



GALILEE
ENERGY LIMITED

Asia Investor Roadshow Presentation

November 2018

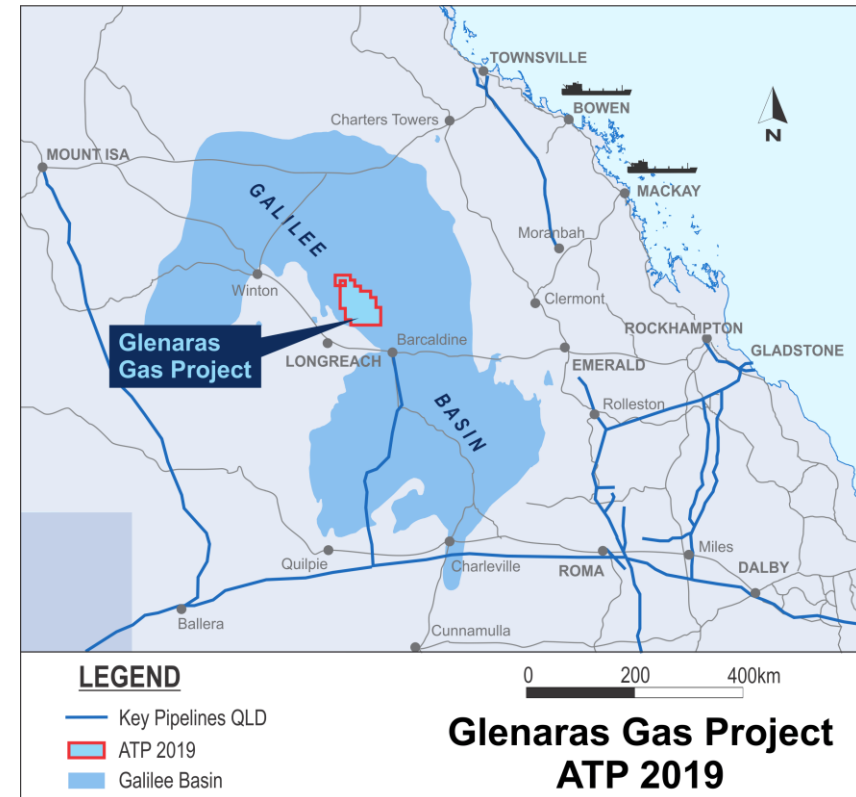
ASX: GLL

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.
- Well placed to supply gas into the critically undersupplied Australian east coast gas market. Jemena pipeline option provides clear path to 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 ~\$139m (current) (Cash c \$7.5m 30 Sept 2018)

Location of Glenaras Gas Project (Galilee Basin)



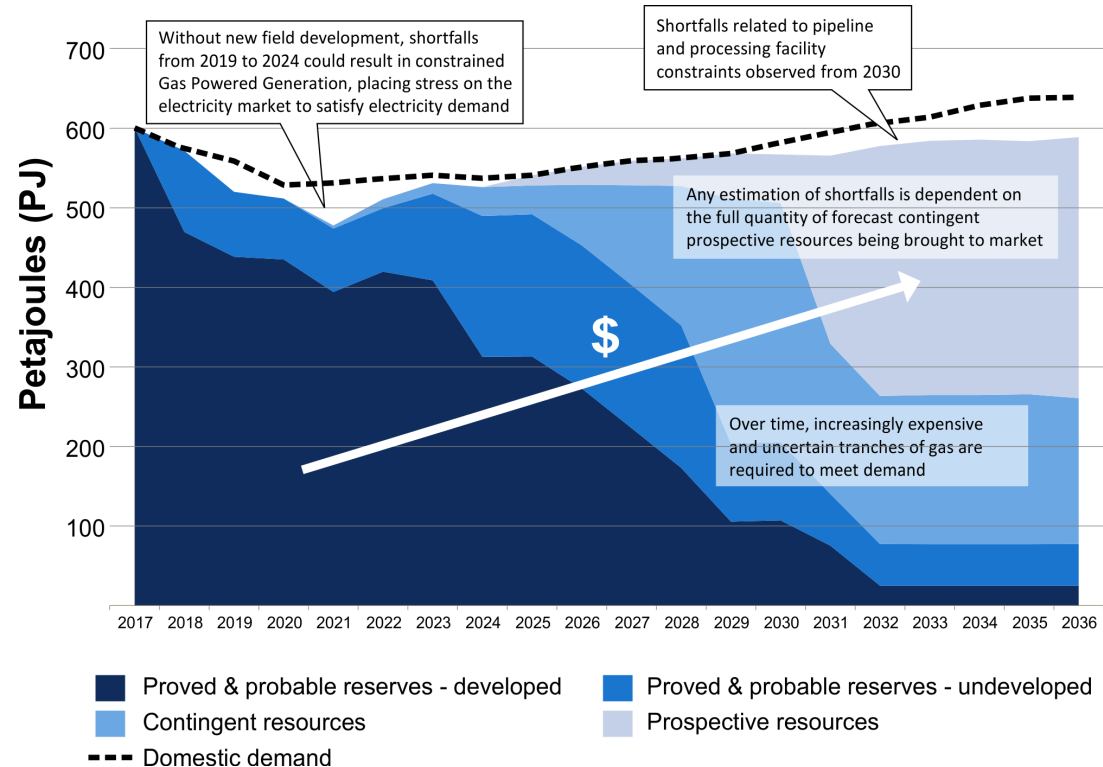
**GAS EXPLORER WITH A MAJOR STRATEGIC ASSET
IN THE CRITICAL EAST COAST GAS MARKET**

Australian East Coast Gas Dynamics



- Australian east coast gas thematic continues to be a powerful story for Galilee.
- East coast market was transformed with the advent of the three LNG projects in Queensland which altered the supply and pricing dynamics.
- Supply to meet domestic demand has been constrained by these LNG exports with large huge east coast gas volumes contracted for export.
- 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)

Domestic gas prices aligning with international LNG netback pricing

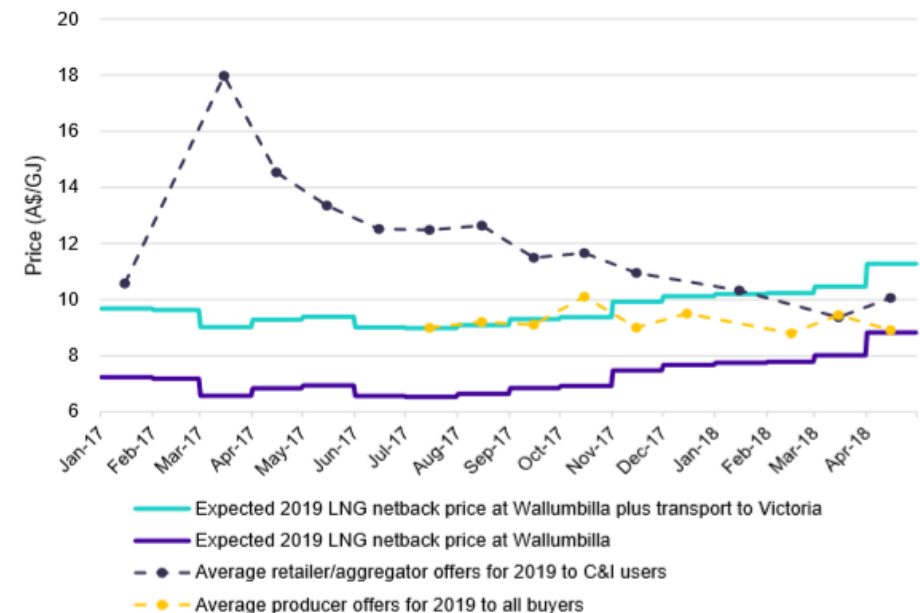


**THE SOLUTION IS NEW SOURCES OF GAS SUPPLY
SUCH AS GALILEE'S GLENARAS PROJECT**

Australian East Coast Gas Dynamics

- Convergence between domestic gas prices in the east coast gas market and LNG export parity prices.
- The long term supply outlook for east coast gas market remains uncertain, exacerbated by restrictive state government policies regarding onshore gas exploration in certain states.
- Gas prices have increased from 2008-2010 levels of as low as \$3/GJ to recent highs of over \$10/GJ.
- Given the supply shortfall, these prices are likely to be sustained into the medium term.

Average monthly gas commodity prices offered for 2019 supply against contemporaneous expectations of 2019 LNG netback prices (Southern States)



DOMESTIC GAS PRICES ALIGNING WITH INTERNATIONAL LNG NETBACK

Australian East Coast Gas Dynamics

- Many Australian states have imposed moratoria or restrictions on gas exploration activities.
- Northern Territory has recently lifted its previous restrictions.
- South Australia now has restrictions in the south east of the state.
- 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.



QUEENSLAND IS EASTERN AUSTRALIA'S ENERGY STATE

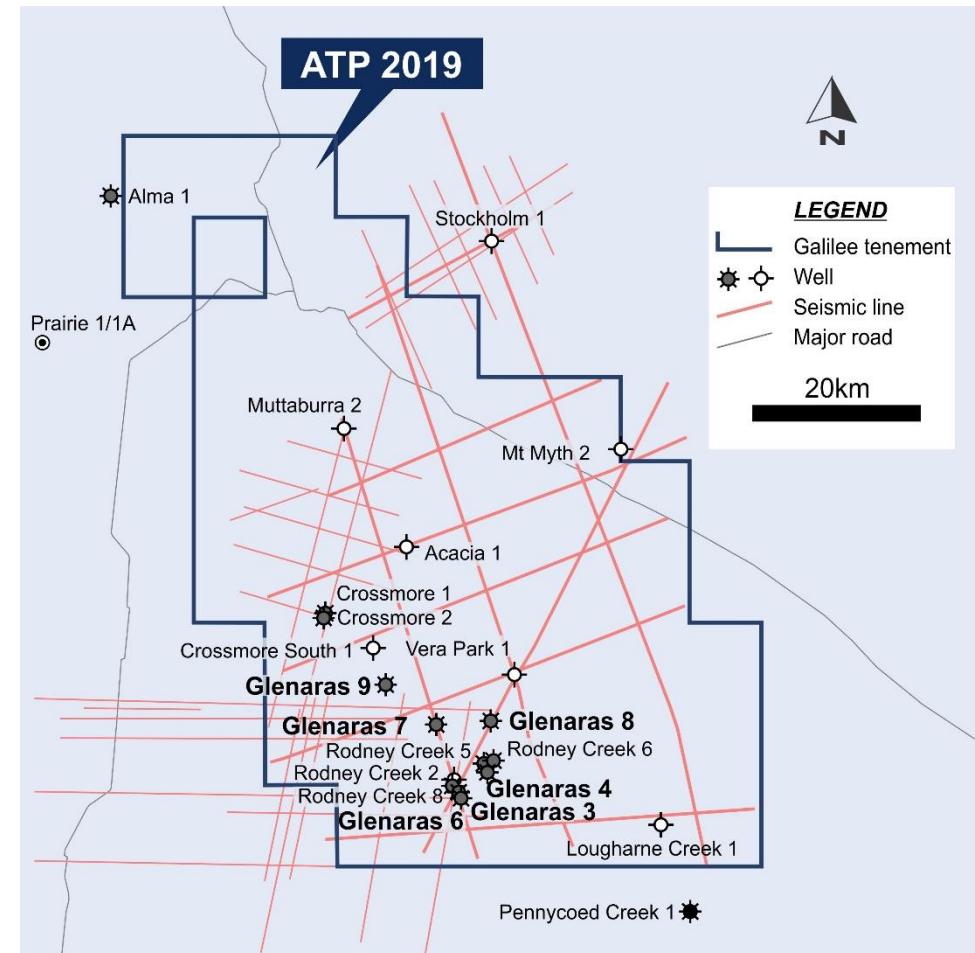
Glenaras Gas Project – The Asset

- 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

- Current multi-lateral pilot program to convert Resources to Reserves is the remaining step for significant value creation.
- Current pilot is utilizing the existing facilities; a significant cost saving versus a new pilot in a new permit area.

*See ASX Listing Rule 5 Disclosure on slide 12 of this presentation.



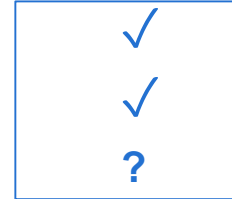
Glenaras Gas Project – The Asset

- The project has a clear path to market. Jemena and Galilee have signed a binding MOU to fast-track a pipeline from Glenaras to the east coast market.
- Expected low field development cost:
 - 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.



Glenaras Gas Project - CSG properties

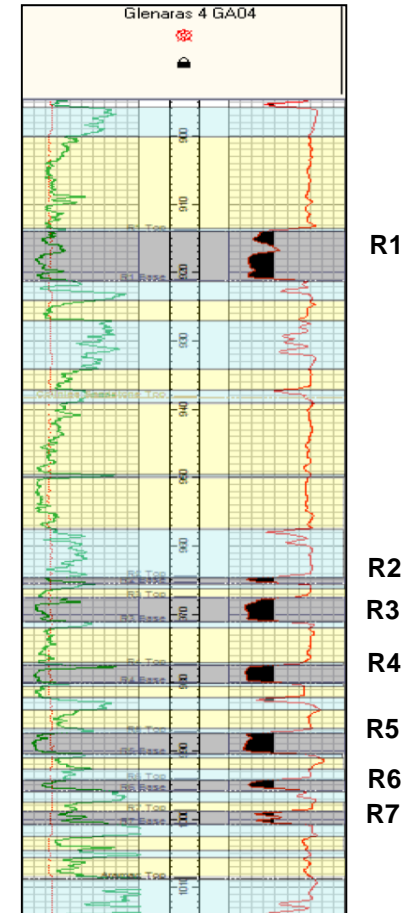
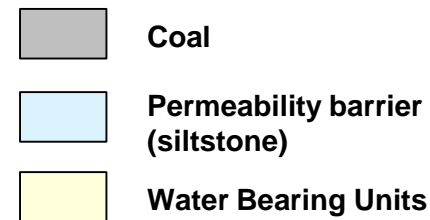
- Successful CSG projects require three key parameters:
 - Resource Concentration (*thickness, gas content*)
 - Productivity (*thickness, permeability*)
 - Pressure drawdown in the coal (*well design*)



- Resource concentration and coal productivity have been proven across the permit

Betts Creek Coal – Core area properties

Coal depth (m)	900 - 1,000
Net coal (m)	19
Gas content (m ³ /t)	5.3
Permeability (md)	45
Resource concentration (bcf/km ²)	5.2

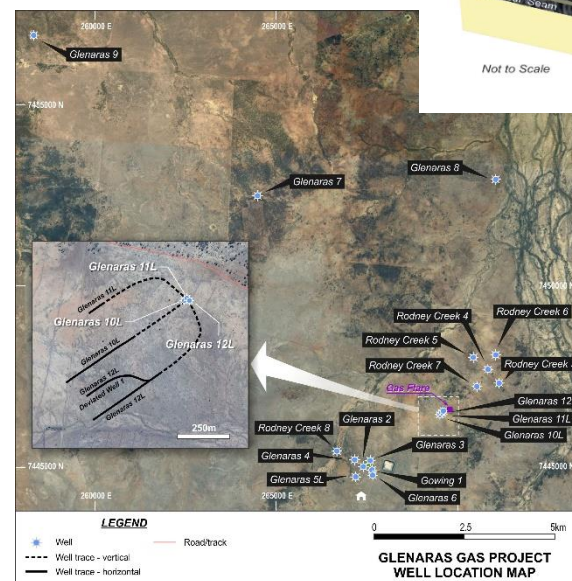
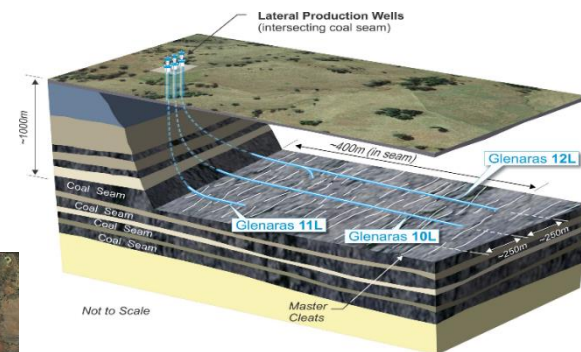


**THE BETTS CREEK COAL SEQUENCE EXHIBITS
EXCELLENT QUALITIES FOR GAS PRODUCTION**

Glenaras Gas Project – Production Operations Status

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

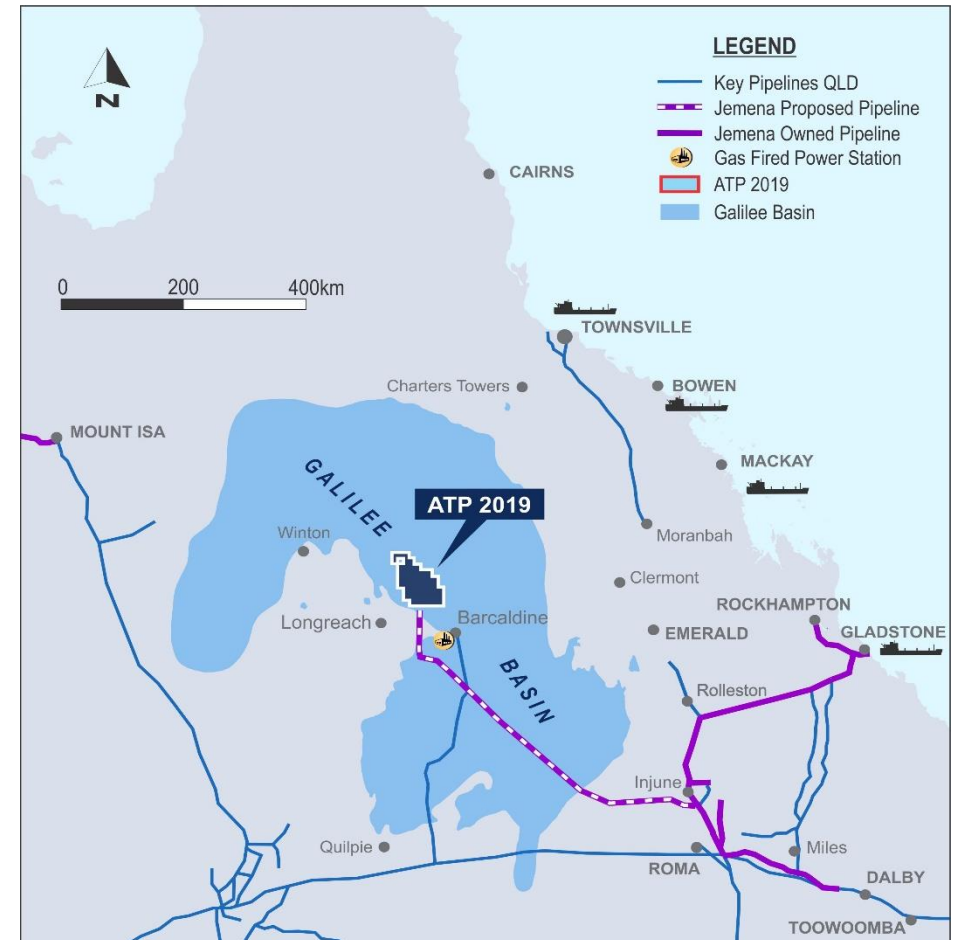
- Target good permeability coal in the near vicinity of the existing pilot. Allow use of existing key infrastructure; camp, pond, flare.
- Glenaras 10L and 12L continuing to perform strongly and demonstrating excellent water rates of ~ 4000 BWPD (barrels of water per day) in aggregate. Gas production ~15-20 Mscfd from the pilot.
- Water rates at upper end of pre-drill estimates. New pump on Glenaras 12L performing well.
- Direct communication between each of the lateral wells enhancing pressure drawdown and evidence of anticipated reservoir shielding.
- Project is running directly to schedule.
- A successful pilot achieving commercial gas rates has the potential to book 500 PJ+ of 2P reserves.



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

Jemena MOU – Clear Path to Market

- Jemena and Galilee have signed a binding MOU to fast-track a pipeline from Glenaras to the east coast market. This provides a clear, large scale path to market for this important asset.
- Galilee are 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.
- Early stage commercialisation option to Barcaldine Power Station and flowline to SWQ pipeline.
- Jemena have conducted various environmental, cultural heritage and native title assessments of the pipeline route corridor this year.
- Aerial surveys over preferred pipeline route conducted in April by Jemena.
- Ecological surveys have commenced.



MULTIPLE MARKET OPTIONS AND CLEARLY DEFINED PATH TO MARKET

GLENARAS

Commercial flow results

- Glenaras 10L and 12L continuing to perform strongly with excellent water rates. Gas production commenced with both wells flowing through separator at ~15-20 Mscfd.
- New transformer, VSD and larger pump now installed on Glenaras 12L. Production will be ramped up over the coming weeks to achieve full reservoir drawdown
- 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

- Ongoing gas supply shortfall in the Australian east coast gas market dramatically improves the Glenaras Gas Project's economic attractiveness.
- Prices have increased over the last 10 years from as low as \$3/GJ to current levels of \$8 to \$11/GJ.
- Jemena MOU demonstrates a clear, future pathway to market.
- Farm-in options and gas market opportunities being progressed.

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

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.

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

The estimate of Contingent Resources for the ATP 2019 as appears on pages 4 and 5 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.

REGISTERED OFFICE

Level 26,
71 Eagle Street,
Brisbane QLD 4000

GPO Box 1944
Brisbane QLD 4006

Phone: +61 7 3177 9970

Email: admin@galilee-energy.com.au

www.galilee-energy.com.au

The background image shows an oil rig in a field. The rig is a tall, white structure with a red top section, situated on a hill. There are several green storage tanks and other equipment around the base of the rig. The foreground is a dry, grassy field with some trees. A semi-transparent blue overlay covers the top left and bottom right corners of the image. A white geometric shape, resembling a stylized 'A' or a mountain peak, is overlaid on the bottom left corner.

Appendix

Galilee Energy

– Experienced Board and Management Team

Experienced oil and gas team



Board

Ray Shorrocks

Non-Executive Chairman
B.A. History/Philosophy (Hons),
M.B.A. Finance

20+ years' experience working in the investment banking industry, highly conversant and experienced in all areas of mergers and acquisitions and equity capital markets, including a significant track record of transactions in the metals and mining, industrials and property sectors.

Non-executive director of Estrella Resources Limited, Bellevue Gold Limited, Indago Energy Limited and a number of private companies. Former director and head of the corporate finance department of Patersons Securities Limited in Sydney.

Dr. David King

Non-Executive Director
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. Non-executive director of Tap Oil.

Stephen Kelemen

Non-executive Director
B.E. Mechanical

Diverse petroleum industry experience across reservoir, development, operations and exploration developed through his 38 year career with Santos Ltd. Notably he led the company in gaining a foothold in CSG and other Unconventionals, including the 2005 acquisition of Tipperary Oil & Gas, the concept of CSG to LNG and evaluating plays and acreage with the potential to deliver reserves.

Non-executive director of Advent Energy, an Adjunct Professor for CCSG (Centre for Coal Seam Gas) at UQ, and Deputy Chair – Petroleum for Queensland Exploration Council.

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.

PROVEN TEAM WITH EXTENSIVE **CSG EXPERIENCE**