

Glenaras Gas Project - Operations Update

8 July 2019

Highlights

- ❖ Completions rig has successfully installed downhole electrical submersible pumps (ESPs) in Glenaras 14L, 15L and 16L.
- ❖ All workover activities now complete.
- ❖ Installation of gas and water gathering system pipelines complete.
- ❖ Commissioning and flow testing of Glenaras 14L has now commenced.

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. (Figure 1)

As previously announced, Easternwell's Rig 103 successfully completed the drilling campaign with the drilling of Glenaras 14L, 15L and 16L. The completions rig has now successfully installed ESPs in Glenaras 14L, 15L and 16L.

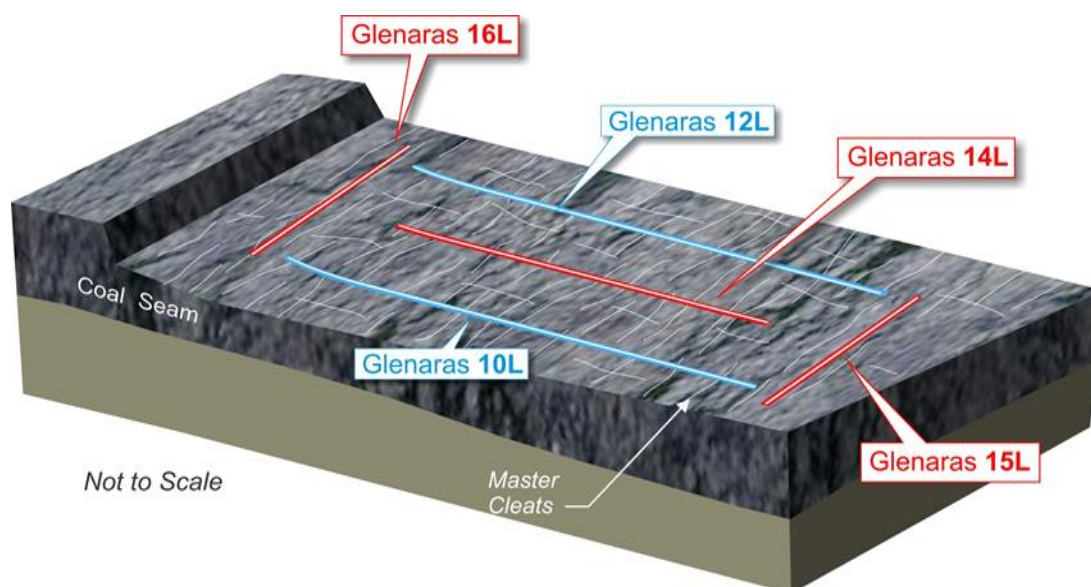


Figure 1 – Enhanced multi-lateral programme.

Concurrent with drilling operations, the water production flowline connecting the Pilot to the existing water storage facility has been constructed and tied in at surface. Following completion rig activities, the wellsite surface facilities are now being installed and commissioned sequentially on the three new lateral wells. The facilities at Glenaras 14L have now been installed including all pipework, metering and ESP transformer skid and the commissioning and flow testing of Glenaras 14L is now underway.

The remaining site works on Glenaras 15L and 16L involve completing the mechanical pipework to the wellheads, finalising wellhead instrumentation and function testing all control systems. Once these works are complete, which is expected to take around 10 days, commissioning of Glenaras 15L and 16L will then commence.

Managing Director Peter Lansom stated, "Significant progress has been made by the team and this has been done safely and within budget. These works further increase the momentum of our project and Galilee is poised to continue its transformation with significant milestones expected over the coming months".



Figure 2 – Installation of surface equipment at Glenaras 14L and install of ESP on TDC Rig 8 at Glenaras 15L.

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 for material gas production rates to be observed.

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

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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 – 56.4%*

Directors and Management – 4.4%

***As at 1 July 2019**