

July 3, 2009

## ASX Announcement

### **Eastern Corporation subsidiary, Galilee Energy, progresses coal seam gas exploration programme in ATP 799P**

- Tendering for:
  - Two exploration core-holes
  - 150km seismic acquisition

**BRISBANE:** Eastern Corporation Limited (ASX: ECU), said today that the exploration programme to determine the coal seam gas (CSG) resource potential of ATP 799P is well underway. Galilee Energy Limited (Galilee), an unlisted exploration company, has a 100% working interest in ATP 799P in the Galilee Basin in central Queensland. ECU holds a 67% interest in Galilee.

ATP 799P is immediately adjacent to ATP 529P where Galilee previously identified the presence of CSG in the successful Rodney Creek 8 test programme in 2007.

In the ATP 799P programme a tender process has commenced to identify a suitable rig to conduct an initial two core-hole drilling programme in late 2009, with an option for a third hole. A seismic programme is to be undertaken in the same time frame to confirm the presence of the coal seams over the permit area. The awarding of the contract for a minimum 150km of seismic survey is imminent.

“This is a very exciting time for ECU and its shareholders as we are confident that ATP 799P has significant resource potential, hence we are very keen to support the active programme being conducted by Galilee”, said ECU’s Chairman Richard May.

“ATP 799P’s proximity to power generation facilities and major industrial markets such as Mt Isa and the impressive demand for CSG acreage in adjacent tenements underpins our determination to proceed with an aggressive exploration programme this year and into 2010,” Mr. May said.

ECU will contribute its share of funding for this exploration programme from its current rights issue which closes on July 8, 2009.

In the adjacent tenement ATP 529P, Galilee is the beneficiary of a \$37million farmin programme, commenced last year, by AGL Energy Limited (AGL) to define the CSG potential of the block following the encouraging results from 2007 Rodney Creek 8 drilling. The AGL farmin programme includes production testing of the Glenaras 5 spot pilot which was drilled in November 2008. This is scheduled for the second half of this year with a view to achieving 2P reserve certification in late 2010. Work has also accelerated on an additional seven well core-hole programme plus approximately 500kms of 2D seismic acquisition which will see the completion of the programme in 2010 with Galilee and AGL (operator) each holding a 50% working interest.



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### **About Eastern Corporation Limited**

Eastern Corporation Limited (ECU) is an emerging energy company targeting coal seam gas production in the Galilee Basin of Queensland through its 67% interest in Galilee Energy Limited. ECU is engaged in coal production and exploration in New Zealand, and has a coking coal tenement in Queensland's Bowen Basin.

### **About Galilee Energy Limited**

ECU's 67% owned subsidiary, Galilee, holds tenements ATP 529P and 799P in the Galilee Basin near Longreach in Central Queensland. In ATP 529P, AGL can earn up to a 50% interest by investing \$37 million in a production pilot and exploration and appraisal programme with Galilee under a farmin agreement in which AGL is the operator. The final well in the Glenaras 5 spot production pilot was drilled in late November 2008. In 2009, it is intended that the wells will be completed, pumps installed and a dewatering program commenced.

At ATP799, Galilee has undertaken ground and aerial surveys as the initial phase of a seismic programme scheduled for 2009.

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