcement dated 17 September 2012.

Forward Looking Statements

This Announcement may contain forward looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements are subject to risk factors associated with the Company's business, many of which are beyond the control of the Company. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You should not place undue reliance on forward-looking statements and neither East Energy Resources Limited nor any of its directors, employees, servants, advisers or agents assume any obligation to update such information.