

Glenaras Gas Pilot – Operations Update

9 December 2021

- Workover operations on G10L, G17, G20 and G23 completed successfully with each of these high producing wells back online.
- Total pilot water production restored to previous rates in excess of ~18,000 BWPD.
- Direct pressure measurements confirm entire Betts Creek Coals are being de-pressured (pumped off) thereby unlocking significant gas reserves in multiple coal seams across a large area of the Glenaras field.
- Once unlocked the Glenaras field will be one of the largest (multi TCF) uncontracted gas resources accessible to supply the short eastern Australian gas market.

Further to the operational update released to the ASX in the September 2021 Quarterly Report on 28th October 2021, Galilee Energy Limited (ASX:GLL) is pleased to provide an update on the 100% owned and operated Glenaras multi-well pilot programme (“Pilot”) in the Galilee Basin ATP 2019 (Figure 1).

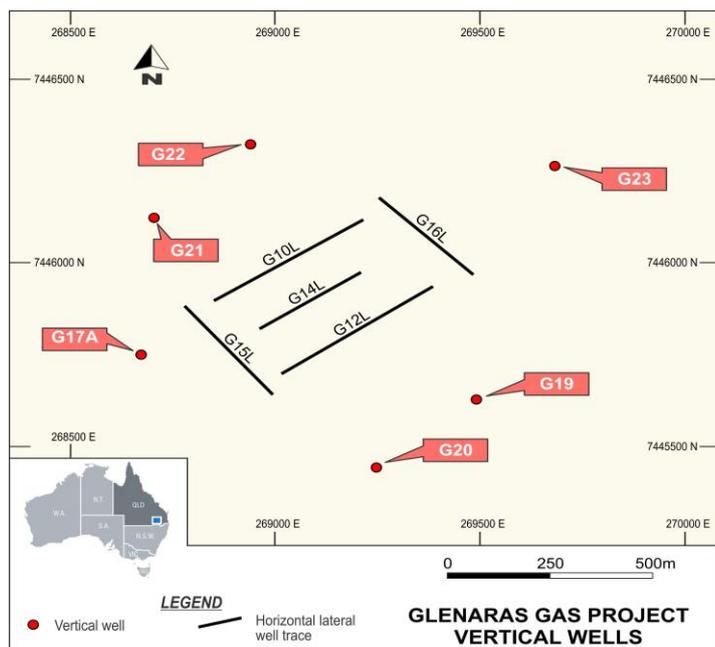


Figure 1 - Pilot well locations

The workover programme, carried out over 2 separate campaigns has safely and successfully installed appropriately sized new pumps in the G10L, G17, G20, and G23 wells incorporating modifications to improve the handling of gas production, leaving the central G14L well (a low water producing horizontal well in the R3 seam) as a valuable observation well – see photo below.

These pumps are back online with water production having been gradually restored to rates in excess of **18,000 BWPD** with the expectation of bringing the pressure drawdown below previously achieved levels.

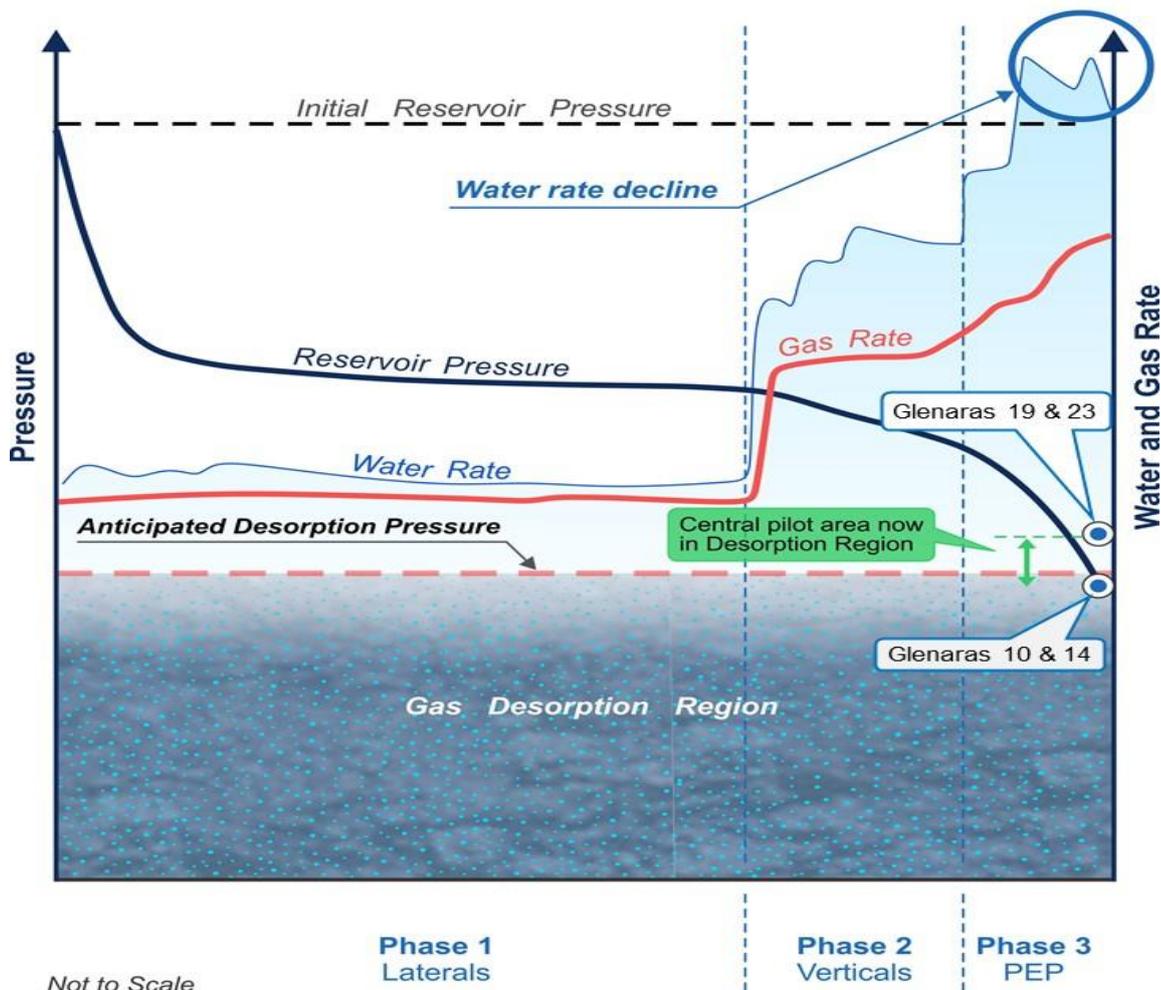


Workover operations at Glenaras 17

Prior to the previously reported pump failures, the Pump Enhancement Programme (PEP) progressively implemented mid-year (ASX release 29 July 2021) was successfully drawing down the pressure across the Pilot area at an accelerated rate.

The greatly increased rate of pressure draw-down achieved with the PEP is shown schematically in Figure 2 below.

GLENARAS PILOT - PRESSURE HISTORY



Not to Scale

Figure 2 - Glenaras Pilot – pressure history

The resumption of pumping in the workover wells will greatly assist the rest of the Pilot, which has continued to produce at around 12,000 BWPD, to again begin to achieve enhanced pressure depletion across a greater area, resulting in significantly increased gas desorption rates. The prize is that the Glenaras Pilot would then unlock one of the largest (multi-TCF) uncontracted gas resources accessible to the supply-short eastern Australian gas market.

The reason for the recent workover campaign has been to restore the high +18,000 BWPD water rates which have demonstrably depleted pressures in the entire multi-seam Betts Creek sequence as far as 7 kms from the central Pilot area (ASX release 24 June 2021).

Galilee's Managing Director & CEO, David Casey said *"As the newest member of the Galilee team I've been very impressed with the professionalism by which the team have completed these workovers in a safe, efficient and timely manner, particularly given recent heavy rainfall throughout much of Queensland.*

If there is a positive to come out of having to undertake the workovers it's that it is becoming apparent that the critical desorption pressure was in fact reached and that the onset of gas production probably contributed to the recent pump failures. While this issue has now been remedied, in my experience I see this as a positive, as very often some of the best performing wells are some of the most difficult to manage early in the desorption process."

Further market updates will be provided regarding the workover programme as more information is available.

For further information contact:

David Casey
Managing Director
Galilee Energy Limited
+61 (0) 7 3177 9970
ACN:064 957 419

About Galilee

Galilee Energy is focused on creating a high value 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.

This announcement was released with the authority of the Board.

Directors

Chairman – Ray Shorrocks

Managing Director – David Casey

Non-Executive Director – Stephen Kelemen

Non-Executive Director – Gordon Grieve

Non-Executive Director – Greg Columbus