



GALILEE
ENERGY LIMITED

INVESTOR PRESENTATION

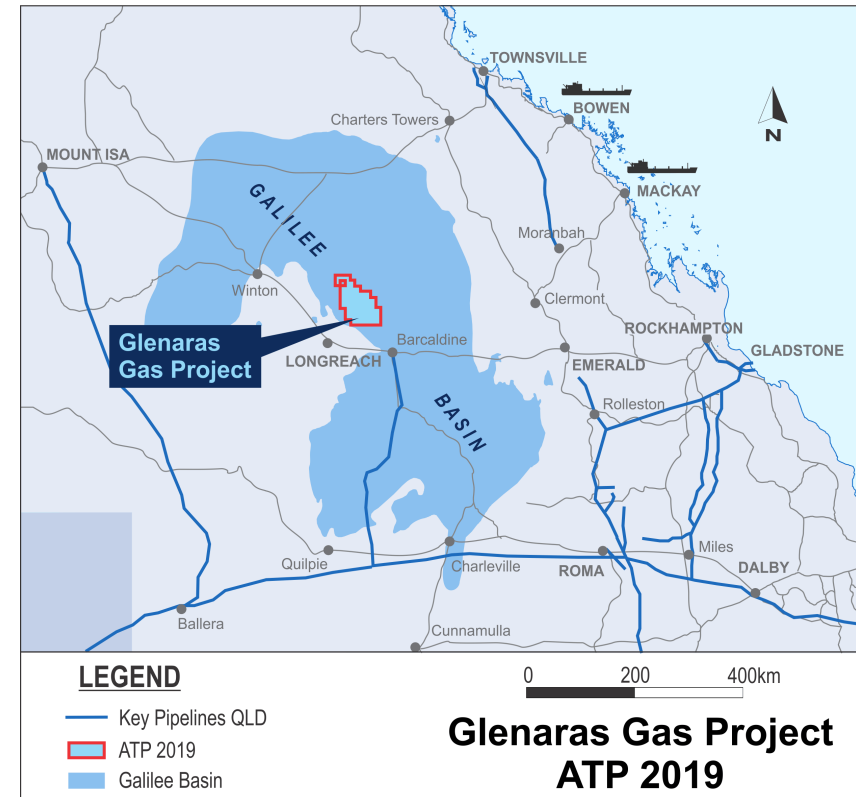
ASX: GLL

Company overview



- Brisbane based gas explorer (ASX:GLL).
- 100% owner of the **2nd largest Contingent Gas Resource** in Queensland (excluding the big 3 LNG exporters).
- Management team has a proven track record of top tier coal seam gas and conventional exploration success.
- MD formerly of Eastern Star Gas which was sold to Santos for \$900m after booking 1520 PJ 2P reserve.
- Directors and Management own over 8% of company (entry at 12.5 cents/share).
- Well placed to supply gas into the critically undersupplied Australian east coast gas market.
- ~\$90m spent to date on Glenaras Gas project. Major potential value creation phase imminent with step out pilot designed to convert major Resource into a significant Reserve position.
- Market Cap \$18m (\$6m Cash EV \$12m)

Location of Glenaras Gas Project (Galilee Basin)



**GAS EXPLORER WITH A MAJOR STRATEGIC ASSET
IN THE CRITICAL EAST COAST GAS MARKET**

Measure	Galilee Energy Limited (ASX:GLL)	Blue Energy Limited (ASX:BUL)	Comet Ridge Limited (ASX:COI)	Strike Energy (ASX:STX)	Real Energy Corporation Limited (ASX:RLE)
Market Capitalisation	\$18.26 million	\$171.28 million	\$111.20 million	\$83.19 million	\$28.66 million
Cash	\$6.09 million**	\$2.54 million**	\$6.03 million**	\$4.86 million**	\$7.51 million**
Enterprise Value (EV)	\$12.17 million	\$168.74 million	\$105.17 million	\$78.33 million	\$21.15 million
Contingent Resource (PJ) – 2C	+2,508	984	452	~164 [^]	~291 [^]
Contingent Resource (PJ) – 3C	+5,314	3,942	3,221	~238 [^]	~709 [^]
EV/2C	4.9x	171.5x	232.7x	477.6x	72.7x

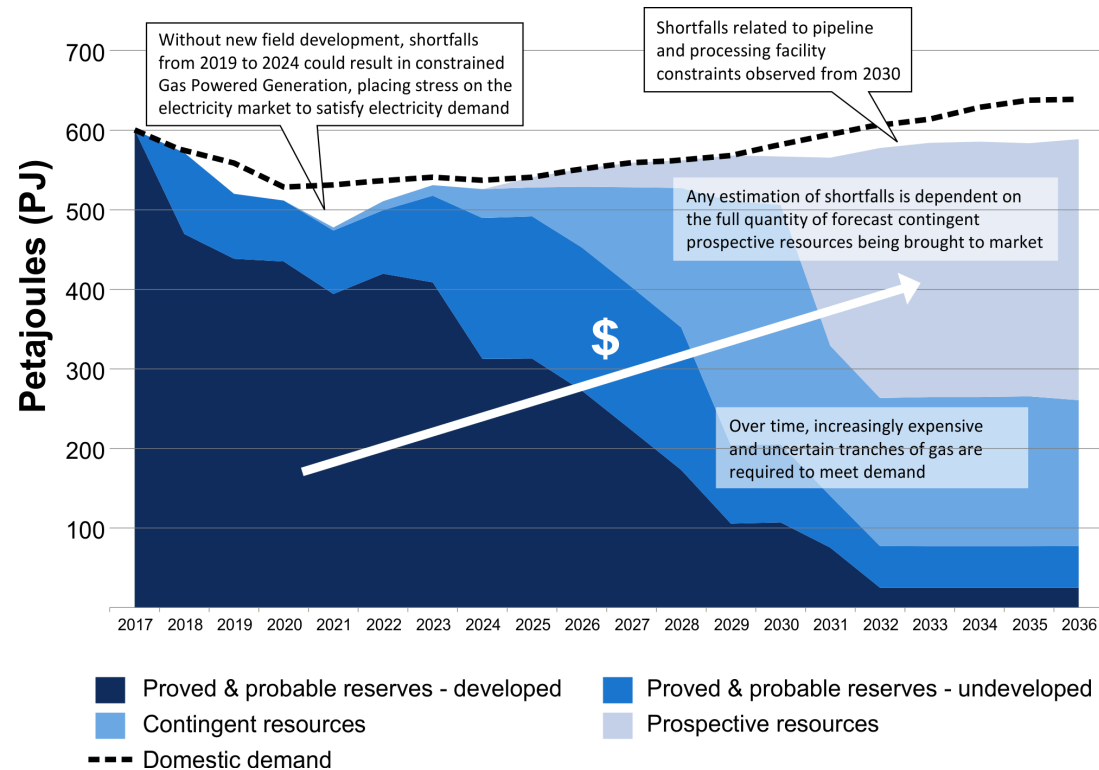
Market Capitalisation as of market close Monday 2 October 2017. Enterprise Value considers debt book values as at 30 June 2016. **Cash position as at 30 June 2017. Contingent Resource data forced from 2017 Annual Reserves Statements contained in the Annual Reports issued by GLL, BUL, COI and RLE and the September 2017 update for STX (relevant permits only). [^]STX and RLE reports Contingent Resource in Billion Cubic Feet (BCF). Converted at a rate of 1.055PJ:BCF.
+Please refer to the Listing Rule 5 Disclosure on slide 13 of this presentation.

**GALILEE REPRESENTS SIGNIFICANT VALUE TO INVESTORS
GIVEN ITS CASH AND RESOURCE POSITION**

Australian East Coast Gas Crisis

- Reliable gas supply is crucial to the Australian economy.
- Supply to meet domestic demand has been constrained by LNG exports – East Coast Gas contracted for export.
- Major price implications – rising wholesale and retail gas prices.
- Galilee’s Glenaras Gas Project Contingent Resource of 5300 PJ, if converted to Reserves, is enough to supply the entire domestic east coast market for 8 years. (~650 PJ/year)

Eastern and south-eastern Australia domestic gas production (excluding LNG), 2017-2036

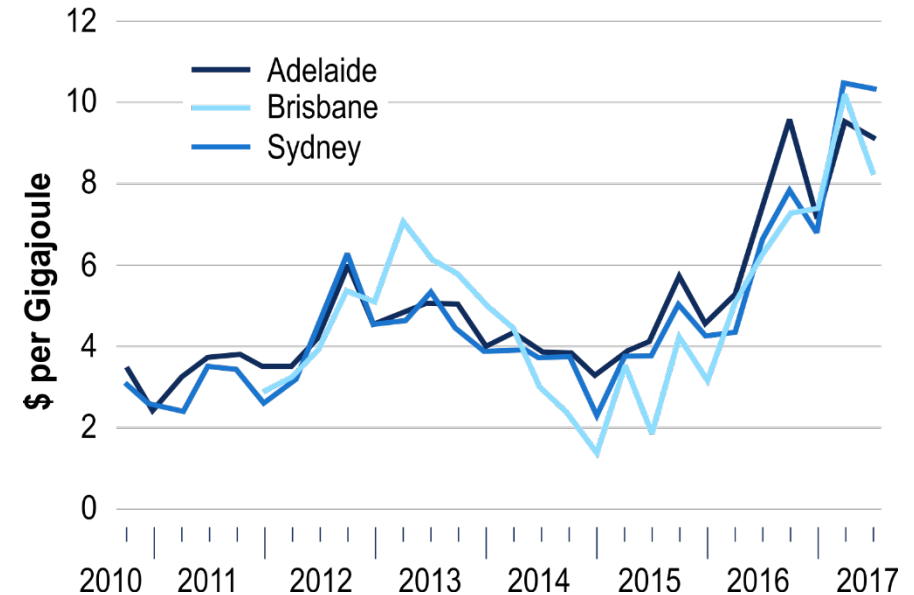


**THE SOLUTION IS NEW SOURCES OF GAS SUPPLY
SUCH AS GALILEE’S GLENARAS PROJECT**

Australian East Coast Gas Pricing

- East Coast Gas crisis: Push for renewables while reducing coal use poses a threat for electricity prices and reliability of power supply.
- Gas prices have increased from 2008-2010 levels of \$2/GJ to recent highs of over \$10/GJ.
- Given the supply shortfall, these prices are likely to be sustained in the medium term.
- Uncontracted new gas supply is highly valuable and is critical to solve current issues.

STTM - QUARTERLY PRICES

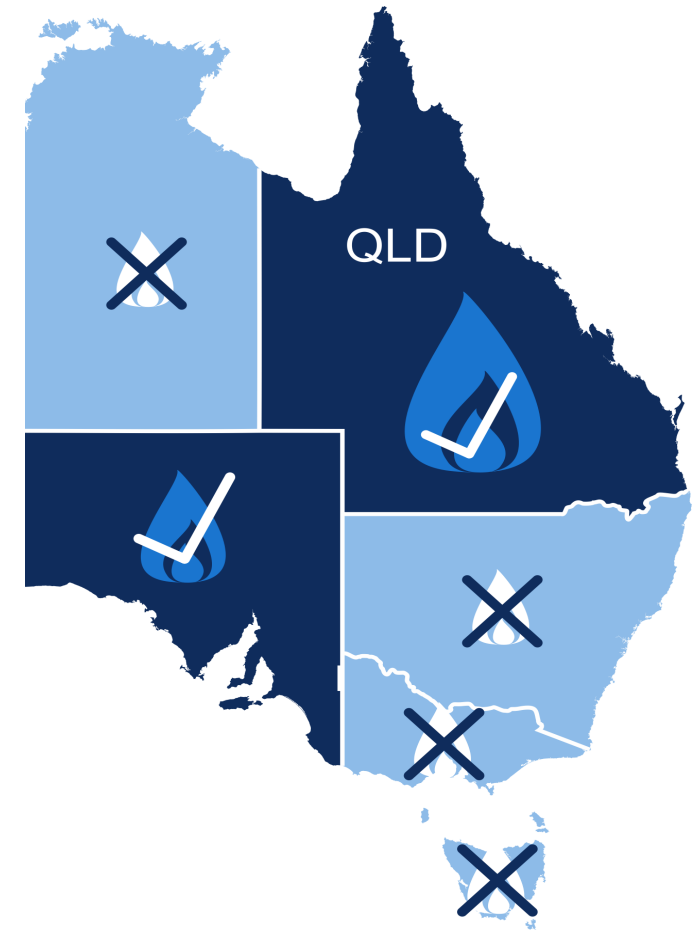


The Short Term Trading Market (STTM) is a market-based wholesale gas balancing mechanism and is operated by the Australian Energy Market Operator (AEMO). Above pricing data sourced from AEMO.

**UNCONTRACTED NEW SOURCES OF GAS SUPPLY
ARE NOW HIGHLY VALUABLE**

Australian East Coast Gas Dynamics

- Many Australian states have imposed moratoria or restrictions on gas exploration activities.
- The Glenaras Gas Project does not require fracking.
- Queensland Govt has shown strong bipartisan support for the gas industry.
- Qld Govt has identified the Galilee Basin as a crucial asset in the supply solution.
- Strong support from industry and Government to develop pipeline options to unlock these areas.
- Potential for Federal Govt funding to accelerate Reserve bookings.



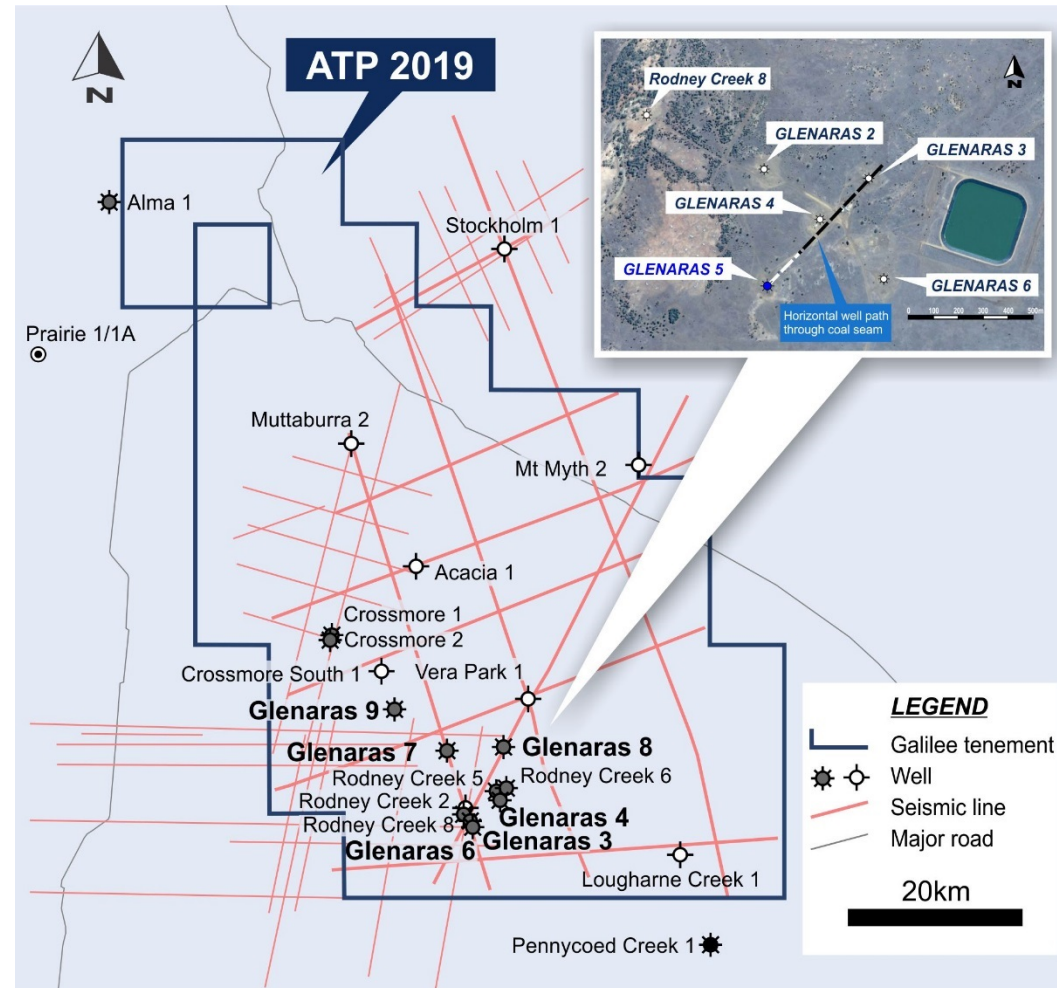
QUEENSLAND IS EASTERN AUSTRALIA'S ENERGY STATE

Glenaras Gas Project – The Asset

- The Glenaras Gas Project is a mature exploration project with over \$90 million spent to date.
- The resource is clearly defined with over 20 exploration wells, 700km of seismic and two multi well pilots.
- Importantly, the existing assets include a large water storage facility (450 ML costing over \$6 million) and existing production gathering and flare facilities.
- This expenditure has advanced the Glenaras Gas Project to its significant current *Resource position:

<u>Category</u>	<u>Resource Estimate (PJ)</u>
1C	308
2C	2,508
3C	5,314

- Upcoming multi-lateral pilot programme, and converting Resource to Reserves, is the remaining step for significant value creation. Strong confidence in this forward plan based on recent pilot results.
- This new pilot will utilise these existing facilities; a significant cost saving over a new pilot in a new permit area.



*See ASX Listing Rule 5 Disclosure on slide 13 of this presentation.

Glenaras Gas Project – The Asset

- The project is close to market, only 80km to Barcaldine Power Station and Cheepie gas pipeline interconnect.
- Low field development cost (~\$6-7/GJ delivered):
 - No fracking
 - Low water treatment cost, reinjection solution
- Strong stakeholder relationships:
 - Community consultation through industry Operator's forum
 - Less than 12 landowners within the 2C Contingent Resource area. Flat grazing country.
- The Betts Creek Coal sequence exhibits excellent qualities for gas production. Resource concentration and coal permeability have been proven across the permit.
- Comparable to world class projects such as Spring Gully and Fairview.

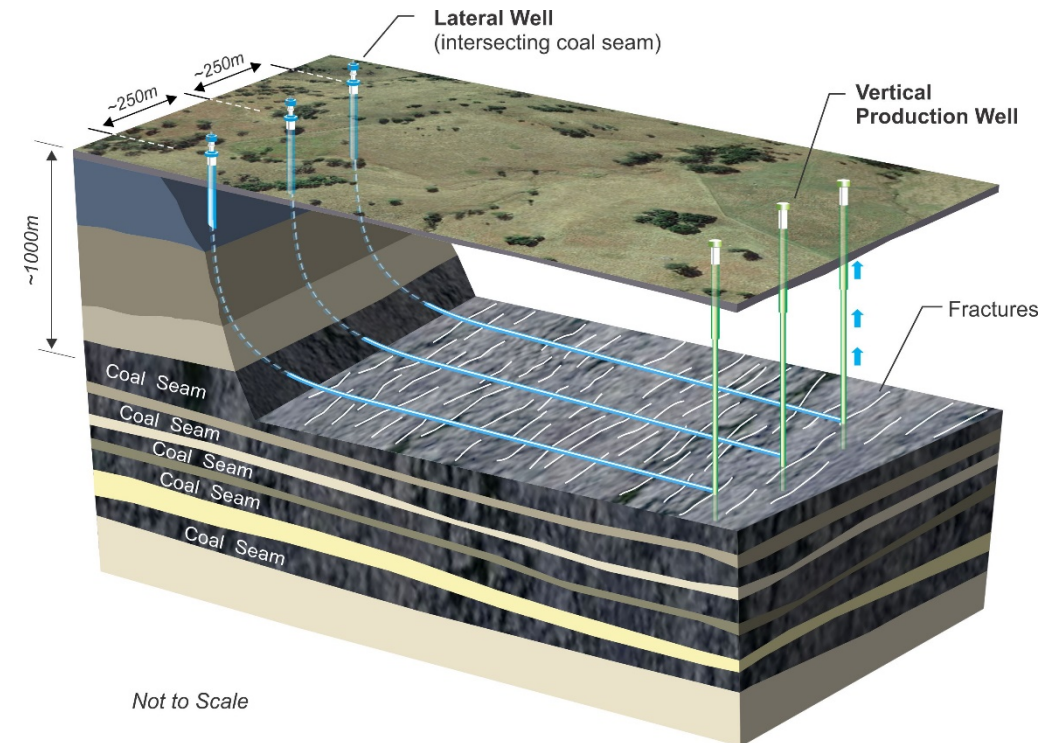
Betts Creek Coal – Core area properties

Coal depth (m)	900 - 1,000
Net coal (m)	19
Gas content (m3/t)	5.3
Permeability (md)	45
Resource concentration (bcf/km ²)	5.2



NEW MULTI-LATERAL PILOT IS THE PATH FORWARD TO FIRST RESERVES BOOKING

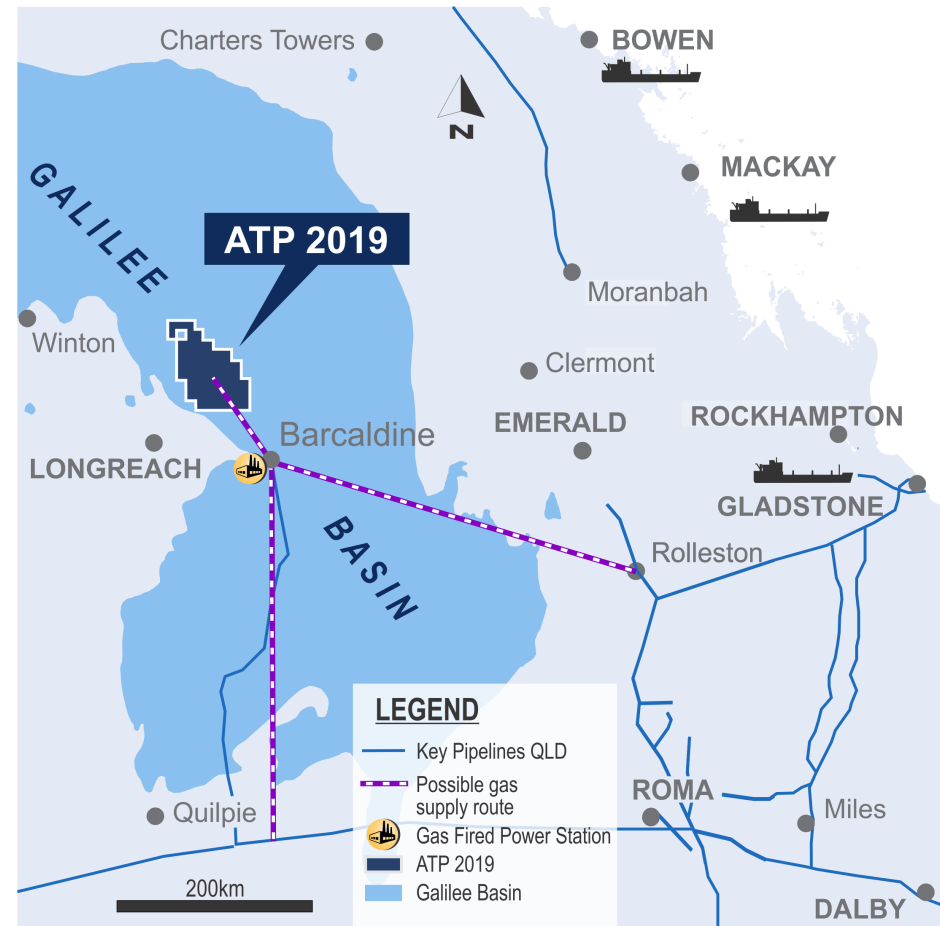
- Target good permeability coal in the near vicinity of the existing pilot. Allow use of existing key infrastructure; camp, pond, flare.
- Preliminary pilot design is three new lateral wells intersecting vertical wells drilled perpendicular to master cleat orientation.
- Coal characteristics are analogous to the Gunnedah Basin coals where the same lateral pilot design has proven successful.
- A successful pilot achieving commercial gas rates has the potential to book 500 PJ+ (500 million GJ) of 2P reserves.
- Domestic gas current selling at over \$8/GJ.



SIMILAR PILOT DESIGN, SAME TECHNICAL TEAM THAT BOOKED 1500 PJ 2P RESERVES IN GUNNEDAH BASIN

Glenaras Gas Project – Path to Market

- Galilee Energy is in discussion with a number of gas customers:
 - Domestic and export
 - Significant interest in Galilee Basin as new source of supply by both Government and buyers.
- Potential early stage commercialisation option to Barcaldine Power Station and flowline to SWQ pipeline.
- Detailed discussions with pipeline groups and Queensland Government on best pipeline options.



MULTIPLE MARKET AND PIPELINE OPTIONS

GLENARAS

Commercial flow results

- Multi-lateral pilot planned for execution as soon as possible.
- Program design similar to successful lateral pilots in Gunnedah Basin, executed by the same team.
- Success would result in sizeable Reserves booking, transforming company value.
- Previous transaction metrics of CSG reserves in 2008/09 were in the order of ~\$1.17/GJ 3P and ~\$2.79/GJ 2P.
- Targeting conversion of 500PJ+ of 2P reserves.

MACRO

Gas price and QLD gas market

- Large moves in East Coast gas prices.
- Clear shortages in the Australian east coast gas market dramatically improve the Glenaras Gas Project's attractiveness.
- Pipeline access and market opportunities are progressing strongly.

**GALILEE HAS MULTIPLE OPERATIONAL AND MACRO
CATALYSTS IN THE COMING MONTHS**

Disclaimer



This presentation may contain forward looking statements that are subject to risk factors associated with oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

Investors should undertake their own analysis and obtain independent advice before investing in GLL shares.

All references to dollars, cents or \$ in this presentation are to Australian currency, unless otherwise stated.

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Competent Person's Statement



Competent Persons Statement & Listing Rule 5 Reporting on Oil & Gas Activities

The estimate of Contingent Resources for the ATP 2019 as appears on pages 3 & 7 of this presentation, is based on, and fairly represents, information and supporting documentation determined by Mr Timothy L. Hower of MHA Petroleum Consultants LLC Inc Denver, Colorado, USA, an independent petroleum reserve and resource evaluation company, in accordance with Petroleum Resource Management System guidelines. Mr Hower is a full-time employee of MHA, and is a qualified person as defined under the ASX Listing Rule 5.41. His career spans over 30 years petroleum engineering evaluations experience including field development planning, unconventional reservoir assessment and reserves, reservoir simulation, enhanced recovery, and industry training courses. His qualifications and experience meet the requirements to act as a Competent Person to report petroleum reserves in accordance with the Society of Petroleum Engineers ("SPE") 2007 Petroleum Resource Management System ("PRMS") Guidelines as well as the 2011 Guidelines for Application of the PRMS approved by the SPE.

Mr Hower has consented to the publication of the Contingent Resource estimates for Galilee Energy 100% interest in ATP2019 in the form and context in which they appear in this presentation. The Contingent gas resource estimates for ATP2019 provided in this presentation were originally released to the market in the Company's announcement of 1 September 2015, and were estimated using the deterministic method with the estimate of contingent resources for ATP2019 not having been adjusted for commercial risk.

Galilee Energy confirms that it is not aware of any new information or data that materially affects the information included in the announcement of the 1st of September 2015 and that all of the material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.



Appendix

Galilee Energy

– Detailed Technical Slides

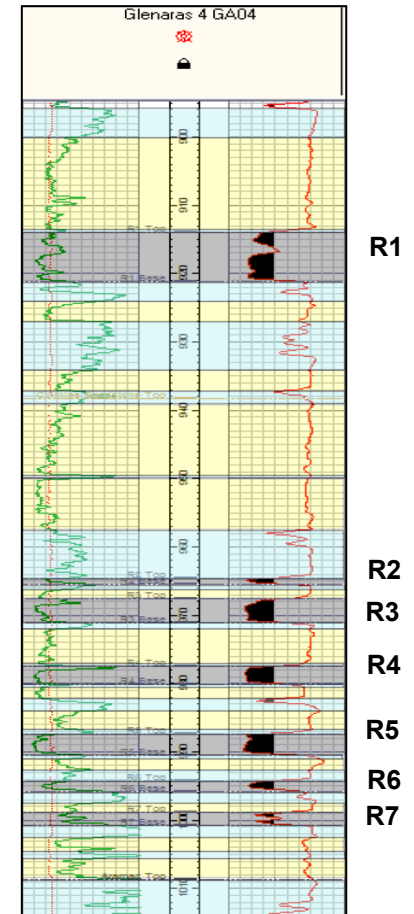
Glenaras Gas Project - CSG properties

- Successful CSG projects require three key parameters:
 - Resource Concentration (*thickness, gas content*)
 - Productivity (*thickness, permeability*)
 - Pressure drawdown in the coal (*well design*)
- Resource concentration and coal productivity have been proven across the permit
- Comparable to world class projects such as Spring Gully and Fairview



Betts Creek Coal – Core area properties

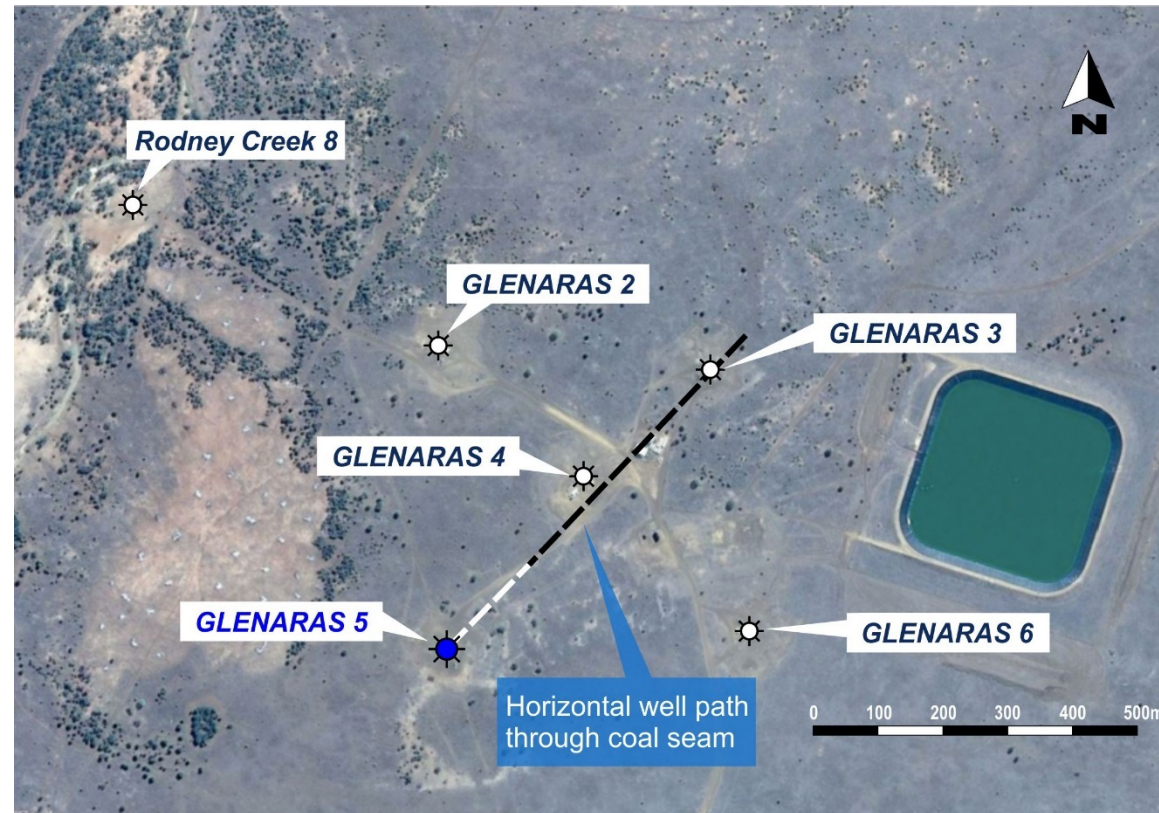
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Net coal (m)	19
Gas content (m ³ /t)	5.3
Permeability (md)	45
Resource concentration (bcf/km ²)	5.2



**THE BETTS CREEK COAL SEQUENCE EXHIBITS
EXCELLENT QUALITIES FOR GAS PRODUCTION**

Glenaras R1 seam – Vertical well pilot

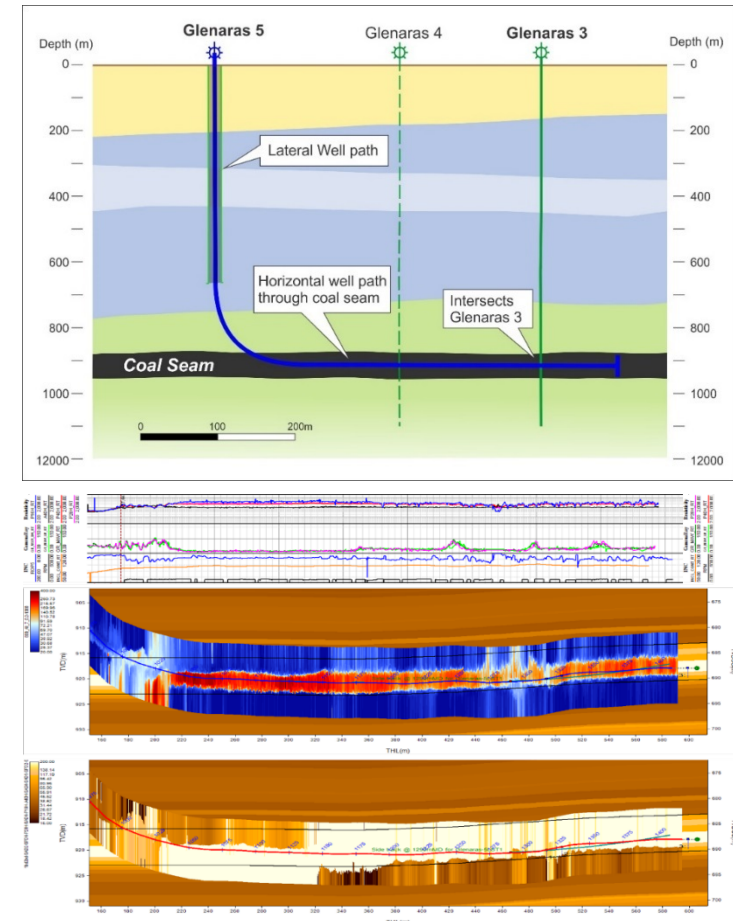
- R1 seam is the thickest seam, never completed in initial pilot testing at Glenaras.
 - Not affected by previous fracture stimulations.
- All five vertical wells recompleted to the R1 seam in late 2015.
- Pilot was successful at producing water from the coal only – a first for the Permit.
- Due to low permeability in this area, water rates were not sufficient to achieve large areal desorption in the coal.
 - Additional drawdown required.
- Lateral well drilled from Glenaras 5 to Glenaras 3 in late 2016 to improve deliverability, accelerate results.



**A TEST OF THE R1 SEAM AT GLENARAS WAS THE
LOWEST COST OPTION TO APPRAISE THE SIGNIFICANT RESOURCE**

Glenaras R1 seam pilot outcomes

- Excellent data gathered from this pilot work has determined the pathway forward to commercialisation.
- Summary of R1 Pilot results:
 - Revised artificial lift system has performed flawlessly. ✓
 - Coal architecture has a strong directional permeability due to master cleat system, positive feature for development. ✓
 - Coal can be developed without major interference from interbedded sands. ✓
 - Recent advances in lateral drilling technology allow excellent well control to stay within coal seams while drilling. ✓
 - Comparison with analogous pilots in similar coals confirm that multi-lateral well pilot should achieve commercial pilot results and booking of first Reserves for the Basin. ✓
 - Permeability in the R1 coal in this location too low. ✗



USING THE SAME APPROACH IN BETTER COAL SHOULD QUICKLY PROVE COMMERCIALITY

Experienced oil and gas team



Board and Management

Dr. David King

Non-Executive Chairman
PhD, MSc,
FAusIMM, FAICD.

40+ years senior experience in Oil & Gas.
Founder and NED of Sapex Ltd, Gas2Grid and Eastern Star Gas.
Previously, MD of North Flinders Mines and CEO of Beach Petroleum and Claremont Petroleum.
Currently Non-executive Chairman of Cellmid Ltd, Litigation Capital Management Ltd and African Petroleum Corporation.

Peter Lansom

Managing Director
B.E. Petroleum (Hons)

30+ years experience in conventional and coals seam gas exploration and development. Previously Executive Director of Eastern Star Gas which unlocked over 1500PJ of 2P reserves in the Gunnedah Basin. Other roles included Chief Petroleum Engineer at Origin Energy. Key team member of the initial exploration and development of Origin's CSG portfolio.

Ashley Edgar

Geoscience Manager
B. App Science (Applied Geo)

30+ years experience in conventional and unconventional exploration and appraisal. Ashley was the key geoscientist involved in building the Origin Energy CSG expertise and asset portfolio from 1995 to 2007, including booking its first reserve position of > 2400PJ. Also a key member of the ESG team that unlocked over 1500PJ of 2P reserves in the Gunnedah Basin.

Gerard Ryan

General Manager -
Operations
B.E. (Mech.) M.Sc. (Petroleum)

22+ years experience in the petroleum sector in operational, drilling, development and production roles. Gerard has extensive expertise in well, gathering and facility design, construction, commissioning and operations. Gerard has worked extensively in field roles within Roma, Surat, Chinchilla, Wandoan and Longreach.

PROVEN TEAM WITH EXTENSIVE CSG EXPERIENCE