

Glenaras Drilling Update

26 August 2020

Highlights

- ❖ Drilling contract signed with Silver City Rig 25 Schramm T200XD secured and mobilising shortly.
- ❖ All drilling, completion and surface facility long lead items have been ordered.
- ❖ Commencement of vertical drilling programme on track for mid-September.

Galilee Energy Limited (ASX:GLL) (“Galilee”) is pleased to provide an update on the Glenaras multi-lateral pilot programme (“Pilot”) in the Galilee Basin in Queensland. The Pilot is part of the Glenaras Gas Project (“Project”) located in ATP 2019, which is 100% owned and operated by Galilee. The Permit covers an area of approximately 4000 km².

As previously reported, the Schlumberger predictive modelling has confirmed that additional drawdown is required in the Pilot area to achieve the requisite pressure drawdown and commercial gas flow. Five new vertical wells will be drilled located around the perimeter of the Pilot, with Glenaras 17A to be utilised as a producer in order to achieve this objective (see Figure 1).

The new vertical wells drilled around the current Pilot will exploit the significant existing pressure depletion already created by the Pilot and greatly accelerate this depletion without any disruption, as there will be no requirement to shut-in the Pilot while conducting the drilling programme.

The Company has now signed a drilling rig contract with Silver City and Rig 25 Schramm T200XD drill rig will shortly commence the necessary pre-departure inspections with mobilisation of the first loads over the coming weeks. Landowner approval has been received for the new well locations and civil construction works are progressing with lease pads now under construction. Drilling is expected to commence in mid-September. All five wells will be drilled vertically to just below the R7 coal, resulting in a total depth of approximately 1050m. All necessary long lead items have been ordered with several items already in storage at site. Drilling is expected to take 5 to 6 weeks.

Once drilling operations are complete, a workover rig (currently stacked at Glenaras) will then complete the wells (including Glenaras 17A) with a combination of ESP's and rod pumps.

Planning is underway to construct the gas and water flowlines and power reticulation network for the six new producing wells in parallel with operation of the drilling and workover rigs. All long lead items for the surface facilities and pipeline work have been ordered.

The Company will provide further updates to the market once drilling has commenced.

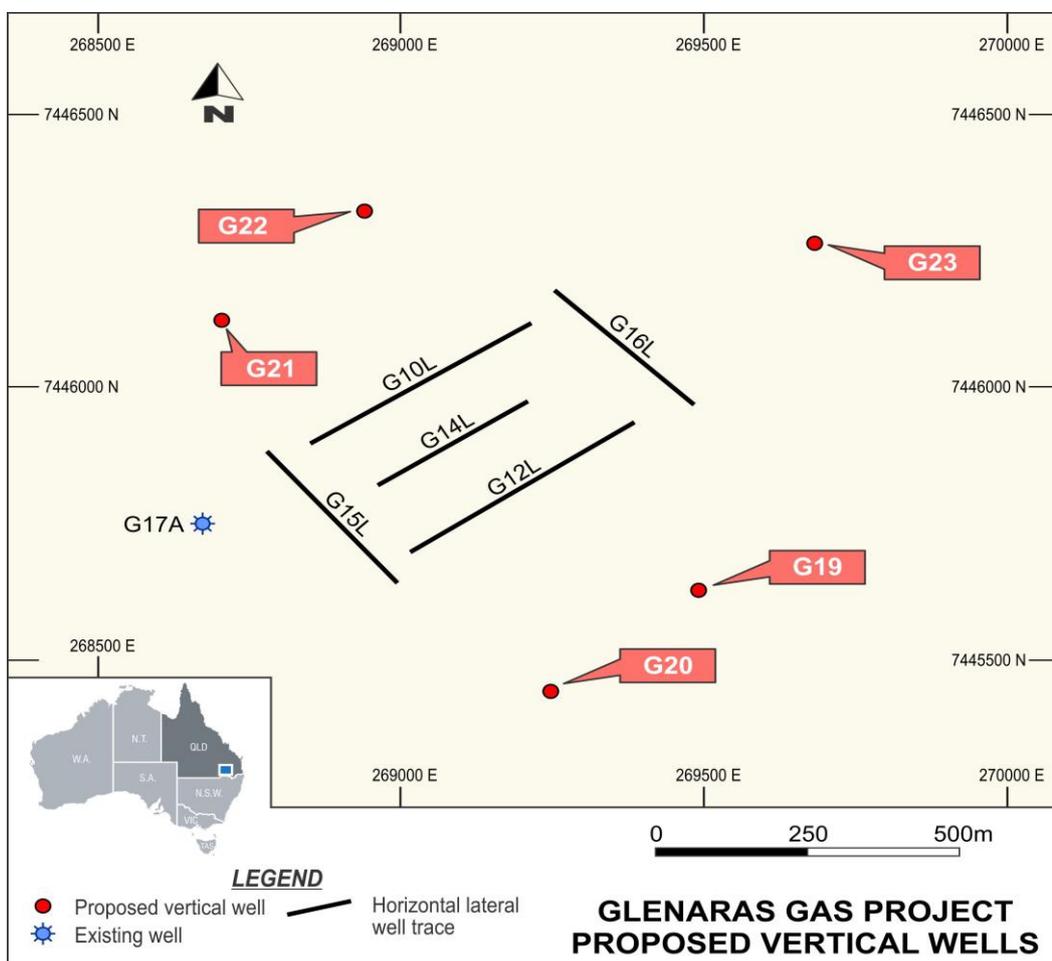


Figure 1. Glenaras Location Map.

This announcement was released with the authority of the Board.

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

Directors

Chairman – Ray Shorrocks

Managing Director – Peter Lansom

Non-Executive Director – Dr David King

Non-Executive Director – Stephen Kelemen

Non-Executive Director – Gordon Grieve