

Galilee Strengthens Balance Sheet

3 December 2019

Galilee Energy Limited (ASX:GLL) (“**Galilee**” or the “**Company**”) is pleased to announce that on 3 December 2019 it entered into an option underwriting agreement with Canaccord Genuity (Australia) Limited (“**Canaccord**”) (“**Underwriting Agreement**”), pursuant to which Canaccord has agreed to underwrite the exercise of Galilee’s unlisted options to acquire fully paid ordinary shares in the capital of the Company (“**Shares**”) exercisable at \$0.75 per option (“**Exercise Price**”) on or before 5 December 2019 (“**Option Expiry Date**”) (“**GLL Options**”) (“**Underwriting**”).

Pursuant to the Underwriting Agreement, Canaccord will act as lead manager and bookrunner to the Underwriting and has agreed to subscribe for that number of Shares which is equal to the number of GLL Options that remain unexercised on the Option Expiry Date (“**Shortfall Shares**”) at an issue price of \$0.75 per Share (“**Offer Price**”).

A total of 17,900,003 GLL Options are covered by the Underwriting Agreement.

Funds raised upon the exercise and/ or underwriting of GLL Options will be applied to strengthen the Company’s balance sheet and provide further working capital for exploration activities in its Galilee, Surat and Bowen Basin permits.

It is anticipated that the Company will announce the number of Shortfall Shares to be issued as a result of the Underwriting on or about 9 December 2019.

In consideration for the Underwriting, Canaccord will receive:

1. a management and selling fee equal to 1% of the GLL Options multiplied by the Exercise Price (**Gross Proceeds**); and
2. an underwriting fee equal to 4% of the Gross Proceeds.

The Underwriting Agreement is subject to several conditions precedent, including the Company confirming to Canaccord that it has accepted sufficient valid GLL Option exercise notices such that Canaccord need not subscribe for more than 2,900,003 GLL Options.

Canaccord's obligation to proceed with the Underwriting is also subject to various usual termination events not having occurred, including, but not limited to:

1. the S&P/ASX 200 Energy Index not closing at a level which is 10% or more below the level at which it closed on 2 December 2019;
2. there being no material adverse change in the condition, affairs, financial position or performance, results of operations or prospects of the Company occurring;
3. ASIC not holding, or giving notice of intention to hold, a hearing or investigation in relation to the Underwriting or the Company and proceedings have not been commenced, and there has been no public announcement of an intention to commence proceedings, against the Company; and
4. no insolvency event occurring in relation to the Company or any of its controlled entities.

The Underwriting Agreement is otherwise subject to standard terms and conditions for an agreement of this nature.

Option holders who have not yet exercised their GLL Options are advised to contact the Company Secretary with any queries in relation to the exercise of their GLL Options.

For further information contact:

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Directors

Chairman – Ray Shorrocks

Managing Director – Peter Lansom

Non-Executive Director – Dr David King

Non-Executive Director – Stephen Kelemen

Non-Executive Director – Gordon Grieve