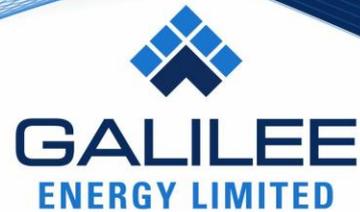


Glenaras Gas Project – Production Pilot Update

ASX/MEDIA ANNOUNCEMENT

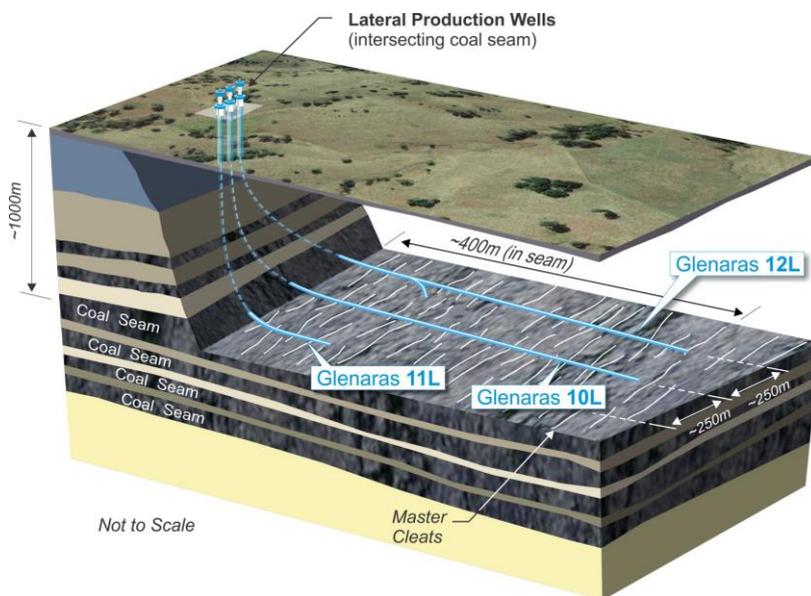
29 May 2018



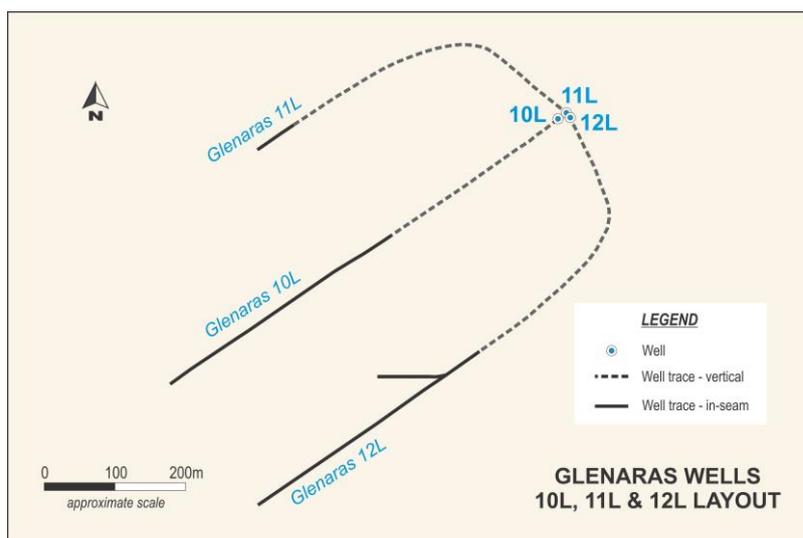
- ❖ Completions rig activities completed.
- ❖ Surface facilities including separator and metering skids along with flowlines ready for installation.
- ❖ Mid-June start-up of production testing still on track.

Galilee Energy Limited (ASX:GLL) ("Galilee") is pleased to provide an update on completion operations at the Glenaras multi-lateral pilot programme.

As previously announced, Easternwell Rig 101 successfully completed the multi-lateral drilling campaign with the drilling of Glenaras 10L, 11L and 12L earlier this month. Over the past week, the completions rig has successfully installed downhole electric submersible pumps (ESP's) in Glenaras 10L and 12L.



Concurrent with drilling operations, all surface facility skids have been constructed and are ready for installation. The water production flowline connecting the pilot to the Glenaras holding pond has also been constructed and tied in at surface. Now that completion rig activities are finished, the surface facilities and lease flowlines will be installed with production start-up remaining on schedule for mid-June.



The pilot will be on production for an extended period to de-water and lower the pressure in the surrounding coal to achieve gas flow. This process is likely to take 4-6 months.

Peter Lansom
 Managing Director
 Galilee Energy Limited
 +61 (0) 7 3177 9970
plansom@galilee-energy.com.au

About Galilee

Galilee Energy is focused on creating a mid-tier exploration and production company building on its core strengths in coal seam gas appraisal and development. Its primary area of focus is Queensland where it is appraising the Galilee Basin whilst looking to add further acreage to its portfolio.

Directors

Chairman – Ray Shorrocks

Managing Director – Peter Lansom

Non-executive Director – Dr David King

Non-executive Director – Stephen Kelemen

Shares

Shares on issue – 189,707,690

Top 20 holders – 45.5% *

Directors and Management – 7.6%

***As at 6 April 2018**