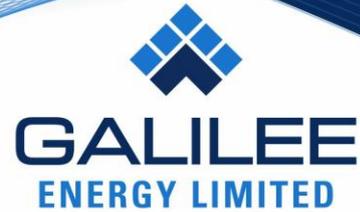


Glenaras Gas Project - Production Operations Update

ASX/MEDIA ANNOUNCEMENT

ASX:GLL

24 July 2018



Highlights

- ❖ Glenaras 10L and 12L continue to perform strongly, with excellent water rates in excess of 2,800 BWPD (barrels of water per day) in aggregate from both wells, with the current fluid level at approximately 530m from surface.
- ❖ Direct communication has been identified between Glenaras 10L and Glenaras 12L.
- ❖ Pressure drawdown continuing in the Glenaras 11L monitoring well.
- ❖ Production will continue to be ramped up over the coming weeks to achieve full reservoir drawdown.

Galilee Energy Limited (“**Galilee Energy**” or “**the Company**”) is pleased to announce that the Glenaras multi-lateral pilot is continuing to perform strongly and demonstrating excellent water rates, with both wells flowing water rates in excess of 2,800 BWPD in aggregate, with the current fluid level at approximately 530m from surface. In addition, there is evidence of direct communication between each of the lateral wells which is enhancing pressure drawdown in the pilot area.

“The results continue to be extremely encouraging, the water rates are at the upper end of our pre-drill expectations. We have seen pressure drawdown in the monitoring well and the communication between the lateral wells is direct evidence of the reservoir shielding that we were anticipating.” Managing Director Peter Lansom stated.

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.

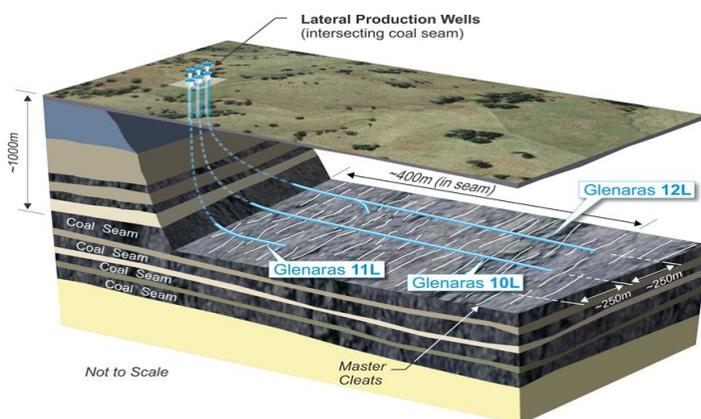


Figure 1 – Glenaras multi-lateral pilot

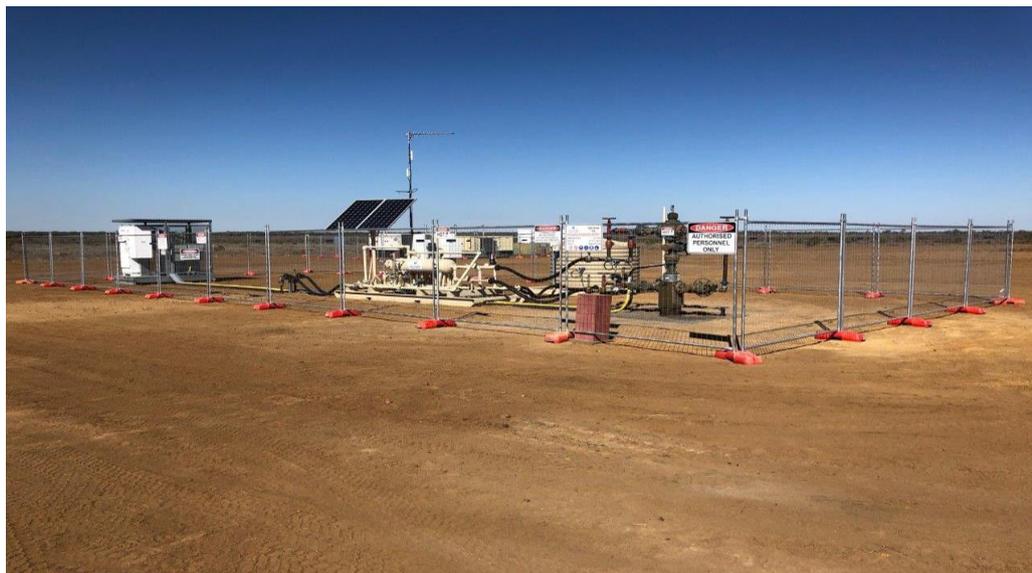


Figure 2 – Glenaras 10L wellsite

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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 – 203,862,690

Top 20 holders – 48.9%*

Directors and Management – 7.2%

***As at 20 July 2018**