

Kumbarilla Drilling Update

22 April 2020

Highlights

- ❖ The second well in the three well Kumbarilla programme has reached total depth and successfully drilled through the complete Walloon Subgroup, coal bearing section.
- ❖ 25m of net coal intersected on prognosis with strong gas shows.
- ❖ Preliminary evaluation of testing indicates lower than expected productivity.
- ❖ Rig move planning underway in preparation for spudding the Kumbarilla Central 3 well Thursday, 23 April.

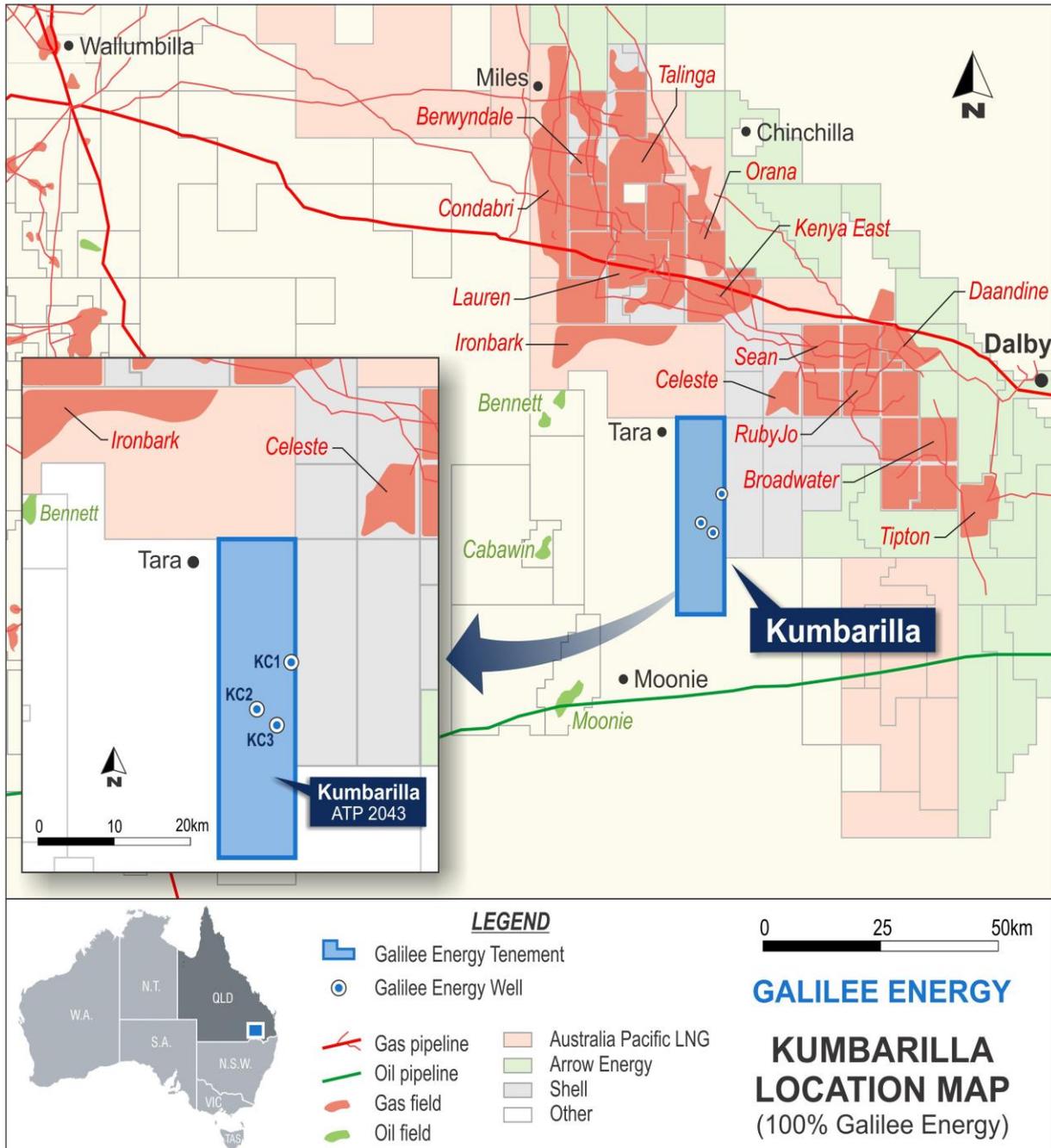
Galilee Energy Limited (ASX:GLL) (“Galilee”) is pleased to provide an update on its 100% owned Kumbarilla (ATP 2043) drilling programme in the Surat Basin.

The Kumbarilla Central 2 (KC2) well reached total depth of 1,140m on 19 April 2020. The complete Walloon Subgroup was intersected with wireline logs confirming a net coal of 25m across the Upper Juandah, Lower Juandah and Taroom Coal Measures.

The KC2 well result indicates that good net coal thickness is consistent within the Walloon Subgroup across the Kumbarilla project area. Drill stem testing conducted on the well indicates lower than expected productivity based on a preliminary evaluation. The Savanna Rig 406 is currently preparing to mobilise to the third well location, Kumbarilla Central 3 (KC3). This well, which is targeted to spud on Thursday, 23 April 2020 will be drilled down to a targeted hole depth of 1,100m with testing at each of the primary target zones.

KC3 is the final well in the first phase of exploration for Kumbarilla. This well will evaluate the coal properties and fracture enhanced permeability potential of the Walloon Subgroup on the southern side of the Moonie-Goondiwindi Fault System that bifurcates the permit. The KC1 and KC2 wells have evaluated the northern and central areas of this major structural trend, however the southern side remains untested and has been assessed as geologically independent to the two previous locations in terms of potential fracture development.

The drilling methodology and evaluation program for KC3 will be identical to KC2 in that it will be optimised to ensure hole conditions are ideal for high integrity permeability testing. The removal of core acquisition in turn reduces the potential for formation damage and any resultant compromising of the permeability testing.



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).

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

Table 1. Galilee Energy Contingent Gas Resource* estimates (as at 1st August 2019).

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* 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

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Managing Director – Peter Lansom

Non-Executive Director – Dr David King

Non-Executive Director – Stephen Kelemen

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