

Glenaras Gas Project – Operations Update

30 April 2019

Highlights

- ❖ The first well in Galilee's 2019 lateral programme, Glenaras 14L, was successfully drilled with approximately 240 metres of net coal intersected in the R3 coal seam primary target. The well was executed on schedule and within budget.
- ❖ Coal cuttings exhibit excellent cleating, brightness and quality.
- ❖ Drilling rig has now moved to Glenaras 15L and is currently rigging up.

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

Galilee is pleased to report that the lateral section of Glenaras 14L has now been successfully drilled with approximately 240m of net coal intersected in the well through the R3 seam primary target. The Glenaras 14L well has now been suspended pending completion work with an electric submersible pump following the end of the drilling programme.

This successful drilling result represents a significant milestone in this programme. "We are extremely pleased with the drilling results from this well which is the most important well of the current programme. The well was drilled safely, on schedule and within budget. The coal appears to be of excellent quality with cuttings showing significant cleat development and high vitrinite levels.", Managing Director Peter Lansom stated.

As at 9am on 30 April 2019, Easternwell Rig 103 has mobilised to the second well location, Glenaras 15L and is currently rigging up. This well will then be drilled down to the R3 seam and landed within the primary target to provide additional shielding for the central Pilot area. The well trajectory of Glenaras 15L will be perpendicular to the existing Pilot wells.

The Pilot drilling programme is scheduled to take approximately six weeks and the aim is for the new lateral wells to be on production by early July 2019 following the necessary completion and tie-in operations. 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 will only require to be shut in to facilitate drilling operations and will recommence full drawdown as soon as drilling and completion 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 current cash position.

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

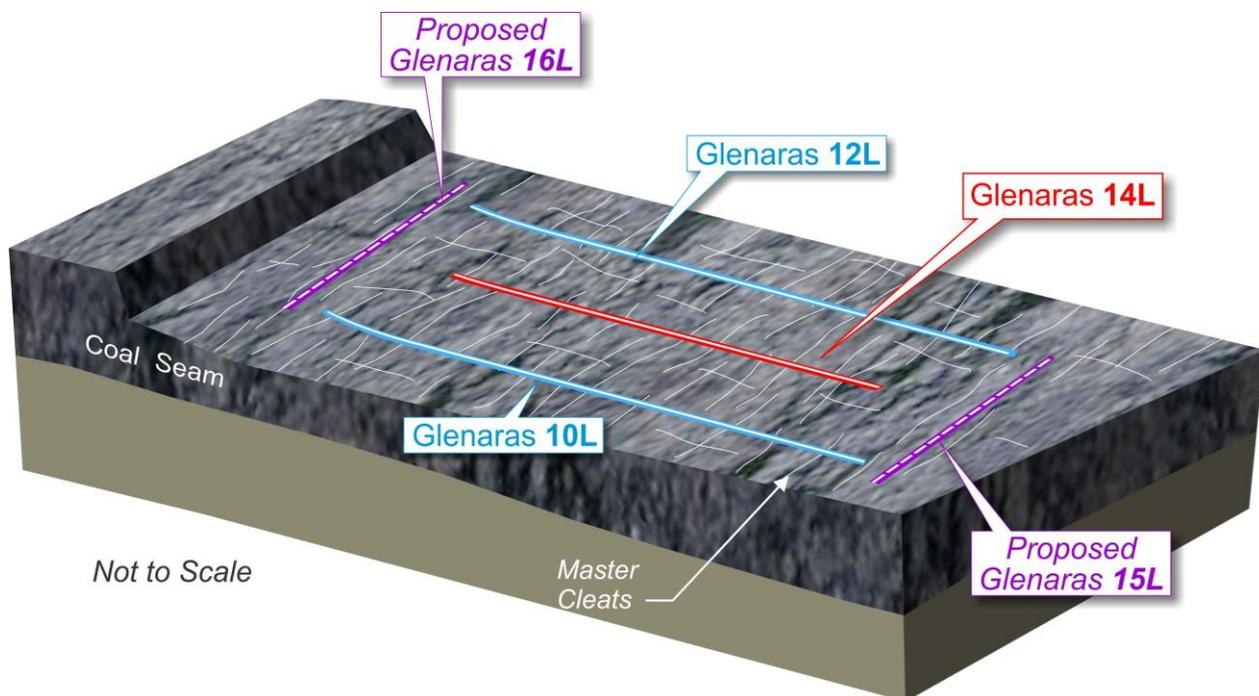


Figure 1 – Drilling programme

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**