



ASX/MEDIA ANNOUNCEMENT

MOU with Clarke Energy

25 February 2019

Galilee Energy Limited (ASX:GLL) (“Galilee”) is pleased to advise that it has entered into a Memorandum of Understanding (MOU) with Clarke Energy to assess the potential for a staged installation of a gas fuelled power station at the Glenaras Gas Project. This would enable commercialisation of the initial ramp gas from the Glenaras pilot prior to progressing towards FID on a potential Jemena pipeline for the full field development.

The MOU provides a framework of co-operation between the parties to investigate the feasibility and, upon agreement between both parties, negotiate the commercial terms of an agreement under which Clarke Energy would install gas fired electricity generation to connect Galilee’s initial Glenaras ramp gas production to the grid. In addition this would also provide flexibility to contribute to local power requirements.

Galilee Managing Director Peter Lansom explained, “This is a crucial step towards the monetization of coal seam gas from both our existing and future production pilots within the Glenaras Gas Project, working with a company with whom management have a deep and successful relationship from previous CSG developments.

This would provide us with a further option to monetise our initial, phase 1 gas in addition to our existing Barcaldine option as well as others under consideration. If we proceed with a project such as this then multiple benefits would be realized, including early cashflow, proof of concept for our 1st phase development which will be necessary prior to FID on the Jemena pipeline for the broader field development, important environmental advantages through the beneficial use of pilot production gas and flexibility to ultimately send power to and draw power from the grid.

This is proven technology with a strong industry track record of CSG developments such as these, including Daandine Power Station and Wilga Park Power Station”.

Jemena General Manager Business Development David Green added, “Jemena is delighted to see Galilee making progress on these early development stages of the Glenaras Gas Project, consistent with the existing MOU between Galilee and Jemena”.

About Clarke Energy

Clarke Energy—a Kohler Company—is a leader in the engineering design, installation and long-term maintenance of gas engine-based power plants. The company is a green “gas to energy solutions provider” and is an authorized distributor and service provider for INNIO’s (formerly GE Distributed Power) Jenbacher gas engines in 25 countries. Clarke Energy employs over 1,100 staff and has over 6,400 MW of Jenbacher generation equipment installed in its operational areas.

For further information contact:

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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 – 225,679,361

Top 20 holders – 55.3%*

Directors and Management – 4.1%

***As at 1 February 2019**