



MEDIA RELEASE

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East Energy extracts bulk sample, exploration progressing rapidly

Bulk Sample

Coal exploration company East Energy Resources Ltd (East Energy) have recently extracted a bulk sample from their Blackall Tenement (EPC 1149) with the objective of obtaining detailed assay data on the variability of the coal within a typical mining block and to complete more thorough metallurgical testing as to coal quality and ideal washability characteristics.

More than 350kg of coal has been collected from the five main economic seams at a single site from depths of between 15m and 24m below surface. The site for the bulk extraction was selected from the 2008/09 drilling as the main seams here are close to the surface and to the line of oxidation (LOX), but still display good calorific values and relatively low ash content. The individual samples were grouped into three bulk samples taken down dip across a 60m x 30m mine block.

“The Blackall resource is by its very nature a highly variable coal deposit. By taking multiple samples across a typical mine block we can get a good handle how the variable geology and coal quality might be dealt with during mining. We will also use the large quantity of sample available to complete float sink testing within the density range of 1.30 to 2.00. This will give us an indication of the optimum float density that balances yield against final product quality”, said Mark Basso, Managing Director of East Energy.

The coal samples are currently at ACIRLS’s Emerald lab and results are expected within the next 4 weeks.



Exploration

Drilling in the south of EPC1149 is progressing extremely well. A number of drill holes have intercepted very thick coal seams of up to 7.2 m with only minor dirt partings at relatively shallow depths.

“Rapid thickening of the seams is a characteristic of this deposit that may eventually lead to a multi-pit approach to mining, feeding a centralised coal handling and processing plant” said Peter Tighe, Exploration Manager at East Energy.

A total of 95 core holes have been drilled in the south during the current program. At this rate of progress the drilling in this area will be completed by the end of Sept 2010. By then drill hole density over the entire open cut coal area will be at less than 1km centres, sufficient to complete a JORC compliant “Indicated Resource”.

Once this drilling is complete, the exploration team will move to the Northern part of EPC1149 to complete a program to enable an “Inferred Resource” to be calculated in that area. This program includes a total of 32 core holes with a resource target of 500Mt.

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Competent Persons Statement

The information in this report relating to resources is based on information compiled by Peter Tighe who is a member of the Australian Institute of Mining and Metallurgy and who is employed by East Energy Resources Limited. 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.