**MEDIA RELEASE**
**27 August 2008**

# Aggressive drilling upgrades coal mineralisation target from 90Mt to 200Mt at Blackall Project, QLD

**Key points**

- **Mineralisation target at QLD coal project more than doubled to 200Mt following analysis of stage one drilling results,**
- **Company is now in it's third stage of drilling and has completed over 130 RAB (Rotary Air Blast) holes to approx. 100m deep,**
- **Two drilling rigs have now been placed on full time coring of coal seam intersections,**
- **Eight (8) core holes completed and samples sent for laboratory analysis,**
- **The coal deposit has now been drilled out to 18.5km North–South and 7km East-West,**
- **Detailed analysis of the second and third stages of drilling will further upgrade the volume of coal and,**
- **JORC resource statement expected to be produced early next year.**

Perth-based coal exploration company East Energy Resources ("East Energy" or "the Company") **(ASX: EER)** has more than doubled the mineralisation target at its 100% owned Blackall Coal Project (EPC 1149) in Adavale Basin in Queensland, following analysis of results from the stage one drilling program.

This tenement, made up of 300 sub blocks has a historical coal mineralisation target of 79-90 million tonnes of thermal coal[1]. As a result of the recent drilling program, East Energy's geologist has significantly upgraded this target to **in excess of 200 million tonnes of thermal coal**.

As part of its aggressive drilling program the Company has completed over 130 RAB holes to a depth of approximately 100m, which is well in the range of open cut mining. The company has also completed eight (8) core holes, with two drill rigs currently engaged in full-time coring duties.

Drilling has been completed on a 1km drill hole spacing with infill holes at 500m where more complex structure or seam variation occurs.

East Energy Exploration Manager, Peter Tighe believes that while the company is in the early stage of exploration the results from this recently completed exploration campaign have surpassed the company's expectations.

"We are progressing rapidly with the exploration program and have considerably more area to cover. We plan to commence wide space drilling (at 4km centres) over the next few months to define the furthest extent of coal occurrence within EPC 1149," Mr Tighe said.

---

1 Mineralisation target is not JORC Compliant (Refer ASX announcement 22 January 2008)

"The drill results to date have been very pleasing. The coal seams in the area explored so far are dipping gently to the west with coal quality and thickness improving at depth. The weathering profile is relatively shallow and we could have fresh coal occurring with as little as 15 m of overburden. The average cumulative coal seam thickness, in most holes exceeds 3 metres.

"Importantly their have been no delays in the drilling program, which is progressing well towards delineating a JORC compliant resource"

ENDS
For further information please contact:


Mark Basso
Managing Director
Tel: 0412 844 422

David Tasker
Professional Public Relations
Tel: 08 9388 0944/ 0433 112 936


Website: www.eastenergy.com.au

**Competent person statement**

*The information in this report relating to resources is based on information compiled by Peter Tighe who is a member of the **Australasian Institute of Mining and Metallurgy** and who is employed by **East Energy Resources 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 "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Tighe consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

## Company Background

East Energy Resources has acquired the rights to two coal tenements in the Bowen Basin and Adavale Basin in Queensland.

The Norwich Park tenement is an exploration phase project with identified coal material in the western portion of the block. Coal measures are being mined adjacent to the tenement area and further data review, exploration and drilling is required to assess the area.

The Blackall tenement includes a potential quantity of coal measures of thermal coal, which has been defined by a limited number of drill holes. Large adjacent areas remain to be evaluated.