

Glenaras Gas Pilot – Highest Recorded Gas Rate

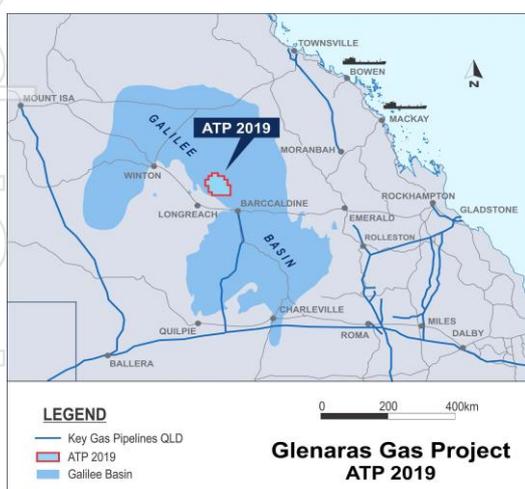
11 February 2021

Highlights

- ❖ Glenaras multi-well pilot has reached 50 Mscfd in aggregate – the highest measured gas rate thus far.
- ❖ All eleven wells are on continuous production and performing strongly.
- ❖ Water rates at the laterals have declined significantly from their peak rates and are continuing to decline as we depressure the pilot area and gas production increases.
- ❖ Excellent water rates in excess of 9,700 BWPD (barrels of water per day) in aggregate from the new vertical wells, with total Pilot water production of 14,300 BWPD.

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).



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 3,200 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 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 fulfil approximately 25% of eastern Australian domestic market needs for over 30 years (3C Contingent Resource at 650 PJ/year).

Figure 1 – Glenaras Gas Project Location Map

Glenaras Pilot Enhancement Programme

Each of the eleven wells at the Glenaras multi-well pilot (“Pilot”) are now on continuous production (Figure 2). Since the commencement of production from the new vertical wells, there has been demonstrable gas production through the water line system. To enable us to quantify this additional gas production, a separator has recently been installed in these lines to separate and measure this incremental gas volume. The metered gas rate, measured using an Accelabar flowmeter, has reached a daily average of 50 Mscfd in aggregate representing the highest recorded gas rate thus far at the Pilot.

Water rates from the lateral wells have continued to decline and are now at ~4,600 BWPD, which is a clear indication of pressure depletion in the central area of the Pilot. The water rates from the additional six wells are exceeding the estimated rates from the recent Schlumberger reservoir modelling which bodes well for achieving the Pilot’s intended objective of accelerating the depressurisation process and achieving commercial gas flow rates. The total water rate from all eleven wells at the Pilot is ~14,300 BWPD.

We expect to see an increase in this gas rate in the coming weeks/months as we lower the reservoir pressure within the Pilot area below the critical desorption pressure and will keep the market informed of significant changes.

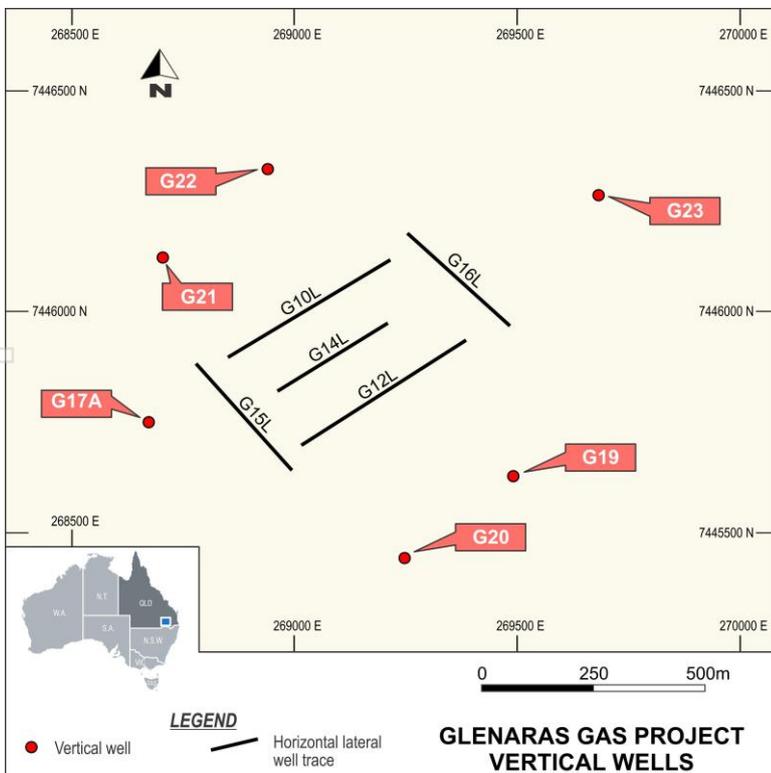


Figure 2 – New vertical well locations.

For further information contact:

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

* 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 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.

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