



Eastern Corporation Limited

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27 June 2003

The Manager
Australian Stock Exchange Limited
Corporate Announcement Platform

Dear Sir/Madam

GALILEE PROJECT UPDATE

An increase in gas casing pressure in well number 4 has been observed. This occurrence remains consistent with the expected performance of Galilee Energy Ltd's management team.

Steps will now be taken to steadily reduce the water level in well number 4 and factors that could impact on this process include pump performance and capacity.

Galilee management wishes to emphasise that at this stage while there are some promising initial signs, it is much too early to reliably predict that a sustainable gas flow (in any significant quantities) will occur. This can only be identified more specifically over the next few weeks.

Yours faithfully

A handwritten signature in black ink, appearing to read "David", is written over a large, faint circular stamp or watermark.

David K Barwick
Chairman