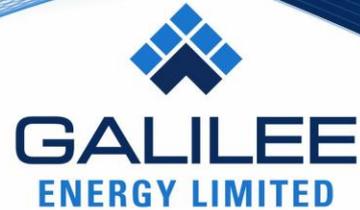


Glenaras Gas Project – Production Update

ASX/MEDIA ANNOUNCEMENT

16 October 2018



Galilee Energy Limited (ASX:GLL) (“Galilee”) is pleased to provide an update on production operations at its 100% owned and operated Glenaras multi-lateral pilot programme located in the Galilee Basin.

The accelerated pump change out at the Glenaras 12L well is now complete, with a higher capacity pump successfully installed and commissioned. The pump that was pulled from the hole as part of the recompletion was in excellent condition with no significant wearing, scaling or coal fines/solids evident. This pump has now been fully serviced and is available as a spare.

The new, larger pump is on production with fluid levels being drawn down on Glenaras 12L. With 12L back on continuous production with the new pump, the pilot is currently producing at water rates of approximately 3,900 BWPD (barrels of water per day) in aggregate from both wells.

“The pump upgrade on Glenaras 12L went extremely smoothly and we now have a higher capacity pump currently on production as well as effectively a brand new spare able to be re-used after servicing. We look forward to speeding up drawdown of the coal and ramping up gas production as quickly and as safely as possible.” Managing Director Peter Lansom stated.

An update will be provided to the market on gas rates as fluid levels in the wells are reduced down to their maximum level in both wells and more coal area is drawn down below the critical desorption pressure.

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.

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

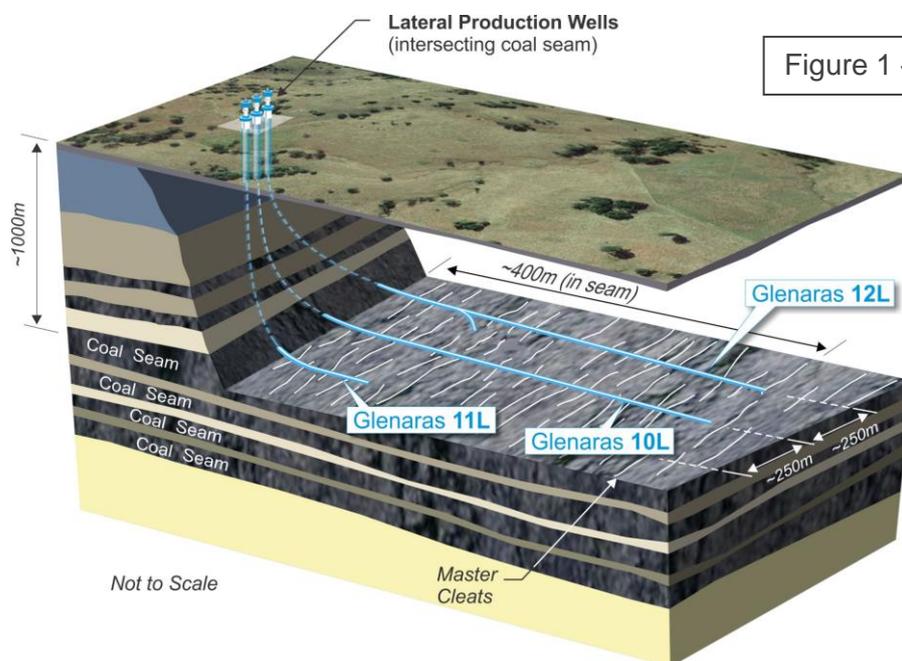


Figure 1 – Glenaras multi-lateral pilot

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 – 204,012,690

Top 20 holders – 51.3% *

Directors and Management – 4.3%

***As at 24 September 2018**