

Glenaras Gas Project Operations Update and Pipeline Milestone

Highlights

11 July 2019

- ❖ Excellent productivity observed at Glenaras 14L.
- ❖ Highly responsive pressure communication already observed between Glenaras 10L and 12L and the new central well Glenaras 14L.
- ❖ Significant milestone achieved for the Galilee Gas Pipeline with Jemena lodging the Voluntary EIS Application and EPBC Act referral with the relevant authorities.

Galilee Energy Limited (ASX:GLL) (“Galilee”) is pleased to provide an update on the 100% owned and operated Glenaras multi-lateral pilot programme (“Pilot”) in the Galilee Basin ATP 2019.

Commissioning at Glenaras 14L is continuing with strong initial productivity observed during this testing phase. This early outcome, combined with clear pressure responses in the flanking laterals of Glenaras 10L and 12L, confirms the excellent productivity and connectivity of the targeted R3 coal seam. This augurs well for achieving the intended objectives of the enhanced Pilot of accelerating the depressurisation process and achieving commercial gas flow rates.

The remaining site works on Glenaras 15L and 16L involve completing the mechanical pipework to the wellheads, finalising wellhead instrumentation and function testing all control systems. Once these works are complete, which is expected to take around 10 days, commissioning of Glenaras 15L and 16L will then commence.

Once the Pilot is fully operational, the well configuration will provide shielding to the central Glenaras 14L well from the large area which the previous two lateral wells were draining. It is expected that three months of production drawdown will be required in order for material gas production rates to be observed.

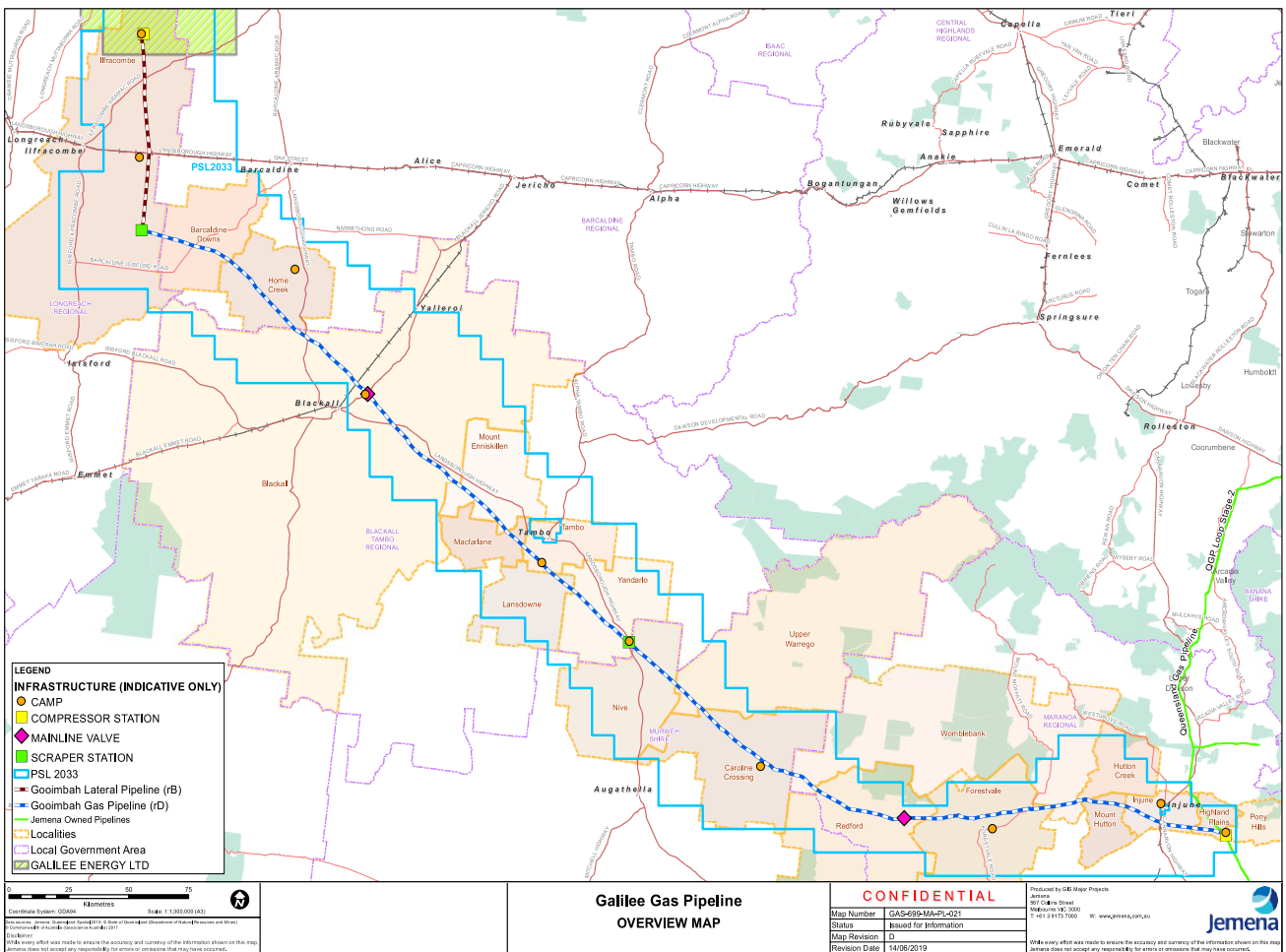
The expected cost of this three-well lateral programme including drilling, completion and tie-in is still within the original budget of approximately \$8 million, resulting in a strong financial position for the company.

Galilee Gas Pipeline

Jemena has passed a significant milestone for the Galilee Gas Pipeline route (see map below) connecting the Glenaras Gas Project to the east coast gas market with the formal lodgement of the Voluntary Environmental Impact Statement (EIS) Application and EPBC Act referral with the relevant authorities.

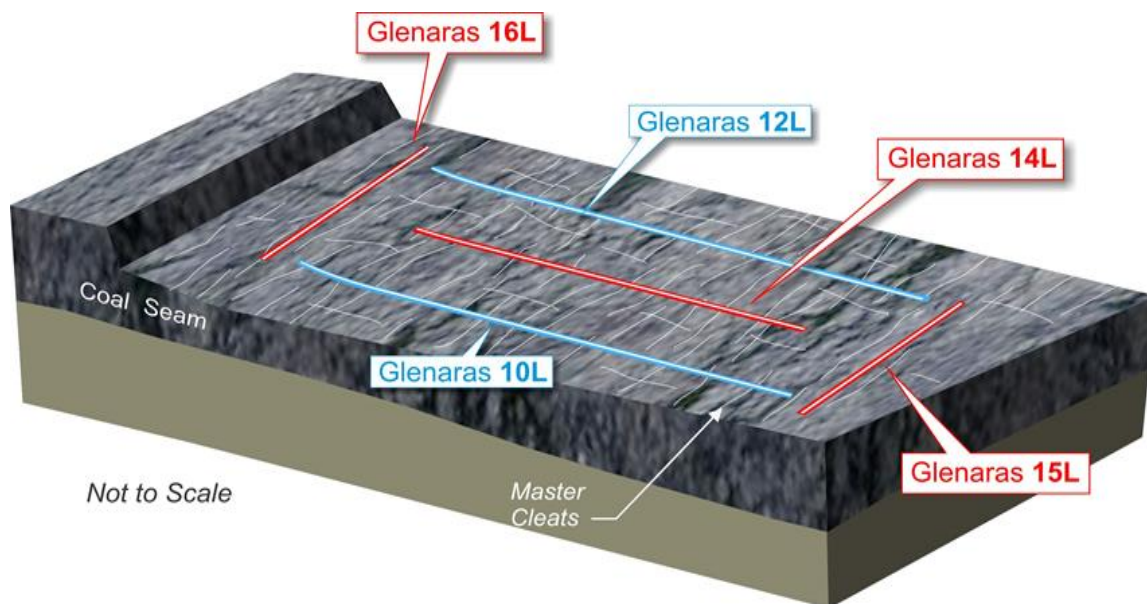
This public recognition of Jemena’s preferred pipeline route is further validation of Jemena’s commitment to transport gas from the Glenaras Gas Project to end users. Following successful Pilot results, the next step by Jemena would be to submit a proposed Terms of Reference for the Galilee Gas Pipeline EIS.

These milestones are important steps in proving up a clear pathway to the east coast gas market for the Glenaras Gas Project.



“The Submission of the EIS and the EPBC act referrals for the Galilee Gas Pipeline are a significant milestone for Jemena and reflect our confidence in the Glenaras Gas Project. The encouraging early results from this pilot are a credit to the Galilee Energy team” said David Green, Jemena’s General Manager Strategy and Business Development.

Managing Director Peter Lansom stated, “Early signs are really encouraging with Glenaras 14L and the team are working hard to ensure all wells are online as soon as possible. I would like to congratulate Jemena on their outstanding progress on the Galilee Gas Pipeline. This is further evidence that Galilee is moving at pace to achieve its objective of supplying material gas volumes into the east coast gas market”.



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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 – 56.4%*

Directors and Management – 4.4%

***As at 1 July 2019**