



1.74 Billion Tonne JORC Resource

17th September 2012

East Energy Resources are pleased to announce updated JORC Resource of 1.74Bt

East Energy Resources Limited (ASX:EER) is pleased to announce their latest JORC Resource Statement for its Blackall Coal Project (EPC 1149) which confirms a Total Resource of 1.74 Billion Tonnes of thermal coal.

Inclusive in this total is 627 Million Tonnes classified as Indicated and 1,113 Million Tonnes classified as Inferred. The attached Project Memo, prepared by SRK Consultants, is a summary of the JORC Resource report.

Mr Basso, Managing Director of East Energy stated that "Based on the contents of the JORC report, and the area explored to date, we remain very confident that our exploration target of 1.8Bt to 2Bt of Thermal Coal for EPC1149 is easily achievable once the balance of the Northern area is explored. This revised JORC Resource represents an increase of approximately 1 Billion tonnes in comparison with our 2011 JORC report. The Board is extremely pleased for what we consider to be an excellent result. For us it confirms our long-held belief that this site should have a long mine life, even at very large tonnages per annum."

The Resource is mainly contained within seams 1 to 4, with average individual seam thickness ranging from 0.52 to 2.82m in the Resource area. The Resource calculation has been limited to 150m below the surface, as this is generally considered to be the limit for an open cut mining operation. The applicable Cumulative Strip Ratios are shown in Figure 4.

"We are very pleased with the overall result. This updated JORC report has provided for an increase of 1 Billion tonnes, which we consider to be an outstanding achievement by our exploration team. We are also pleased that within the results, **627 Million** tonnes has been classified as an **Indicated Resource**. This JORC report and these results continue to give us ongoing confidence to move forward with further development of our Blackall Project." said Mr Basso

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Enquiries:
Mark Basso, Managing Director, East Energy Resources Limited
+61 8 9225 5833.

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 JORC Resource of 1.74Bt of Thermal Coal at its Blackall Project, located south west of the major deposits of GVK/Hancock Coal and Waratah Coal in the Galilee Basin.

Capital Structure

Share Price: \$0.115

Market Cap: \$19,141,670

Shares on Issue: 166,449,305

Board of Directors

Mark Basso, Managing Director

Ranko Matic, Non-Executive Director

Rex Littlewood, Non-Executive Director

Contact Us

www.eastenergy.com.au

Level 7
16 St Georges Terrace
PERTH WA 6000
PO Box 3160
EAST PERTH WA 6892

Ph: +61 8 9225 5833

Fax: +61 8 9225 7311

Email: info@eastenergy.com.au

Web: www.eastenergy.com.au

17 September 2012

Project Memo

Client:	East Energy Resources Limited	Date:	14 September 2012
Attention:	Peter Tighe	From:	Gerry McCaughan
Project No:	EER006	Revision No:	1
Project Name:	EPC1149 Blackall Project Coal Resource Estimate		
Subject:	Blackall Resource Announcement		

Project Geology

The Blackall Project lies within the Eromanga Basin, an intracratonic basin which is early Jurassic to late Cretaceous in age. Coal is developed in the Late Cretaceous Winton Formation (Figure 1). Six main coal intervals (designated seams 1 to 6) are identified as being present in the broader Project area, most of which comprise of several "upper" and "lower" plies. The 2, 3 Lower (3L) and 4 Upper (4U) seams are generally the thickest seams in the sequence. Average individual seam thicknesses range from 0.52 to 2.82 m in the Resource area.

Coal Resource

Based on the review of the Blackall Project exploration data and geological model, a total Resource of 1.74 Bt is estimated within the Blackall Project area explored to date. Of this total, 627.5 Mt is classified as Indicated and 1,113 Mt is classified as Inferred. No part of the Resource is classified as Measured.

The Resource is mainly contained within seams 1, 2, 3 and 4. Seam 5 is mostly considered sub-economic due to high incremental strip ratio below the 4L seam.

The Blackall coals are sub-bituminous, with inherent moistures ranging from 18 to 22% (ad). Total moisture averages 29% (ar). The average raw coal ash ranges from 19 to 27% (ad), averaging 22% (ad). The F1.60 product ash ranges from 11 to 15% (ad), with an average product yield of 81%. Raw sulphur content is generally acceptable across the majority of the deposit, averaging 0.54% (ad), with the F1.60 sulphur average slightly lower at 0.53% (db). The coal product would be suitable for power generation. Other applications may also be possible (e.g., as feedstock for a coal gasification operation).

Points of Observation for this Resource estimate are;

- Slim core boreholes with down-hole geophysical logging having an acceptable core recovery (>95%); and
- Raw ash and density quality results as a minimum.

Inferred Resources are based on Points of Observation for coal thickness and quality up to 3 km apart. Trends in coal thickness and quality have not been extrapolated more than 1,000 m beyond the last line of Observation, however in areas where confidence in the geological model is low (e.g., around the seam subcrops), these distances have been reduced, subject to the discretion of the Competent Person.

Indicated Resources are based on coal quality Points of Observation for coal thickness and quality up to 1 km apart. Trends in coal thickness and quality have not been extrapolated more than 500 m beyond the last line of Points of Observation.

Over much of the deposit area, Points of Observation are present beyond the down-dip of the limit of the Resource, which is limited to a maximum depth of 150 m below the surface.

The Resource Statement complies with all of the requirements of the JORC Code, with the following qualifications applying:

- The Resource estimate is current as at 31 August 2012;
- The Resource model and estimation were developed using the MINEX geological and mine planning software system, a worldwide industry proven system used primarily for coal mining operations;
- The coal tonnage calculations are based on the relative density model for the coal seam on an in situ basis. The laboratory calculated air dried relative density of the coal seams has been adjusted to an in situ moisture basis;
- A minimum seam thickness of 0.10 m was used to limit the Resource;
- A maximum raw ash cut-off of 45% (ad) was applied to the Resource estimate;
- Resources are limited to coal below the modelled base of weathering horizon (BUWE.grid) to a depth of 150 m below the topographic surface; and
- The reported Resource is entirely contained within the EPC 1149 lease boundary.

Further drilling should increase the Resource base within the Blackall Project area. The geological model indicates seam continuity to the north of the current Resource and is supported by information pertaining to neighbouring tenements immediately to the north of EPC 1149, in which the Winton Formation coals are present.

In addition, chip hole drilling (with geophysical logs) along the projected subcrops should support some eastern extension of Resource in most areas of the deposit, but in particular the northern sector. Further infill drilling in the Project area is likely to improve the Resource classification in areas of Inferred Resource.

Table 1: EPC1149 Resources

Seam / JORC Category	Seam Thick m	Coal Area Ha	Coal Volume Million Cu m	In-situ RD g/cc	In-situ Tonnes Mt	Total Moisture %ar	Moisture %ad	Raw Ash %ad	Raw VM %ad	Raw Sulphur %ad	Raw Gross CV MJ/kg ad	F1.60 Yield %ad	F1.60 Moisture %ad	F1.60 Ash %ad	F1.60 VM %ad	F1.60 Sulphur %db	F1.60 Gross CV MJ/kg ad
1U																	
Indicated	0.57	4123.1	23.5	1.41	33.1	29.4	21.5	21.1	25.2	0.41	16.3	78.7	17.8	12.2	29.0	0.34	19.7
Inferred	0.50	7705.7	38.3	1.40	54	30.6	20.1	20.9	25.5	0.41	16.7	81.8	16.3	11.6	29.4	0.34	20.7
1L																	
Indicated	0.65	4795.1	31	1.41	43.7	29.5	21.9	22.7	24.8	0.45	15.9	80.0	18.1	14.8	28.9	0.40	18.9
Inferred	0.51	12805.8	65.1	1.41	92	30.3	20.3	22.0	25.9	0.48	16.4	82.2	17.5	13.1	29.2	0.42	19.9
2U																	
Indicated	0.51	7151.0	36.6	1.41	51.7	28.9	21.6	22.3	26.0	0.37	16.0	81.6	18.1	13.8	29.0	0.37	19.1
Inferred	0.50	15506.3	78.1	1.41	110	29.2	20.7	21.8	25.3	0.50	16.4	84.1	17.8	12.5	29.7	0.57	20.0
2L																	
Indicated	0.53	7378.2	39.1	1.42	55.6	28.6	20.7	23.8	24.4	0.41	15.7	79.3	17.8	13.8	28.7	0.39	19.2
Inferred	0.50	14834.4	74	1.41	104	29.3	20.6	21.3	25.3	0.49	16.6	85.7	18.3	13.6	28.8	0.47	19.6
3U1																	
Indicated	0.42	5951.8	25.2	1.44	36.2	27.2	19.2	25.4	24.1	0.46	15.5	75.1	17.3	13.6	28.9	0.45	19.6
Inferred	0.50	14507.0	72.1	1.42	102	29.2	20.5	22.1	24.9	0.62	16.4	71.8	18.6	12.6	28.3	0.55	19.7
3U2																	
Indicated	0.44	6292.5	27.8	1.45	40.4	27.3	19.6	26.7	24.4	0.39	15.1	73.0	16.7	15.4	28.4	0.41	19.0
Inferred	0.46	13197.3	60.8	1.44	87	28.0	19.6	24.8	24.0	0.54	15.7	76.9	19.3	13.8	27.3	0.60	19.1
3L1																	
Indicated	0.80	9082.9	72.4	1.40	101.2	29.2	21.2	20.0	26.5	0.50	16.7	81.0	17.8	12.5	29.0	0.45	19.8
Inferred	0.64	13803.8	89	1.41	126	29.0	20.4	21.9	24.8	0.56	16.4	81.4	18.7	13.0	28.7	0.66	19.6
3L2																	
Indicated	0.84	8403.2	70.7	1.40	98.6	30.1	21.5	20.0	25.9	0.46	16.7	83.6	17.8	12.3	28.9	0.47	19.8
Inferred	0.65	14910.1	96.3	1.39	134	29.3	20.8	20.1	25.3	0.56	16.8	84.7	17.8	14.1	28.7	0.59	19.5
4U1																	
Indicated	0.50	8827.1	44.3	1.39	61.7	29.2	21.3	19.4	26.2	0.47	16.8	83.7	17.8	11.4	29.3	0.43	20.2
Inferred	0.55	14198.9	78.4	1.40	110	29.4	20.5	20.6	25.0	0.69	16.9	80.7	17.4	12.2	28.7	0.62	20.3
4U2																	
Indicated	0.41	8691.0	35.7	1.40	50.1	29.3	20.9	21.1	25.7	0.45	16.4	82.6	17.6	12.3	29.2	0.44	19.9
Inferred	0.45	13539.9	61.3	1.40	86	29.3	20.9	19.8	25.1	0.60	17.0	83.2	17.5	11.9	29.0	0.57	20.4
4L																	
Indicated	0.52	7230.4	37.8	1.42	53.7	27.4	20.2	23.6	24.8	0.60	15.8	77.7	17.2	14.3	28.9	0.55	19.4
Inferred	0.55	13153.1	72.3	1.42	103	28.6	19.8	23.0	25.0	0.94	16.3	79.1	18.1	12.7	29.1	0.85	19.9
5																	
Indicated	0.52	197.6	1	1.41	1.5	33.5	18.3	22.3	29.1	1.22	17.1	81.7	13.3	11.0	32.3	0.72	20.2
Inferred	0.50	738.9	3.7	1.42	5	29.9	18.8	24.1	26.3	0.75	16.4	76.9	15.9	11.2	31.0	0.72	20.3
All Seams																	
Indicated					627.5												
Inferred					1,113												
Total					1.74 Bt												

Note: Total Moisture is % ar at Lab

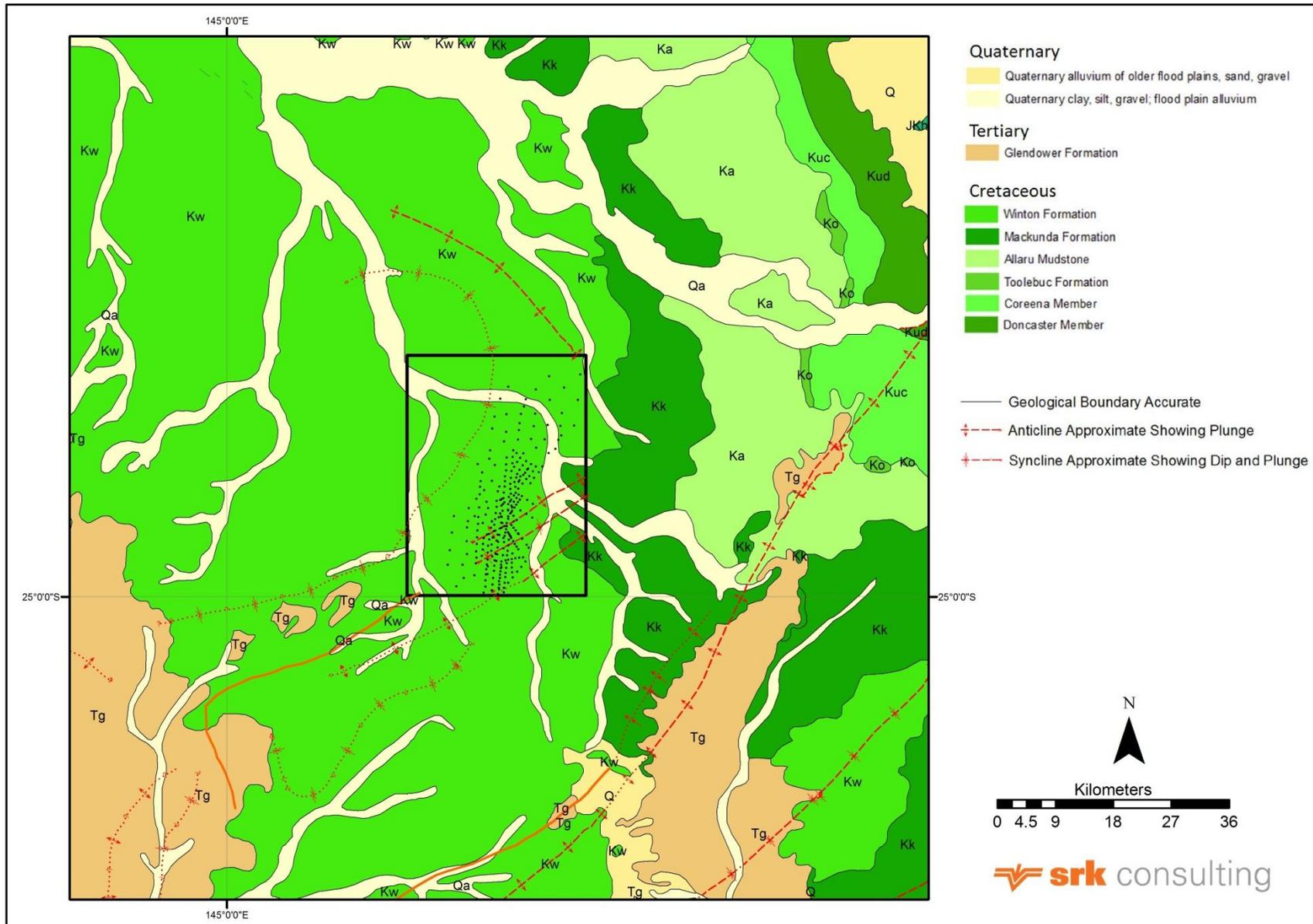


Figure 1: Regional Geology of the Central Eromanga Basin showing Blackall Project area

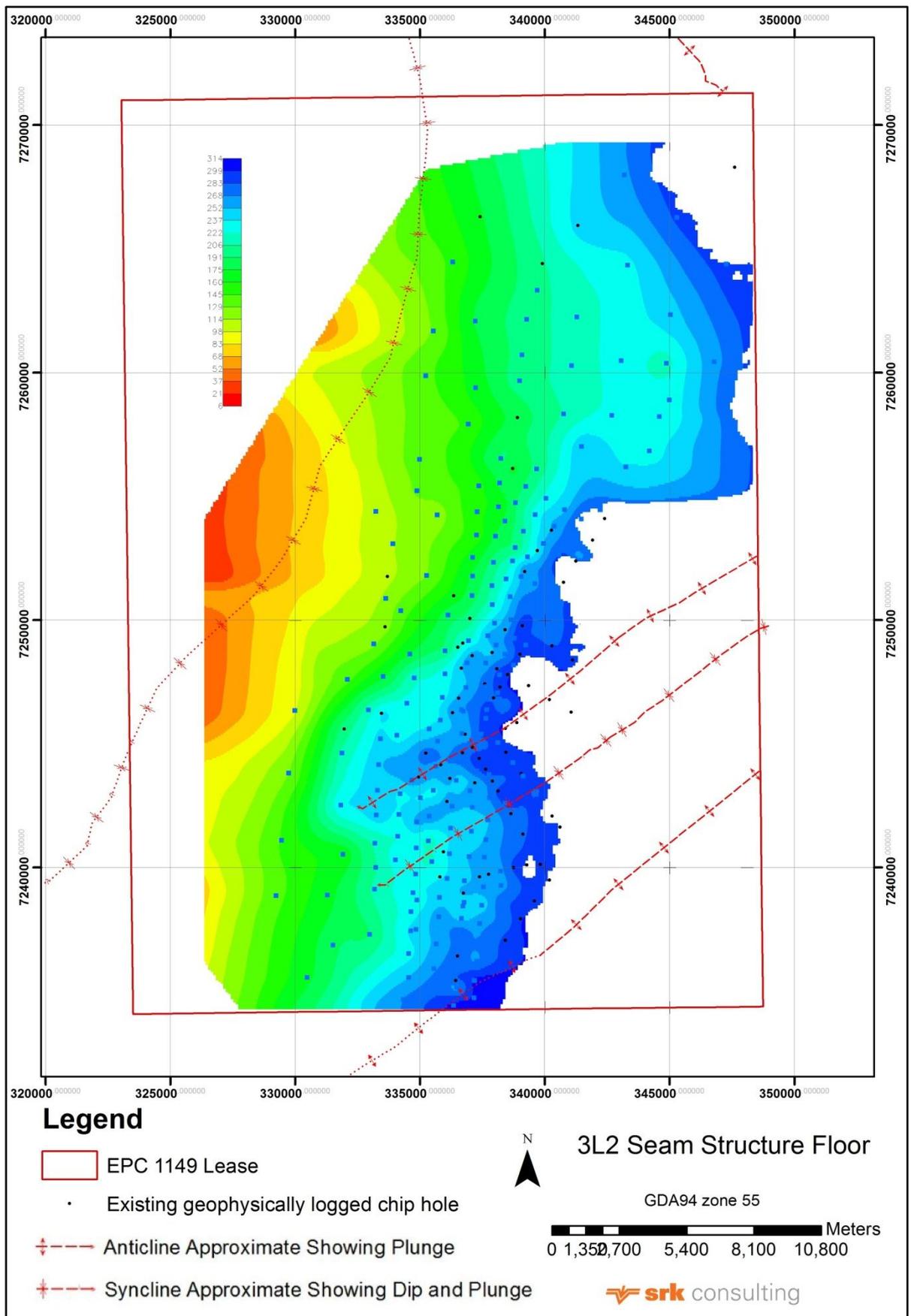


Figure 2: 3L2 seam structure contours

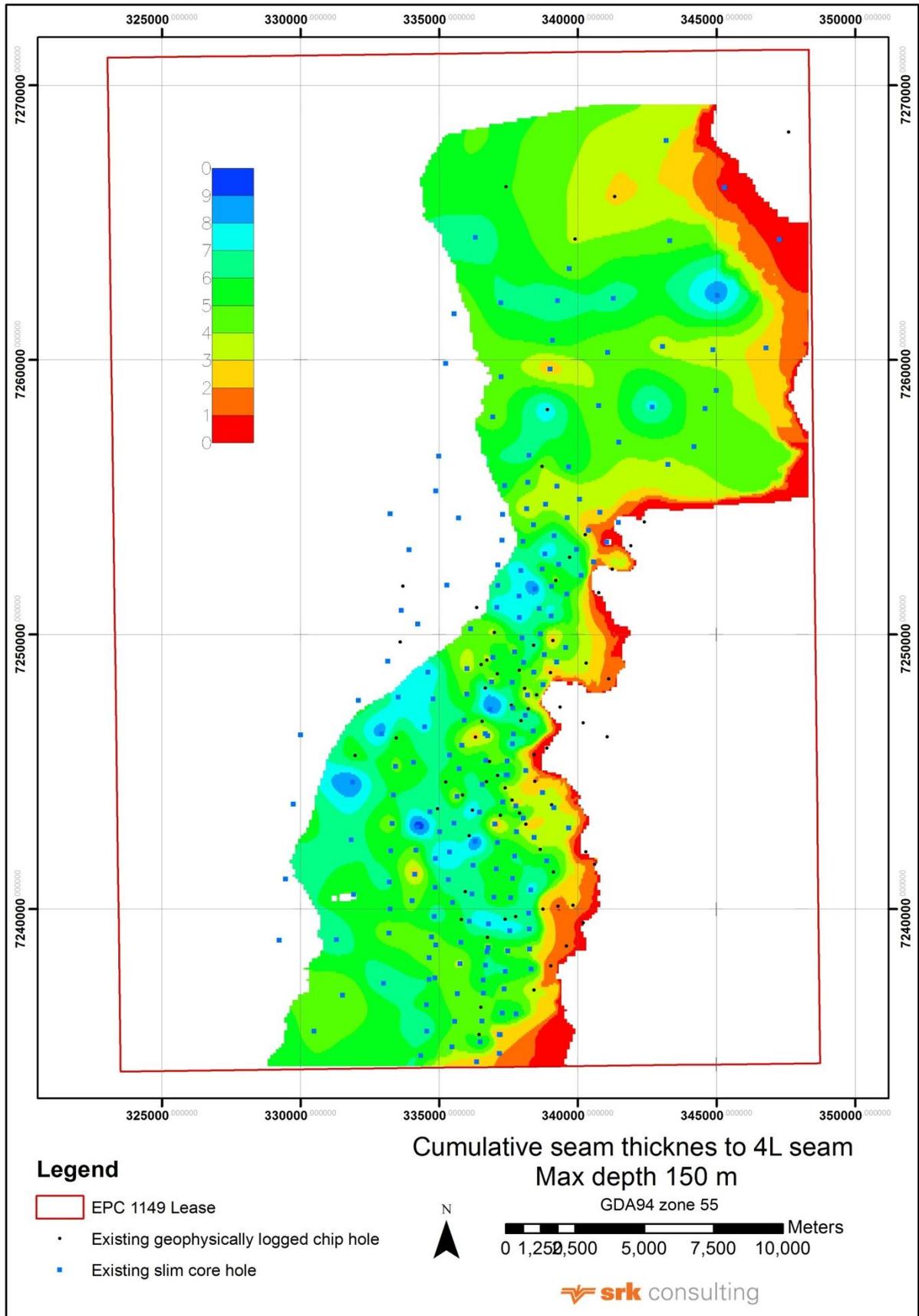


Figure 3: Cumulative coal thickness to 4L seam above 150 m depth of cover

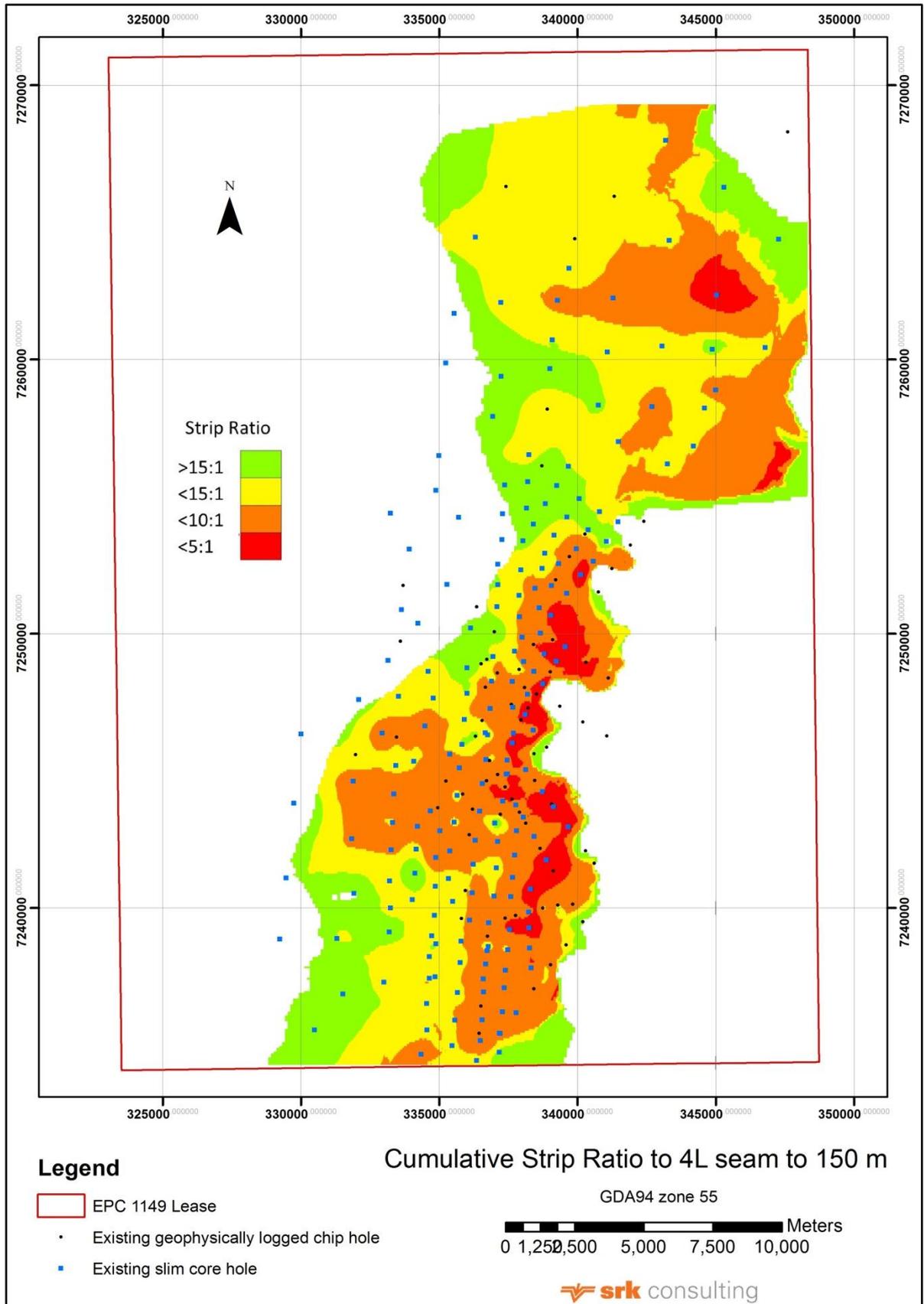


Figure 4: Modelled cumulative strip ratio to the 4L seam to a depth of 150 m

The Coal Resource estimation for the Blackall Project 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 the report to which this statement is attached, that relates to the Blackall Coal Resource 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 the report of the matters based on this information in the form and context in which it appears.