

20 October 2009

ASX Announcement

Galilee Energy Weekly Operations Update

Commencement of Drilling Programme in ATP 529P

Galilee Energy Limited (Galilee) is involved in two permits in the Galilee Basin with significant Coal Seam Gas (CSG) potential. Galilee is a 68% owned subsidiary of Eastern Corporation Limited. The current operational activity in those permits is as follows:-

ATP 529P – AGL Operator

The 2009 **drilling** programme in ATP 529P commenced with the well Muttaborra 2.

Muttaborra 2 is located in the central portion of the Galilee Basin within the Koburra Trough. The core hole will be drilled to a total depth of 1135 metres and analyses will be undertaken to determine gas content, composition and permeability of the Betts Creek coal measures which are expected to be intersected at approximately 829 metres.

Muttaborra 2 is the first of 7 core holes scheduled to be drilled across the tenement.

The 2009 **seismic** programme which consists of a 540 kilometre survey has also commenced with approximately 270kms completed so far.

ATP 529 P is held jointly by AGL Energy Limited (AGL) and Galilee in a farmin agreement under which AGL is the operator.

ATP 799P – Galilee Operator

The 2009 **drilling** programme of two core holes in ATP 799P is scheduled to commence before the end of the month.

The 2009 **seismic** programme commenced last week and involves a survey of 150kms. Excellent progress has been made with 122 kilometres completed to date. The survey is expected to finish before the end of this week.

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