

Glenaras Gas Project - Operations Update

17 June 2019

Highlights

- ❖ Early July start-up of production testing still on schedule.
- ❖ Completions rig has mobilised to site to install pumps on the new lateral wells.
- ❖ Installation of gas and water gathering system pipelines well underway.
- ❖ Change in Environmental Approval allows greater flexibility with management of produced water on ATP 2019.

Galilee Energy Limited (ASX:GLL) (“Galilee”) is pleased to provide an update on the 100% owned and operated Glenaras multi-lateral pilot programme (“Pilot”) in the Galilee Basin ATP 2019. (See Figure1)

As previously announced, Easternwell’s Rig 103 successfully completed the drilling campaign with the drilling of Glenaras 14L, 15L and 16L over the past few weeks. The drilling rig has demobilised from site and the completions rig has now mobilised to site to carry out the installation of the downhole electrical submersible pumps (ESP’s) in Glenaras 14L, 15L and 16L.

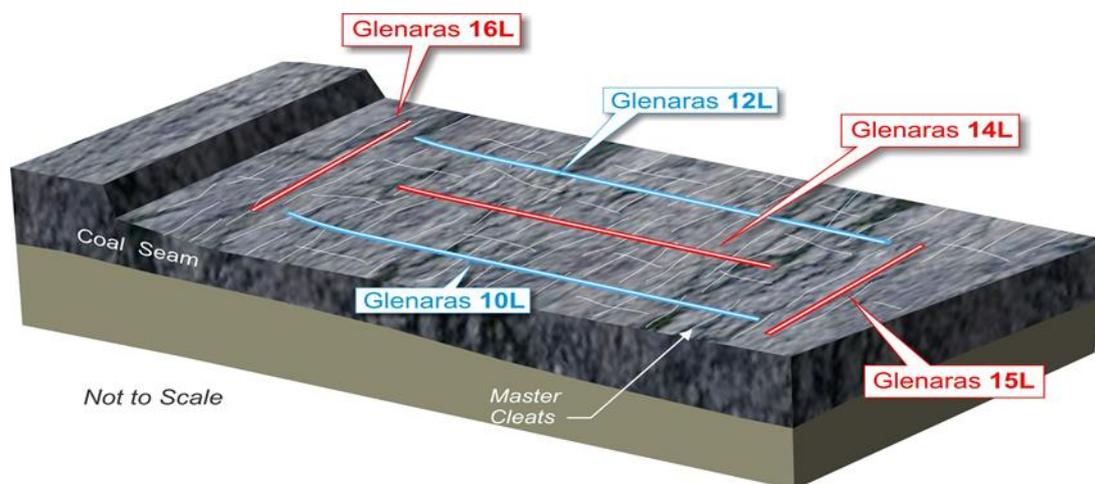


Figure 1 – Enhanced multi-lateral programme

Concurrent with drilling operations, the first stage of the gas and water pipeline network has been installed, successfully pressure tested and backfilled, with underground power supply works progressing well. (See Figure 2)

Managing Director Peter Lansom stated, “There is a tremendous amount of work going on in readiness for production testing start-up at the Pilot and I’m delighted with the progress that has been made. We are on schedule for the new lateral wells to be on production by early July 2019 following the necessary completion and tie-in operations and this is currently the primary focus of our Company”.

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

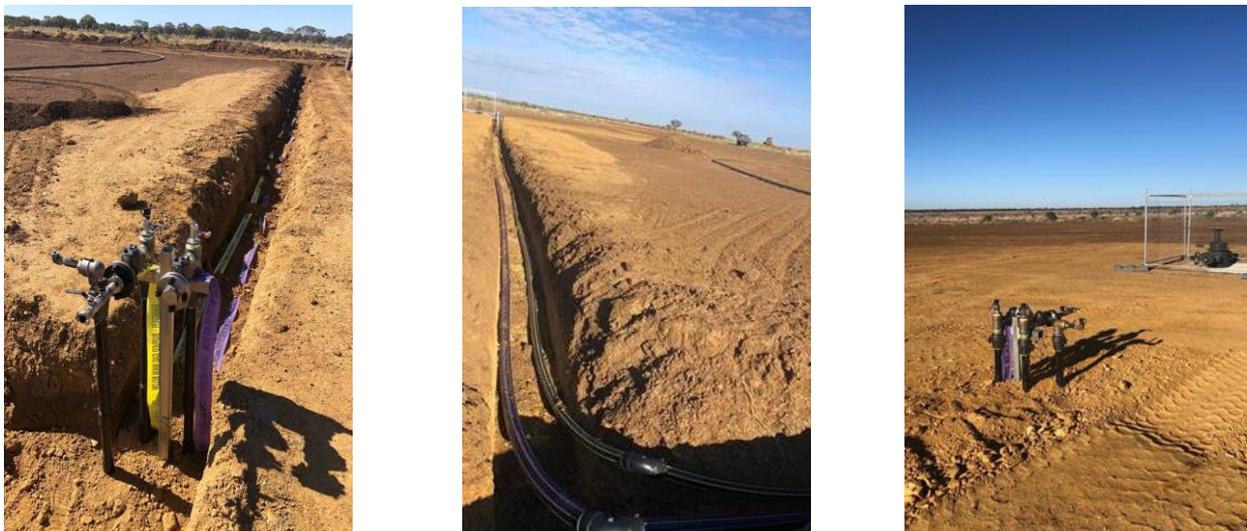


Figure 2 – gas and water risers and pipeline network

The expected cost of this additional three-well lateral programme including drilling, completion and tie-in is still within the original budget of approximately \$8 million, which leaves the company in an extremely strong financial position.

Galilee has also successfully modified its Environmental Authority for ATP 2019 which enables greater flexibility in the management of produced water. “This is really important for Galilee as we step out more broadly within ATP 2019 as it will enable us to appraise new areas within our acreage with the ability to manage produced water via beneficial use schemes such as water trials and irrigation”, Managing Director Peter Lansom stated.

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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 – 57.2%*

Directors and Management – 4.4%

***As at 3 June 2019**