

DECEMBER 2013 QUARTERLY ACTIVITIES REPORT

Highlights

- Geological modelling of coal deposit within EPC 1399 well underway
- Data entry for geological modelling of EPC 1398 deposit completed
- Discussions with DNRM on five year plan and budget for MDL 464
- Relinquishment of three Idalia tenements finalised

BLACKALL/IDALIA COAL PROJECT

During the December 2013 Quarter, East Energy Resources Limited (ASX: EER – “EER” or “the Company”) did not undertake any exploration drilling in its Blackall projects.

Further drilling has been budgeted for in the 2014/2015 financial year and planning for this work has commenced. The focus of this program will be to infill data gaps between the three main tenements, EPC 1398, 1399 and 1149 to enable the modelling of the entire field as one continuous coal deposit with a strike length of some 95km.

EPC 1398 and 1399

Prior to the acquisition of Idalia Coal by East Energy Resources there had already been an extensive exploration program in EPCs 1398 and 1399 as described in the June 2013 Quarter Activities report.

After the acquisition, East Energy Resources continued drilling on the Idalia’s tenements and believes it now has sufficient data to enable a JORC Inferred Coal Resource to be estimated for EPC 1399. Geological modeling is well underway for this tenement with a revised completion time for the resource report of first half year of 2014.

ASX: EER

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

EER 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. The recent purchase of Idalia Coal has added a further 440Mt of Inferred Coal Resources and a drill defined Exploration Target of 4.0Bt to 4.5Bt to the Group’s asset base.

Capital Structure

Share Price: \$0.034

Market Cap: \$12.12m

Shares on Issue: 356,480,930

Board of Directors

Mark Basso
Managing Director

Ranko Matic
Non-Executive Director

Rex Littlewood
Non-Executive Director

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Structural modelling of the coal deposit within EPC 1398 should also be completed during the first half year of 2014, with the resource report then delayed until the coal quality data is obtained from the planned future coring program.

This program is expected to consist of a further 30 core holes, mostly in EPC 1398 which will allow the entire deposit, from EPC 1398 in the south, through EPC 1149 to EPC 1399 in the north to be modeled as one resource.

The coal deposit across the three combined tenements mentioned above 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.

MDL 464

In mid-2011 the company lodged an application for a Mineral Development License (MDL) covering some 37,000a over the central portion of the main coal resource within EPC 1149 where mining is most likely to take place in the future.

As reported in the September 2013 quarter activities report, advice has been received from the Department of Natural Resource and Mines in Queensland (DNRM) that the government is proposing to grant the MDL.

The company is currently in discussions with DNRM regarding the five year work program and budget for the MDL. Subject to the acceptance of East Energy's work program, grant of the MDL is expected during the first half of 2014.

The board of East Energy continues to review strategic options for exploration and development planning across the proposed MDL and the three EPCs covering the main body of the known coal resource and exploration target.

CORPORATE

The Company is continuing to review new project opportunities to enhance its project portfolio and increase the overall value proposition of EER. The Company will consider all resource commodities to ensure it is best placed to deliver value and upside potential for all its shareholders.

KEY OBJECTIVES FOR MARCH 2014 QUARTER

- ✦ Complete JORC Resource estimate works for the Idalia tenement – EPC 1399.
- ✦ Continue to progress MDL application process toward grant stage.
- ✦ Continue to review of new project opportunities to enhance EER project portfolio.

ENDS

Further information:

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Competent Persons Statements

The statement in this report relating to Idalia Coal Pty Ltd's exploration targets and coal resources is extracted from the company's ASX announcement entitled EAST ENERGY RESOURCES LTD SIGNS BINDING HEADS OF AGREEMENT TO ACQUIRE 100% OF IDALIA COAL PTY LIMITED dated 23rd January 2013.

The statement in this report relating to EER's coal resources is extracted from the company's ASX announcement entitled "EAST ENERGY RESOURCES ARE PLEASED TO ANNOUNCE UPDATED JORC RESOURCE OF 1.74Bt" dated 17th September 2012.

The above reports are available to view on the company's website at www.eastenergy.com.au. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.

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.