

23 May 2007

EASTERN CORPORATION LIMITED

ASX ANNOUNCEMENT

Galilee Energy Limited Capital Raising

Eastern Corporation Limited ("Eastern") has received an application to participate in a capital raising for Galilee Energy Limited ("Galilee") to raise \$3.07 million to fund the next stages of Galilee's proposed coal bed methane and petroleum exploration activities.

The CBM exploration programme, scheduled to commence mid June, has been designed and will be managed by Dr Read Holland, a recognized leader in the coal bed methane industry and a former director of the School of Mines and Energy Development at the University of Alabama. Dr Holland has had extensive experience in the evaluation of coal seam gas and conventional petroleum prospects and projects in the United States, Canada, Europe, China and Australia.

The conventional petroleum desktop study is being carried out by Dr Holland in association with Dr Jim Applegate, founding director of the Exploration Research Laboratory at the Colorado School of Mines. Dr Applegate has extensive experience in prospect generation and advanced interpretation both in Australia, the US and other parts of the world.

The Board of Eastern believes there is potential to increase the value of the resource at Galilee by pursuing both these programmes.



The capital raising is to proceed by way of an issue of a further 614 million ordinary shares in Galilee at an issue price of \$0.005 cents per share.

Eastern, the largest shareholder in Galilee (60.52%) intends to subscribe for its full entitlement but is not underwriting any other shortfall on the raising.

For and on behalf of the
Board of Directors

A handwritten signature in black ink, appearing to read 'Mike O'Brien', with a stylized flourish at the end.

MIKE O'BRIEN
Chief Executive Officer

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