

Glenaras drilling update and forward programme

20 October 2020

Highlights

- ❖ The final well in the Glenaras multi-well pilot, Glenaras 22, was drilled safely on time and within budget.
- ❖ All Betts Creek coal seams for Glenaras 22 intersected on prognosis with net coal of 26m, which was within expectations.
- ❖ The drilling rig has now been released and the completions rig will commence work this week.
- ❖ Surface facilities are under construction with the gathering system for gas and water now 90% complete.

Glenaras Gas Project (ATP 2019) – GLL 100%

Galilee Energy Limited (ASX:GLL) (“Galilee”) is pleased to provide an update on the Glenaras Gas Project in the Galilee Basin in Queensland (Figure 1).

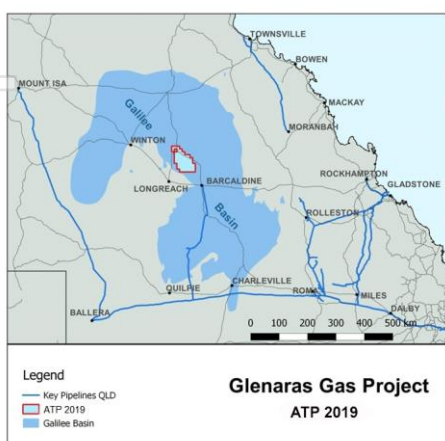


Figure 1 – Glenaras Gas Project

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 4,000 km².

The Project has one of the largest Contingent gas Resources on the east coast and is strongly positioned to supply the AEMO’s forecast eastern Australian domestic market gas shortfall in the early to mid 2020’s. The Project’s independently derived and certified Contingent Resource* within the Betts Creek coals are 1C of 308 PJ, 2C of 2,508 PJ and 3C of 5,314 PJ, which represents sufficient gas supply to meet the entire eastern Australian domestic market needs for approximately 8 years (3C Contingent Resource at 650 PJ/year). Conversion of these material Contingent Resources to Reserves is the Company’s primary focus.

Glenaras Pilot Enhancement Programme

The Glenaras 22 vertical well which was spudded on 11th October 2020, was successfully drilled through to planned total depth, intersecting the full Betts Creek coal section with the rig released on 16th October 2020. All coals were encountered on prognosis and a total of 26m of net coal was intersected with a complete set of wireline logs run to characterise the coal seams prior to production. The Glenaras 22 well has been cased and suspended for future production which completes the drilling of the five well pilot enhancement programme safely, ahead of schedule and within budget.

This programme completes what has been an outstanding drilling campaign. “The Company has now executed the five well programme safely, on schedule and within budget. I am very proud of the technical team who have worked tirelessly during the successful campaign which has significantly de-risked the project. We now have an enhanced multi well pilot over the full Betts Creek section which provides the platform for us to drawdown a large area of coal below critical desorption pressure which we expect will progress to material gas rates.”, Managing Director Peter Lansom stated.

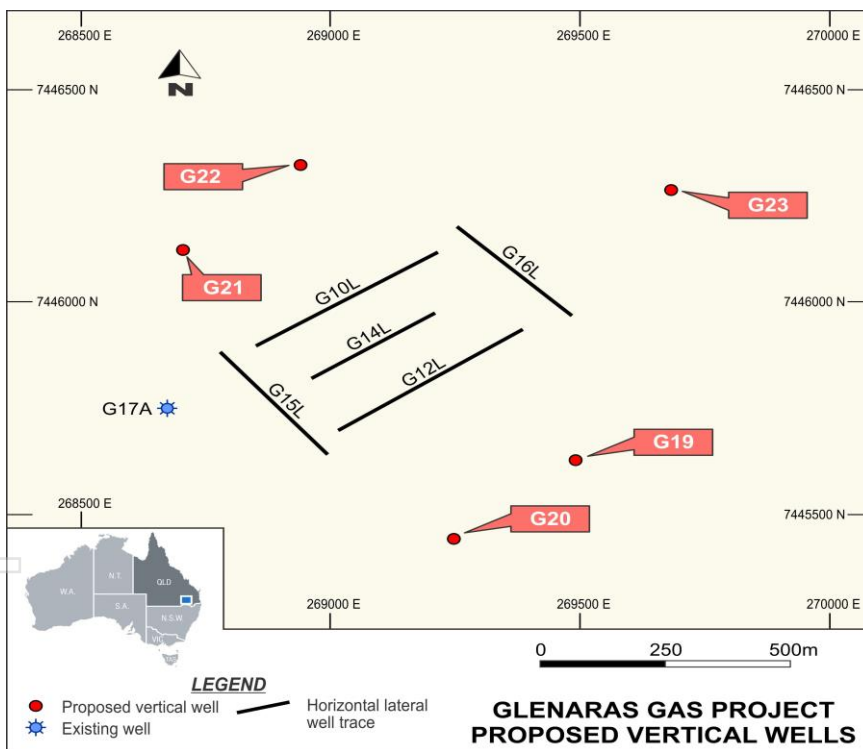


Figure 2 – Glenaras Pilot Enhancement Well Locations

The crew for the completions rig (previously stacked on site to save mob and demob costs) has been mobilised to site and will commence completing the wells with pumps in the coming days. Surface facilities and gathering system construction is well underway, with approximately 90% of the water and gas flowline installation and pressure testing complete.

The construction crews have also completed 75% of the underground power network, with the power generation site now complete and ready for the delivery of the generation units which are scheduled to be received at the end of this month. The wellsite metering skid fabrication and assembly has progressed significantly with the first of the 6 units now fully completed, with the remaining units in the final stages of fabrication for installation following the pump completions in each well.

The Company is targeting the first new wells to be on-line by mid-November and further updates will be provided as progress is made throughout the programme.

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* Listing Rule 5.42 +

The details of Contingent Resources referenced throughout this release in respect to ATP 2019 were announced to the market on 1 September 2015. 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 that market announcement reporting the details of the Contingent Resources for ATP 2019 and that all of the material assumptions and technical parameters underpinning the estimates in that announcement 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 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 – Peter Lansom

Non-Executive Director – Dr David King

Non-Executive Director – Stephen Kelemen

Non-Executive Director – Gordon Grieve

Non-Executive Director – Greg Columbus