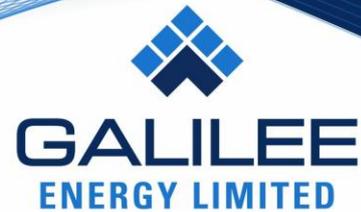


# Glenaras Gas Project – Production Pilot Update

ASX/MEDIA ANNOUNCEMENT

4 June 2018



## Highlights

- ❖ Surface facilities including separator and metering skids along with flowlines currently being installed.
- ❖ Mid-June start-up of production testing still on track.
- ❖ Notice of meeting for EGM called to replenish capital raising capacity.

Galilee Energy Limited (ASX:GLL) (“Galilee”) is pleased to provide an update on production 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 (Figure 1). More recently, the Completions Rig has successfully installed downhole electric submersible pumps (ESP’s) in Glenaras 10L and 12L.

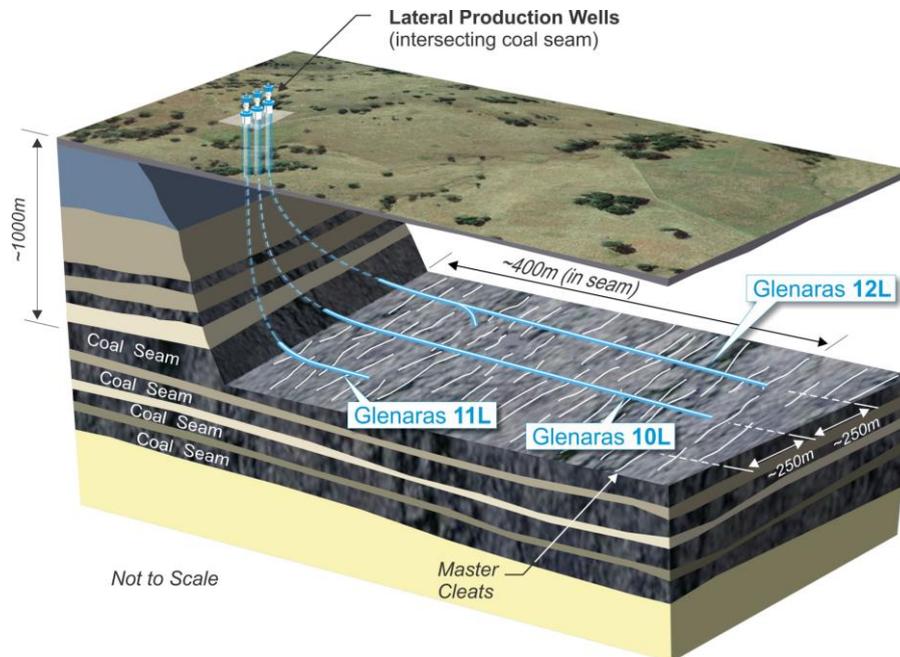


Figure 1 – Glenaras multi-lateral pilot

Concurrent with drilling operations, all surface facility skids have been constructed. The water production flowline connecting the pilot to the existing 450 megalitre water storage facility has also been constructed and tied in at surface.

Following completion rig activities, the surface facilities and lease flowlines are now being installed. All gathering flowlines connecting the wells have been installed, pressure tested and backfilled. The separator skids and ESP transformer skids for both wells have now been located on site. Figure 2 below shows the Glenaras 10L lease site work currently underway with wellhead, separator skid and ESP transformer skid.



Figure 2 Glenaras 10L site

The remaining site works involve completing the mechanical pipework to the wellheads, finalising wellhead instrumentation and function testing all control systems.

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 expected to take between 4-6 months.

### **General Meeting**

Today Galilee issued a Notice of Meeting for a general meeting to be held on 6<sup>th</sup> July 2018. The purpose of the meeting is to refresh Galilee's 15% capital raising capacity as per normal corporate practice and governance. Due to the timing of the successful capital raising conducted in October 2017, Galilee was not able to refresh its capacity under Listing Rule 7.1 at the November 2017 Annual General Meeting. The Board considers that it is best practice and in the interests of shareholders to replenish the capacity to be able to raise capital to ensure that it is best positioned to execute its stated strategies without any timing constraints. Details of the meeting and how to vote can be found in the Notice of Meeting released today, a copy of which will be sent to all shareholders.

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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**