



EASTERN
CORPORATION LIMITED

ABN 11 064 957 419

2 November 2007

Eastern Corporation Limited
ASX Announcement

GALILEE ENERGY LIMITED

PRELIMINARY RESULTS

Then enclosed letter to Galilee Energy Limited ('GEL') shareholders advising of preliminary results from the recent exploration drilling at Rodney Creek 8 was received by the Board of Eastern Corporation Limited ('ECU') today.

ECU holds approximately 67% of GEL

For and on behalf of
The Board of Directors

Campbell Smith
Managing Director

For further information contact:

Miss Sam Aarons
Manager, Business Development & Corporate Relations

Tel: 07 3216 1155
Fax: 07 3216 1199
Email: info@easterncorp.com.au
Website: www.easterncorp.com.au



1 November 2007

Eastern Corporation Limited
PO Box 7145
Riverside Centre
Brisbane Qld 4001

Dear Shareholder,

Further to the 24 August 2007 announcement regarding the success in drilling the Rodney Creek 8 cored well located on the crest of the Rodney Creek Anticline, the Board of Galilee Energy Ltd is pleased to inform shareholders that preliminary results have been received and continue to be encouraging.

In summary:

- The Rodney Creek 8 well encountered an aggregate of 24.77 metres of Betts and Aramac coal measures considered thick enough to be potentially worthwhile producers of coal seam gas. All coal seams are gassy;
- Coal seams are dull, low in ash and permeable due to strong cleating (cleats largely free of minerals), except for 3 metres of the 7.4 metre thick R1 seam which is higher in ash and not as well cleated;
- Core evaluation and in-hole geophysical logging have demonstrated that there is a moderately high degree of seam continuity within the Galilee ATPs, although seam splitting is present;
- Gas contents range from 2.8 to 6.6 m³/t on a raw coal basis (at normal temperatures and pressure). The gross average value of the 26 samples is 4.2 m³/t and the median value is 4.4 m³/t;
- Gas composition is 97 to 98% methane with both ethane and carbon dioxide being ~1%; and,
- Absolute coal permeability is moderate to high compared to other gas producing fields;

Analysis of test data and core samples to develop the geological model includes:

- In-situ stress report being assessed;
- Isotopic analyses of gas to determine its origin;
- Actual seam permeability;
- Core samples being slabbed and coal analysed; and
- Adsorption isotherms being run.

Further update reports will be issued as results come to hand. The final report is expected during January 2008.

Yours sincerely,



Rino Camarri
Chairman

