

Glenaras Gas Project – Response to ASX request for further information

ASX/MEDIA ANNOUNCEMENT

28 June 2018



Highlights

- ❖ Surface facilities including separator and metering skids along with flowlines fully installed.
- ❖ Glenaras 10L and 12L now on continuous production with excellent water rates of approximately 1600 BWPD in aggregate from both wells with fluid levels at ~350m from surface.
- ❖ Production will continue to be ramped up over the coming weeks to achieve full reservoir drawdown.

Galilee Energy Limited (ASX:GLL) (“Galilee”) has received a request from the ASX, in accordance with ASX Listing Rule 5.30, to provide an addendum to its announcement “Glenaras Gas Project – Production Pilot Update” released to the market 14 June 2018. Galilee is pleased to provide the following responses to the information request as well as an update on the progress of the Glenaras Gas Project Production Pilot.

Item 1 – location of the well/s and details of the permit/lease on which the well is located

The Glenaras Gas Project is located within ATP 2019 in the western portion of the Galilee Basin some 50 km NNE from the township of Longreach. The Galilee Basin is located in central west Queensland, between the Bowen and Cooper Basins, some 900 km NW of Brisbane. The permit covers 3,961 km² and the resource is clearly defined with over 20 exploration wells, 700 km of seismic and two previous multi well pilots. The Glenaras 10L, 11L and 12L wells are located in the southern portion of ATP 2019, close to the existing water storage facility and existing production gathering and flare facilities.

Item 2 – the entity’s working interest in the well/s

Galilee Energy Limited is the Operator and through its wholly owned subsidiaries has a 100% working interest in ATP 2019 in which the Glenaras Gas Project is located.

Item 3 – the geological rock type of the formation drilled

The Glenaras Gas Project is targeting two main formations, the Permian age Betts Creek coals and Aramac coals. The current multi-lateral pilot wells have been drilled within the Betts Creek Coal sequence in the R3 seam, one of seven coals within the Betts Creek.

Item 4 – the depth of the zones tested

The coal depth being tested in Glenaras 10L and 12L is at approximately 1000mTVD.

Item 5 – the choke size used, the flow rates and, if measured, the volumes of hydrocarbon phases measured

Glenaras 10L and 12L have undergone initial flowing production tests as part of the electrical submersible pumps commissioning process. These initial tests were of 2-3 hours duration, with the wells flowing water rates in excess of 750 BWPD (barrels of water per day) with limited reservoir pressure drawdown (less than 10% of the reservoir pressure). The wells have now been brought online and we are pleased to announce that over the past 24 hours an aggregate stabilised flow from both wells of approximately 1600 BWPD was measured using an electronic magflow water meter. Choke size is not relevant for the measurement of water rates. The fluid level in the wells is currently approximately 350 metres from surface with a coal depth of approximately 1000 metres in each well. No measurable hydrocarbons are yet being produced as the bottom hole pressure needs to fall below the coal critical desorption pressure before gas will be desorbed from the coal.

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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 on issue – 189,707,690

Top 20 holders – 44.4% *
Directors and Management – 7.7%
***As at 1 June 2018**