

ASX / MEDIA ANNOUNCEMENT



March 2024 Quarterly Report & Appendix 5B

22 April 2024

HIGHLIGHTS

- **Integrated subsurface model updated with contemporary Glenaras pressure data and recently acquired and interpreted 3D seismic survey**
- **Glenaras data room remains open and active**
- **Studies of sustainability initiatives at Glenaras utilising the Project's abundant water resources as well as early commercial discussions on hydrogen developments are ongoing**
- **Grant submission made to Queensland Government's \$21m Frontier Gas Exploration Program for the Galilee and Bowen Basins**
- **Retaining a strong cash balance of \$4.5 million with no debt**

Galilee's Executive Chairman, Ray Shorrocks, commented:

Our top priority at Glenaras remains a comprehensive analysis of data we have collected in the last 18 months or so. Following the drilling of the six wells in 2022 and collection of contemporary pressure data, as well as the recent completion of the Project's first ever 3D seismic survey there is a wealth of information with which to update the project's reservoir model. This work kicked off in the December Quarter and is now complete. This activity is a critical step for Glenaras and for achieving commercial gas rates, which we remain resolutely optimistic of.

Building an integrated & diversified sustainable energy company



Registered Address
Galilee Energy Limited
ACN 064 957 419

Level 6, 167 Eagle St,
Brisbane QLD 4000
GPO Box 1944

E: admin@galilee-energy.com.au
P: +61 7 3177 9970
galilee-energy.com.au

ASX Code
GLL

Glenaras Gas Project (ATP 2019) – Galilee 100%



Galilee Energy Limited (ASX:GLL) (“Galilee”) is pleased to provide an update on the Glenaras multi-well pilot programme (“Pilot”) in the Galilee Basin in Queensland (Figure 1). The Glenaras Gas Project (“Project”) is located in ATP 2019, which is 100% owned and operated by Galilee. The Permit covers an area of approximately 3,200km².

At present, the Pilot has 3 wells online, with a rotation strategy in place to collect further subsurface data to assist in determining the extent of any preferential, directional reservoir characteristics.

The integrated subsurface model has been updated with the extensive suite of contemporary pressure data and the recently acquired and interpreted Glenaras Pad 3D Seismic Survey, which has provided substantially increased resolution of the structural and stratigraphic architecture of the Betts Creek Beds.

With the new data and confirmation that the coals are only now approaching the critical

desorption pressure required for material gas rates to result, this revised modelling exercise is crucial in progressing the Pilot into the final stages of achieving commercial gas rates and maturing the material Contingent Resource certified in ATP 2019.

Separate from the progress of gas desorption, Galilee continues to take steps to promote the sustainability credentials of the project. Glenaras’ water resources continue to underpin the Company’s pursuit of potential hydrogen production activities, part of Galilee’s strategy to become an integrated and diversified energy provider. Galilee continues work on detailed scoping studies and front-end engineering work for a demonstration project utilising the abundant relatively fresh water produced at Glenaras.

During the Quarter the Company made an application to the Queensland Government’s Frontier Gas Exploration Program, under which \$21m in grant funding is available “to explore and unlock new reserves in the Bowen and Galilee Basins and bring Queensland gas to market sooner”. The Company expects that recipients of grants under the program will be informed during 2024, potentially even late in the June Quarter.

The development of new gas supply is crucial for energy security and will continue to play an important role in underpinning the reliability of the electricity market as Queensland works towards a 70 per cent renewable

energy target by 2032. Galilee Energy is of course well placed to assist in this regard with one of the largest uncontracted gas resources in eastern Australia.

Kumbarilla Project (ATP 2043) – Galilee 100%

The conventional oil prospectivity of ATP 2043 remains the ongoing focus of technical studies with the key objective of defining a potential low-cost, high value 2D seismic survey, which will mature the strong oil leads identified in the permit to drillable status.

The multiple strong structural leads that have been mapped on the reprocessed seismic data are analogous to the nearby Moonie oil field (~24 million barrels of oil produced to-date), which is positioned ~30km downdip and along trend from ATP 2043. This proximity to a major oil field confirms ATP 2043 lies along a highly prospective oil migration pathway on the eastern margin of the Taroom Trough and overlying Surat Basin, with excellent probability of high-quality Precipice Sandstone being present.

Springsure Project (ATP 2050) – Galilee 100%

Technical evaluation of the conventional gas prospectivity of the Wandana Prospect and associated leads in ATP 2050 is ongoing. Integration of the petrophysical, geophysical and geological data is continuing with strong indications that the Wandana Prospect potentially has gas pools in multiple, stacked reservoirs throughout the Permian section in a structure that is drill-ready.

Corporate

The cashflow for the Quarter is presented in the accompanying Appendix 5B (Quarterly Cashflow Report).

The Company continues to maintain a strong cash position. As at March 31, 2024 cash was \$4.5 million, with no debt.

Given the disciplined approach to expenditure at the Glenaras Gas Project, spend for the quarter was modest. During the period, the Company spent only \$0.7 million on exploration and evaluation activities, primarily Glenaras operations. The Appendix 5B includes an amount in item 6.1 which constitutes director's fees paid in the March Quarter.

To support the next stage of the Glenaras Pilot's activity, the Glenaras Gas Project data room continues to remain open with industry participants evaluating the project for potential investment. Galilee will also be seeking additional financial support from the Queensland Government via submission to the Frontier Gas Exploration Grants Program.

Petroleum Tenements Held

Permit	Location	Interest Held Previous Quarter	Interest Held Current Quarter
ATP 2019	Galilee Basin (Qld)	100%	100%
ATP 2043	Surat Basin (Qld)	100%	100%
ATP 2050	Bowen Basin (Qld)	100%	100%

This announcement was released with the authority of the Board.

For further information, contact:

Ray Shorrocks – Executive Chairman

Galilee Energy Limited

T: +61 7 3177 9970

About Galilee

Galilee Energy is advancing towards becoming an integrated and diversified sustainable energy company and a material supplier of natural gas to the east coast market of Australia. The company is the 100% owner of one of the largest uncontracted natural gas resources on the east coast of Australia, located within the Glenaras Gas Project in Queensland's Galilee Basin. The Glenaras project's location and environmental credentials, including the production of fresh water from its coals for beneficial use in crop production along with low CO₂ levels, positions Galilee to be a material supplier of sustainable energy.

Directors

Chairman – Ray Shorrocks

Non-Executive Director – Gordon Grieve

Non-Executive Director – Greg Columbus

Non-Executive Director – Stephen Kelemen

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

GALILEE ENERGY LIMITED

ABN

11 064 957 419

Quarter ended ("current quarter")

31 Mar 2024

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows related to operating activities		
1.1 Receipts from customers	-	24
1.2 Payments for:		
(a) exploration & evaluation	(726)	(5,749)
(b) development	-	-
(c) production	-	-
(d) staff costs	(336)	(1,262)
(e) administration and corporate costs	(394)	(886)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	36	179
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	4,954
1.8 Other - Inventory	-	-
1.9 Net cash from / (used in) operating activities	(1,420)	(2,740)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(2)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other - Rental bonds received	12	12
2.6 Net cash from / (used in) investing activities	12	10
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other - Payment for principal portion of lease liabilities	(30)	(124)
3.10 Net cash from / (used in) financing activities	(30)	(124)

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
4. Net increase/ (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	5,898	7,314
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,420)	(2,740)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	12	10
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(30)	(124)
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	4,460	4,460

	Current quarter \$A'000	Previous quarter \$A'000
5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	60	193
5.2 Call Deposits	4,400	5,705
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,460	5,898

	Current quarter \$A'000
6. Payments to related parties of the entity and their associates	
6.1 Aggregate amount of payments to related parties and their associates included in item 1	111
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

6.1 - Directors' fees.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7. Financing facilities		
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	-	-

7.5 Unused financing facilities available at quarter end

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

	\$A'000
8. Estimated cash available for future operating activities	
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,420)
8.2 (Payments for exploration & evaluation classified as investing activities (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,420)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,460
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4,460
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.14

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Not applicable

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Not applicable

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not applicable

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Appendix 5B
Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 22 April 2024

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee"
- 5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.