

## Kumbarilla and Glenaras drilling update

4 March 2020

### Highlights

- ❖ Lease preparation has commenced at the Kumbarilla Project (ATP 2043) for drilling in April with the Savanna Rig 406.
- ❖ Glenaras multi-lateral pilot operations continue to depressurise R3 coal seam towards critical desorption pressure.
- ❖ The Savanna Rig 406 programme will include a vertical monitoring well at the Glenaras Pilot to enable continuous monitoring of the R3 coal seam pressure.

Galilee Energy Limited (ASX:GLL) (“Galilee”) is pleased to provide an update on its upcoming Kumbarilla and Glenaras drilling programs in the Surat and Galilee Basins respectively, with lease preparation having commenced at Kumbarilla. The Savanna Rig 406 has been contracted to drill three exploration coreholes at Kumbarilla and the Company is taking the opportunity to drill a monitoring well at the Glenaras multi-lateral pilot (“Pilot”) with flexible timing of either before or after the Kumbarilla drilling. Drilling activities are expected to commence in early April, weather permitting.

The initial programme at the Kumbarilla Project (ATP 2043) in the Surat Basin, will include the drilling of three initial exploration coreholes targeting coal seam gas resources in the Walloon Subgroup. The Walloon coals will be cored and a full suite of wireline logs will be obtained, enabling a full assessment of the coal seam gas resource and assisting with planning the future drilling and pilot programme.

The Kumbarilla Project hosts 504 PJ of independently certified 2C Contingent Resources (Table 1) which can be readily fast-tracked to market through its proximity to existing coal seam gas production infrastructure (<10 km). It is anticipated to take three to four weeks to drill the three exploration coreholes, with an anticipated commencement date of early April 2020.

Permit	Contingent Gas Resource (PJ)		
	1C	2C	3C
ATP 2043 – Surat Basin	266	504	895
ATP 2019 – Galilee Basin	308	2,508	5,314
<b>Total</b>	<b>574</b>	<b>3,012</b>	<b>6,209</b>

**Table 1.** Galilee Energy Contingent Gas Resource\* estimates (as at 1<sup>st</sup> August 2019).

The drilling of a vertical monitoring well at Glenaras will enable the Company to measure the pressure in the R3 coal within the Pilot area. To date, it has only been possible to obtain pressure data by shutting in the lateral wells for an extended period, which is sub-optimal for both reservoir depressurisation of the coal and pump life. This monitoring well will assist in addressing these issues.

Flexibility exists for the Glenaras drilling to be either prior to or after the Kumbarilla corehole programme, allowing for scheduling from early April to early May 2020. Parallel preparation of leases at both projects also provides valuable operational flexibility in the event adverse weather impacts either location.

Galilee Managing Director Peter Lansom stated, “Galilee is moving into an exciting operational phase with confirmed drilling at both our new Kumbarilla Project and additional drilling at our Glenaras Gas Project. The Kumbarilla coreholes will test our thesis on the high coal seam gas prospectivity of the Walloons which we expect to set the company on a clear path towards maturing Resources to Reserves in the strategically important Surat gas province. In addition, the drilling of a pressure monitoring well at the Glenaras Pilot will assist in validating the area of depressurisation around the Pilot.”

**For further information contact:**

Galilee Energy Limited  
 +61 (0) 7 3177 9970

\* Listing Rule 5.42 +

*The details of Contingent Resources referenced throughout this ASX Release in respect to ATP 2019 were announced to the market on 1 September 2015 and in respect to ATP 2043 were announced to the market 1 August 2019. In accordance with Listing Rule 5.34.3, Galilee Energy confirms that it is not aware of any new information or data that materially affects the information in those Market announcements first reporting the details of the Contingent Resources for ATP 2019 and ATP 2043 respectively and that all of the material assumptions and technical parameters underpinning the estimates in those announcements continue to apply and have not materially changed.*

**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 and Surat Basins, exploring in the Bowen Basin, whilst looking to add further high quality acreage to its portfolio.

By authority of the Board:

**Directors**

Chairman – Ray Shorrocks

Managing Director – Peter Lansom

Non-Executive Director – Dr David King

Non-Executive Director – Stephen Kelemen

Non-Executive Director – Gordon Grieve