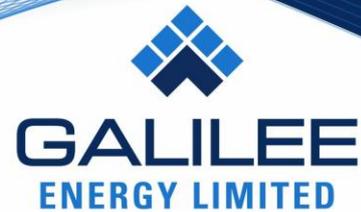


Glenaras Gas Project – Production Pilot Update

ASX/MEDIA ANNOUNCEMENT

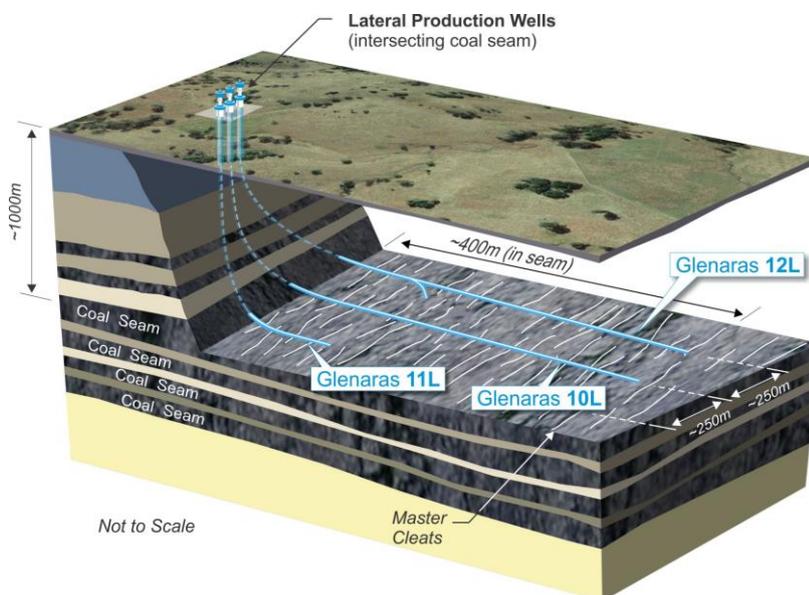
17 May 2018



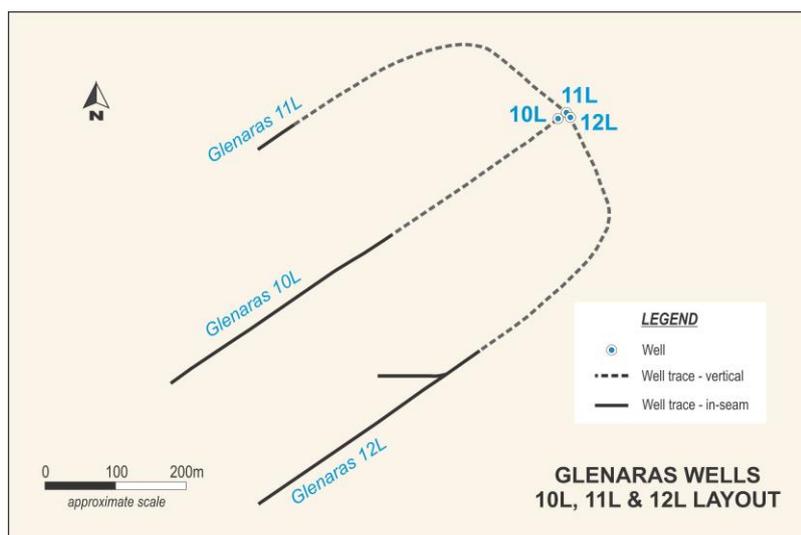
- ❖ Completions rig on site and commencing rig up activities.
- ❖ Glenaras 10L and 12L will be completed with electric submersible pumps over the coming week.
- ❖ Mid-June start-up of production testing still on track.

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 drilling campaign with the drilling of Glenaras 10L, 11L and 12L over the past weeks. The drilling rig has completely demobilised from site and the completions rig is currently commencing rig up operations at Glenaras 10L. The completions rig will install downhole electric submersible pumps (ESP’s) in Glenaras 10L and 12L. Completion operations should be completed in approximately one week.



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. Following completion rig activities, the surface facilities and lease flowlines will then be installed and production start-up remains 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
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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