

28 May 2010

ASX Announcement

100% Acceptances from Galilee Minorities

Eastern Corporation Limited (Eastern) has now received acceptances from all Galilee Energy Limited (Galilee) minority shareholders for its April 20 buyout offer.

On completion of the transaction, which is subject to Eastern shareholder approval, Eastern will hold 100% of Galilee.

Galilee holds two Authorities to Prospect for coal seam gas (CSG) in the Galilee Basin in central Queensland. ATP 799P is 100% owned and operated by Galilee while the adjoining permit, ATP529P is held in a 50/50 joint venture with AGL, who is the operator.

The Board of Eastern believes that the buyout of the Galilee minorities will add value for all shareholders by enabling the company to efficiently realise the value of these CSG assets under a simplified ownership structure administered by one single board and management team.

Under the terms of the offer, which closes today, Galilee shareholders will receive 1 Eastern share for every 7 Galilee shares held. The issue of those shares is to be approved at an EGM to be held on 1 June 2010. Eastern shareholders will also vote on a resolution to change the Company's name to Galilee Energy Limited, underpinning its focus on the successful development of its CSG assets.

The Company also operates a profitable coal business in New Zealand with two operating mines supplying large domestic industrial contracts with thermal coal, and an exploration permit prospective for export coking coal.

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