EASTERN
CORPORATION LIMITED
ABN 11 064 957 419

19 June 2008

Eastern Corporation Limited
ASX Announcement

GALILEE ENERGY FARMIN OFFER

The enclosed letter to Galilee Energy Limited ("GEL") shareholders regarding a farmin proposal to cover funding for the next stages of exploration and development was received by the Board of Eastern Corporation Limited ("ECU") today.

ECU holds 67% of GEL.

For and on behalf of
The Board of Directors

Campbell Smith
Managing Director

For further information contact:

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GALILEE
ENERGY LIMITED
ABN 45 067 998 323

18 June 2008

Eastern Corporation Limited
PO Box 7145
Riverside Centre
Brisbane Qld 4001

Dear Shareholder,

FARMIN NEGOTIATONS

As advised in a previous announcement to shareholders on 10 June 2008, Galilee has been in discussions with potential farmin parties and cornerstone investors to assist with the funding of a production pilot and a subsequent exploration program.

Galilee's board has progressed commercial negotiations with one of the potential parties and has agreed to enter exclusive negotiations with that party with a view to agreeing a satisfactory farmin arrangement. This period of exclusivity will end on 15 July 2008.

We will keep you updated on further developments.

Yours faithfully,

Rino Camarri
Chairman