

September 30, 2009

ASX Release

GALILEE ENERGY UPDATE

The enclosed update has been received from the Chairman of Galilee Energy Limited (Galilee) outlining the current activities in ATP's 529 P and 799 P.

ATP 529 P is jointly held by Galilee and AGL Energy Limited (AGL) under a farmin agreement. AGL is the operator of the permit. ATP 799 P is 100% owned by Galilee. Eastern Corporation Limited holds 68% of Galilee.

Highlights include :

- Acceleration of seismic and corehole drilling program in ATP 529 P
- Drill rig secured for corehole drilling in ATP 799 P
- Preparatory work for seismic survey complete in ATP 799 P

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29 September 2009

Dear Shareholders,

You will be pleased to hear that field activity has commenced in earnest in our two permits in the Galilee Basin, as follows:-

ATP-799P - Galilee Energy Operator

With your support we have the funds to complete the committed work program in this block. We have contracted Terrex to complete the 150 km seismic survey and Major Drilling to drill the two, possibly three, core holes in this block.

The purpose of this work is to assess the Coal Seam Gas (CSG) potential of the permit, and plan for the scheduled 33% relinquishment to be implemented on 28 February 2010, at the end of the current four year term of the Permit.

Clearing the lines for the seismic survey is now complete after obtaining the agreement of the local cultural heritage authorities and landowners. Recording the seismic survey is forecast to commence on 10 October, 2009 and drilling is scheduled to commence on 12 October, 2009. The two firm wells will be named Dunrossie-1 & Dotswood-1, after the properties concerned.

ATP-529P - AGL Operator

You will be aware, AGL are funding the activity in this block to end 2010 as part of their farm-in. As part of the first phase of this farm-in, they drilled five wells at Glenaras last year for a CSG pilot production test. The commencement of the test is dependent on the completion of water handling facilities, in particular the water holding pond the construction of which is under way and is expected to be finished in November.

Two of the pilot wells are already completed with downhole pumps ready for testing. The completion of the other three wells, to make them suitable for production testing, is scheduled for November, allowing for the testing to commence later in November. The test program is anticipated to last six months.

Phase 2 of the AGL farm-in (originally scheduled for 2010) has also commenced, notably before Phase 1 has been completed. A 540 km seismic program has already begun. A drilling program of seven core holes is planned to commence the last week of September and continue into early next year.

The level of activity we are now seeing in our two blocks is very exciting and we look forward to the results becoming later this year through to mid next year. In the meantime as significant milestones are reached, we will keep you informed.

Yours faithfully,



Steven J Koroknay
Chairman

