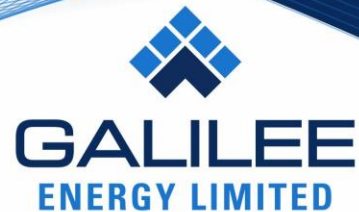


Glenaras Gas Project – Operations Update

ASX/MEDIA ANNOUNCEMENT

20 December 2018



Highlights

- ❖ Excellent productivity at the Glenaras Gas Project with water rates continuing to decline in line with expectations.
- ❖ Letter of Intent signed regarding securing a rig for 2019.

Galilee Energy Limited (ASX:GLL) (“Galilee”) is pleased to provide an update on production operations at its 100% owned and operated Glenaras multi-lateral pilot programme located in the Galilee Basin.

Operations at Galilee’s Glenaras Gas Project continue to perform strongly and demonstrate excellent productivity. Water rates continue to decline, currently at 3,100 BWPD in aggregate, down from peak rates of ~ 4,000 BWPD which is an excellent sign of areal pressure depletion in the coal. Gas production continues at approximately 15 – 20 Mscfd from the pilot and the project is running to schedule with the new pump on Glenaras 12L performing to plan.

Evidence of pressure communication between each of the lateral wells suggests the pilot is accessing a reasonable drainage area which augurs well for gas recovery once the area gets below the critical desorption pressure.

A successful pilot achieving commercial gas rates has the potential to book over 500 PJ of Proved and Probable Reserves.

In addition, Galilee has signed a Letter of Intent with Easternwell Group to secure a drilling rig for 2019. Managing Director Peter Lansom explained, “I’m delighted to have secured a rig for early 2019 to progress our project. As a result of our recent successful capital raising we are now in a very strong position to advance the Galilee Gas Project with drilling scheduled for April 2019. We are now currently planning the drilling programme and will advise the market in due course once finalised.”

Peter Lansom
Managing Director
Galilee Energy Limited
+61 (0) 7 3177 9970
plansom@galilee-energy.com.au

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 whilst looking to add further acreage to its portfolio.

Directors

Chairman – Ray Shorrocks

Managing Director – Peter Lansom

Non-executive Director – Dr David King

Non-executive Director – Stephen Kelemen

Shares on issue – 225,679,361

Top 20 holders – 54.9% *

Directors and Management – 4.23%

***As at 20 December 2018**