

Glenaras Gas Project – Gas Production

2 September 2019

Highlights

- ❖ Casing pressure has built up over recent days and gas has now commenced flowing from the pilot.
- ❖ All five lateral wells on continuous production and performing strongly.
- ❖ Water rates currently at 6,800 BWPD (barrels of water per day) in aggregate.
- ❖ Reservoir drawdown continues to be strong resulting in all wells now producing below the critical desorption pressure.

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.

As previously announced, the Glenaras multi-lateral pilot is on continuous production and demonstrating excellent water rates with the wells flowing water rates of approximately 6,800 BWPD in aggregate. All wells are now flowing below the critical desorption pressure and the water flow rates are starting to level off as gas desorption begins.

The casing pressure has built up in each of the wells indicating gas is beginning to be produced from the coal. These wells are progressively starting to flow gas through the meters albeit at rates too small to measure at this stage. Gas rates will continue to increase as fluid levels in the wells are reduced further and more coal area is drawn down below the critical desorption pressure.

There is still strong evidence of direct communication between each of the lateral wells which is enhancing pressure drawdown in the pilot area.

“These results are extremely encouraging and the rapid progress to critical desorption is validation of our enhanced multi-lateral design.” Managing Director Peter Lansom stated.

The pilot will be on production for an extended period to de-water and lower the pressure in the surrounding coal to achieve a commercial gas flow.

It remains the expectation that three months of production drawdown will be required in order for material gas production rates to be observed. Further operational updates will be provided to the market throughout this period.

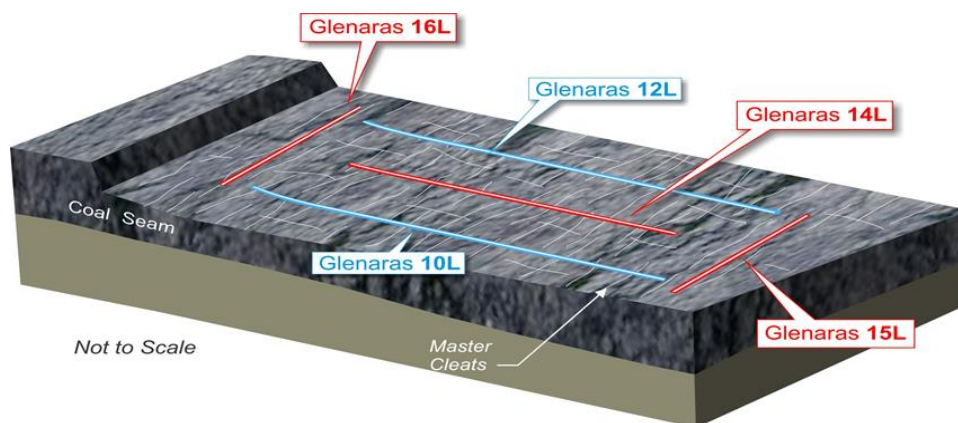


Figure 1 – Enhanced multi-lateral programme.

For further information contact:

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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 and exploring in the Surat Basin whilst looking to add further high quality 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 – 228,979,361

Top 20 holders – 56.6%
Directors and Management – 4.4%

* As at 1 September 2019