

Glenaras Gas Project – Operations Update

18 April 2019

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

Easternwell Rig 103 has commenced drilling operations, with the Glenaras 14L well spudding on Wednesday, 17 April. The surface casing hole has been drilled to a depth of 200m MD and, as at 9am Thursday, 18 April, the rig is preparing to run and cement the surface casing. The Glenaras 14L well is planned to be drilled to a total measured depth of approximately 1530m MD.

The Pilot drilling programme as depicted in Figure 1 is scheduled to take approximately six weeks, after which Glenaras 14L, 15L and 16L will then be completed with horizontal electrical submersible pumps (ESPs) using a separate workover rig, with surface facilities installed thereafter. The aim is for the new lateral wells to be on production by early July 2019.

Once the Pilot is fully operational, the well configuration will provide shielding to the central well from the large drainage area which the previous two lateral wells were draining and it is expected that three months of production drawdown will be required in order for material gas production rates to be observed.

Importantly, the two existing wells Glenaras 10L and 12L are only required to be shut in to facilitate the current drilling operations, and will recommence full drawdown as soon as drilling operations are complete. The expected cost of this additional three-well lateral programme including drilling, completion and tie-in is approximately \$8 million, which is well within the company’s strong current cash position.

Further operational updates will be provided to the market throughout the programme.

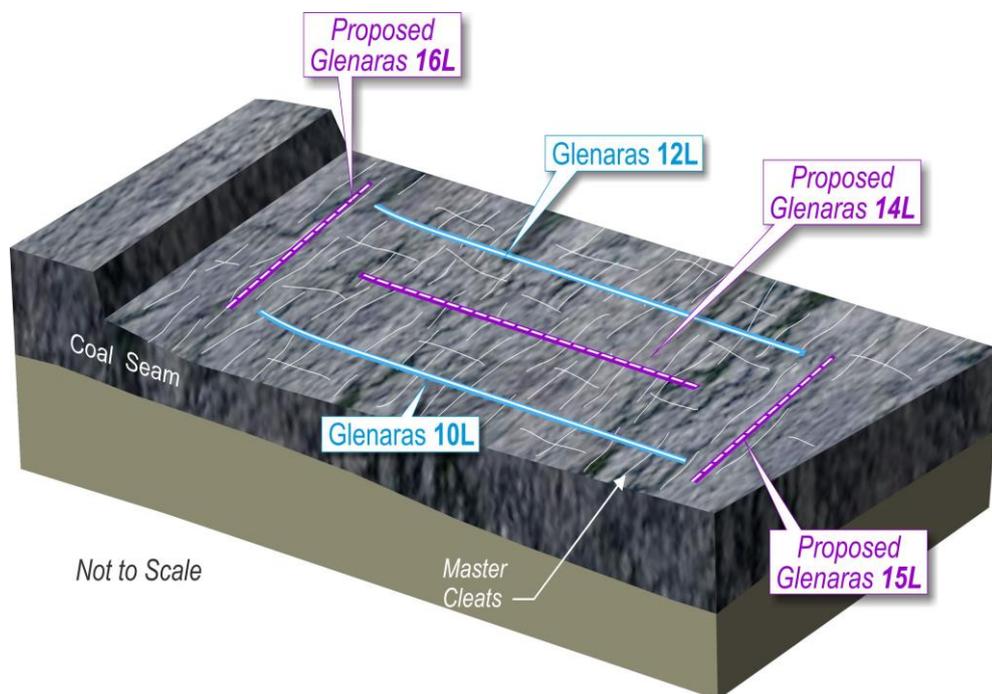


Figure 1 – Proposed drilling programme

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 – 56.2%*

Directors and Management – 4.4%

***As at 1 April 2019**