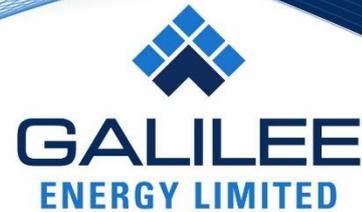


Galilee Energy and Jemena fast-track pipeline

ASX/MEDIA ANNOUNCEMENT

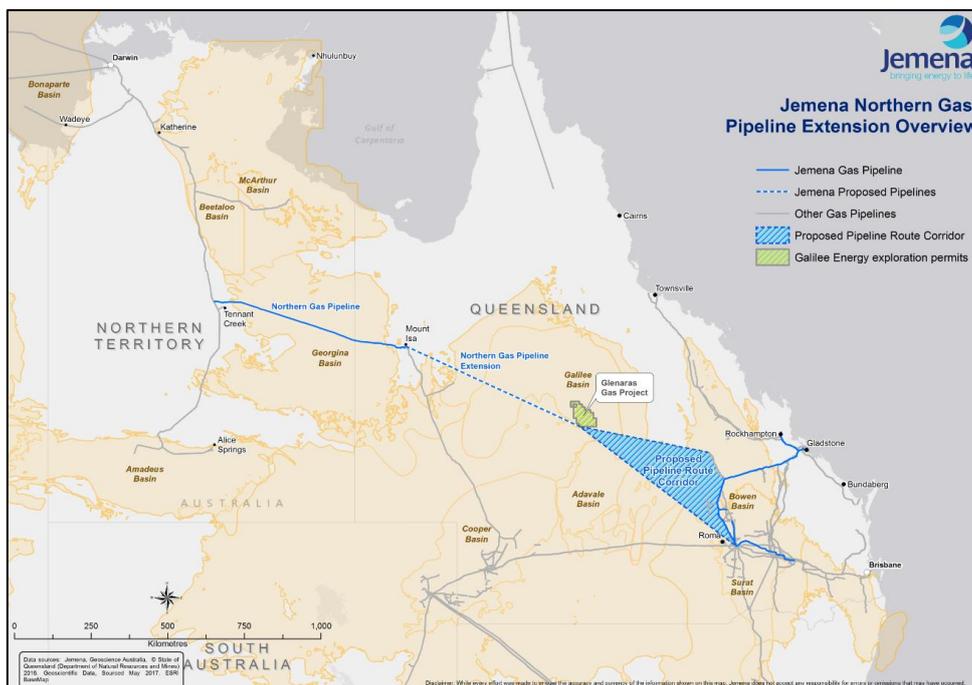
17 October 2017



Galilee Energy and Jemena fast-track plans to connect Galilee Basin to the East Coast gas market

Galilee Energy Limited (ASX:GLL) is pleased to announce it has signed a binding agreement with Jemena to work together towards agreed development milestones that will fast-track plans to deliver a large new source of gas from Galilee Energy's Glenaras Gas Project in the Galilee Basin in central Queensland to the east coast domestic market.

The agreement fast-tracks Jemena's plans to build a new pipeline delivering gas produced by Galilee Energy to the east coast and means Jemena will begin engaging with local communities, conducting field surveys and completing pipeline design concept works. In parallel, Galilee Energy will progress their appraisal activities at the Glenaras Gas Project to certify a proven gas resource large enough to underwrite the pipeline construction.



Galilee Energy Managing Director, Peter Lansom explained, "Galilee Energy has one of the largest uncontracted Contingent Gas Resources on the east coast. The Company's upcoming lateral programme has the potential to unlock this Resource into a significant Reserve position. This partnership is all about working together to get this critical gas supply option to the domestic market as quickly as possible."

Jemena Executive General Manager Corporate Development, Antoon Boey, said that to overcome the gas supply concerns currently gripping the east coast, large new sources of gas need to be produced and delivered to the market as quickly as possible.

Mr Boey explained that “by undertaking the early planning works, both Jemena and Galilee Energy will be ready to proceed to front end engineering and design (FEED) on both pipeline and field development in 2019.”

This project is another key step in Jemena’s plans to expand and extend its Northern Gas Pipeline, via the Galilee Basin, to the largest gas markets on the east coast.

Construction began in July on the Northern Gas Pipeline, a 622km pipeline from Tennant Creek in the Northern Territory to Mount Isa in Queensland. Construction is progressing on schedule and is creating around 600 local jobs. First gas on the pipeline is expected to flow in late 2018.

“Delivering new sources of gas from projects such as the Glenaras Gas Project into the east coast gas market is the simplest way to solve the east coast gas crisis,” said Mr Lansom.

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>

About Jemena

Jemena is a \$10.5 billion company that owns and manages some of Australia’s most significant gas and electricity assets. These include:

- the Jemena Gas Network servicing 1.3 million customers around NSW
- the Eastern Gas Pipeline which delivers gas from Victoria’s Gippsland basin to the ACT, Sydney and regional NSW
- the Darling Downs Pipeline Network in south-east Queensland supplying Darling Downs Power Station and APLNG’s export pipeline.
- the Queensland Gas Pipeline which supplies Gladstone and Rockhampton
- Jemena’s Victorian electricity network which delivers electricity to over 330,000 homes and businesses in north-west Melbourne.

For more information visit www.jemena.com.au.