

QUARTERLY ACTIVITIES REPORT THREE MONTHS TO 30 SEPTEMBER 2011

This quarter saw the finalisation of the current drilling program with the focus then moving to the fast turnaround of coal quality assays on samples obtained over this period. Once all samples have been tested and results provided to the exploration team, the focus for the company will be the completion of the third JORC report.

Highlights

- The drilling program completed another 4 partially cored holes and 1 chip hole in Alambi. This finalised the program of resource definition drilling for the lower half of the northern portion of EPC1149.
- HRL Technology, East Energy's laboratory service provider, has been working continuously to complete the hundreds of coal quality assays required in order for this resource assessment to be completed.
- SRK Consulting has been appointed to complete a review of all the data now available for EPC1149, including the Carlow and Alambi fields with the ultimate aim of producing a single new JORC resource report covering both Inferred and Indicated resources for the entire area explored to date. The top half of the northern portion remains unexplored at this stage.

EXPLORATION Blackall EPC 1149

During this quarter the company's exploration effort was focused on the completion of resource definition drilling for the Alambi field in the northern half of EPC 1149. Four partially cored holes and one chip hole were drilled to complete this work.

The last drill hole in this program was completed on 23 July 2011, and all remaining samples dispatched to HRL Technology's Melbourne laboratory.

East Energy has secured the services of SRK Consulting to audit all the data compiled by our exploration team.

Once this is complete, SRK will be commissioned to produce a new JORC report covering all of EPC 1149. This report will include all

EAST ENERGY RESOURCES LTD

ASX: EER

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

It has a Maiden JORC Indicated Resource of 469Mt of Thermal Coal and a JORC Inferred Resource of 280 Mt of Thermal Coal at its Blackall Project, located south west of the major deposits of Hancock Coal and Waratah Coal in the Galilee Basin.

Capital Structure

Share Price: \$0.28

Market Cap: \$46.61M

Shares on Issue: 166,449,305

Board of Directors

Mark Basso, Managing Director

Ranko Matic, Non-Executive Director

Malcolm Castle, Non-Executive Director

Rex Littlewood, Non-Executive Director

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previous Inferred and Indicated Resource areas, with the addition of the newly drilled Alambi deposit in the north of the EPC.

Mineral Development Licence (MDL)

The application for the MDL was submitted by consultants, ELP, to DEEDI. The Company has continued to follow up the progress of this application, however the MDL has yet to be granted.

Port EOI

An application was lodged with the North Queensland Bulk Ports Corporation (NQBP) to become a Preferred Capacity Seeker in the Port of Abbot Point Terminals 4 – 7 expansion program. This submission follows NQBP's requested in June 2011 for interested parties to bid for the development stages 4-7 of the Coal Terminal that would provide 4 tranches each of 30 million tonne per annum capacity for coal to be exported. All applications are currently being assessed by NQBP.

The submission was made in a bid to secure long term export capacity at the Port Abbot expansion project and is deemed a significant step in ensuring port capacity is available to meet the potential development schedule of the Blackall project located in one of the strongest precincts of thermal coal growth in Australian mining.

Peter Tighe
Exploration Manager

Competent Persons Statement

The information in this report relating to exploration results at Blackall, is based on information compiled by Mr Peter Tighe who is a member of the Australasian Institute of Mining and Metallurgy and is a full time employee of East Energy Resources Ltd.

Mr Tighe is a qualified geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".