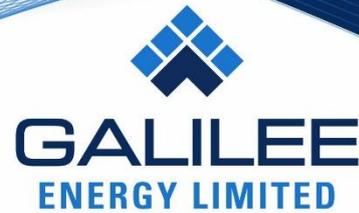


Galilee Energy Announces \$5.6 Million Capital Raising

ASX/MEDIA ANNOUNCEMENT

30 October 2017



Highlights:

- **Placement of \$3.05 million to Institutions and Sophisticated Investors**
- **Fully –underwritten 1 for 10 non-renounceable entitlement offer to raise up to approximately \$2.59 million**
- **Offer price of \$0.15 per share represents a 9.1% discount to the closing price on 26 October 2017**

Galilee Energy Limited (“**Galilee Energy**” or “**the Company**”) is pleased to announce an equity raising of up to approximately \$5.6 million (“**Equity Raising**”), comprising:

- a placement of 20,321,070 fully paid ordinary shares (“**Placement Shares**”) to raise \$3,048,160.50 (“**Placement**”); and
- a fully underwritten one (1) for ten (10) non-renounceable entitlement offer to Eligible Shareholders to issue of up to approximately 17.25 million shares to raise up to approximately \$2.59 million (“**Entitlement Offer**”).

The issue price for the Placement and the Entitlement Offer is \$0.15 per share (“**Issue Price**”). The net proceeds of the Equity Raising will be used to fund the Company’s new multi-lateral pilot incorporating three new lateral wells in the Company’s 100% owned and operated Glenaras Gas Project, as well as general working capital expenses.

Commenting on the Equity Raising, Managing Director Mr Peter Lansom said “The Company is extremely pleased with the strong support for the capital raising and the quality of the investors coming onto the register.

The Company is now in a strong position to move forward with its new multi-lateral pilot which, if successful at unlocking commercial gas flow rates, has the potential to significantly re-rate the Company.”

Placement

The Company has entered into placement subscription agreements with a number of institutions and sophisticated investors for the issue of 20,321,070 Placement Shares at an issue price of \$0.15 per share.

It is expected that the proceeds of the placement, of approximately \$3.05 million, will be received by Thursday, 2 November 2017, with the allotment of those shares to occur on or before Friday, 3 November 2017.

The Placement Shares will be issued within the Company's existing Listing Rule 7.1 placement capacity and, as such, shareholder approval will not be required.

Entitlement Offer

Under the Entitlement Offer, eligible shareholders will be invited to subscribe for 1 New Share at the Issue Price for every 10 ordinary shares held at 7.00pm (AEDT) on Monday, 6 November 2017 ("**Record Date**").

The Entitlement Offer will be offered to those shareholders as at the Record Date whose address in the Company's share register is in Australia or New Zealand or are a shareholder that Galilee Energy has otherwise determined (in its absolute discretion) is eligible to participate in the Entitlement Offer ("**Eligible Shareholders**").

The Entitlement Offer is being conducted in accordance with section 708AA of the Corporations Act, as notionally modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and does not require a prospectus.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable.

The Entitlement Offer is fully underwritten by Patersons Securities Limited (ABN 69 008 896 311) and Gleneagles Securities (Aust) Pty Ltd (ABN 58 136 930 526), who have also acted as Joint Lead Managers of the Placement, the details of which will be set out in the Offer Booklet for the Entitlement Offer.

Shortfall Offer

The Entitlement Offer will also include a top up facility under which Eligible Shareholders who take up their full entitlement may apply for additional New Shares not subscribed for by other Eligible Shareholders ("**Shortfall Offer**"). There is no guarantee that applicants under the Shortfall Offer will receive all or any of the additional shares they apply for.

Eligible Shareholders who do not take up their entitlements will not receive any value in respect of those entitlements that they do not take up (and their shareholding in Galilee Energy will be diluted).

Shareholders who are not eligible to receive entitlements will not receive any value in respect of the entitlements they would have received had they been eligible. Those Shareholders who the Company determines to be ineligible shareholders will also be notified.

Eligible Shareholders will receive an Offer Booklet, including a personalised entitlement and acceptance form, which will provide further details of how to participate in the Entitlement Offer.

A copy of the Offer Booklet will also be lodged with the ASX today and will be available on the ASX website (ASX:GLL) and on the Company's website at www.galilee-energy.com.au.

An Appendix 3B applying for quotation of the New Shares to be issued pursuant to the Entitlement Offer (on the basis that the allotment of Placement Shares has occurred on or before the Record Date) has been lodged with ASX on 30 October 2017.

The key dates for the Entitlement Offer are set out below:

Indicative Timetable for the Entitlement Offer *	
Activity	Date
Announcement of the Placement and Offer and lodgement of offer booklet, Appendix 3B and 708AA cleansing notice with the ASX	Monday, 30 October 2017
Letter to Eligible and Ineligible Shareholders Re: The Offer	Tuesday, 31 October 2017
Issue Appendix 3B and Cleansing Notice for Placement Shares Trading on Ex basis	Friday, 3 November 2017
Record Date for the Offer (7.00pm AEDT)	Monday, 6 November 2017
Offer Booklet and Entitlement and Acceptance Form sent to Eligible Shareholders	Thursday, 9 November 2017
Offer opens	Thursday, 9 November 2017
Last day to extend the Offer Closing Date	Tuesday, 21 November 2017
Closing date for acceptances under the Offer (5.00pm AEDT)	Friday, 24 November 2017
Trading on deferred settlement basis	Monday, 27 November 2017
ASX notified of shortfall	Monday, 27 November 2017
Allotment of New Shares issued under the Offer and Lodgement of Appendix 3B.	Friday, 1 December 2017
Expected Despatch of Holding Statement and Normal ASX trading for New Shares issued under the Offer.	Monday, 4 December 2017

* All dates are indicative and subject to change. Galilee Energy reserves the right to withdraw or vary the timetable without notice. All references to time are to Australian Eastern Daylight Savings Time (AEDT). The commencement of quotation of New Shares is subject to confirmation from ASX.

Important Information

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any jurisdiction in which such an offer would be illegal. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act"), or under the securities laws of any state or jurisdiction of the United States, unless the securities have been registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

This document may not be distributed or released in the United States.

This announcement contains certain "forward-looking statements" within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "should", "expect", "anticipate", "estimate", "scheduled" or "continue" or the negative thereof of comparable terminology. Any forecasts or other forward looking statements contained in the announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgement and assumptions as to future events which may or may be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. Galilee Energy does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.

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About Galilee Energy Limited

Galilee Energy is a Brisbane based oil and gas exploration company focussed on progressing its flagship Glenaras Gas Project strategically located in western Queensland's Galilee Basin. The Permit covers an area of approximately 4000 km² and is 100% owned and operated by Galilee Energy Limited.

The Project has one of the largest remaining uncontracted gas resources on the east coast of Australia with an independently derived and certified Contingent Resource+ within the Betts Creek coals with a 1C of 308 PJ, a 2C of 2508 PJ and a 3C of 5314 PJ. The Company's primary focus is on converting these Contingent Resources to Reserves.

For more information about Galilee Energy please visit <http://www.galilee-energy.com.au>