

Eastern Corporation Limited
ASX Announcement
GALILEE DRILLING PROGRESS REPORT

The drilling component of Galilee Energy Limited's ("GEL") current coal seam gas exploration programme has now been completed. Total depth of 1110 metres was reached at Rodney Creek #8 on 20 July 2007, two days ahead of schedule. The Rodney Creek #8 exploration hole is located in the southern part of GEL's ATP 529P.

Downhole temperature and wireline logging have also been completed. The next stage of the programme is downhole permeability testing which is scheduled to commence today.

Coring has been completed. Core samples have been dispatched to the testing facility in Maitland for analysis of gas saturation, adsorption characteristics and in situ permeabilities. Definitive results from this testing are not expected until the final quarter of 2007.

Following the recent rights issue to GEL shareholders, Eastern Corporation Limited's holding in GEL has increased to 67%.

For and on behalf of the
Board of Directors



Campbell Smith
Managing Director

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