



EASTERN
CORPORATION LIMITED

ABN 11 064 957 419

11 June 2008

**Eastern Corporation Limited
ASX Announcement**

GALILEE ENERGY UPDATE

The enclosed letter to Galilee Energy Limited ("GEL") shareholders regarding the next stages of its exploration programme 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:

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



10 June 2008

Eastern Corporation Limited
PO Box 7145
Riverside Centre
Brisbane Qld 4001

Dear Shareholder,

As outlined in the previous letter to shareholders of 30 April 2008, Galilee is focused on a 5-spot production pilot to be drilled in the vicinity of the successful Rodney Creek 8 well. The objective of this 5 well programme is to demonstrate commercial gas flows and to achieve a significant level of reserve certification.

Preliminary budget estimates indicate the expenditure for the programme, including dewatering and testing, to be in the vicinity of \$20 million. To assist with funding the production pilot the Board of Galilee has commenced discussions with potential interested parties, the outcome of which could include farm ins and/or cornerstone investment. In reviewing any proposals received the Board will focus on securing the most appropriate option to ensure the successful development of the project in the longer term.

We will keep you updated on further developments.

Yours sincerely,



Rino Camarri
Chairman

