

Glenaras Gas Project – Pilot Production Update

24 October 2019

Highlights

- ❖ Measured gas flow from the Glenaras Gas Project up to 35-40 Mscfd in aggregate.
- ❖ Water rates are continuing to decline as we depressure the pilot area and gas production increases.
- ❖ Planning is underway to install a larger pumping system on Glenaras 15L due to its high productivity. This should be installed within the next two weeks.
- ❖ All four remaining wells in the pilot will continue to produce uninterrupted at maximum performance in order to achieve full reservoir drawdown.

Galilee Energy Limited (ASX:GLL) (“Galilee”) provides the following update on the 100% owned and operated Glenaras multi-lateral pilot programme (“Pilot”) in the Galilee Basin, ATP 2019.

The Pilot has continued to produce strongly over the past two weeks and the performance to date is further evidence of the coal’s strong productivity. As previously reported, Glenaras 15L’s well deliverability has been excellent and is beyond the initial design criteria. This has resulted in several production and downhole pump issues as we have attempted to maximise this well’s drawdown. A workover rig has been secured to run a larger downhole pump system to handle the well and this will be installed within the next two weeks. All four remaining wells in the pilot will be producing at maximum performance in order to achieve full reservoir drawdown. Further updates will be provided once we have concluded the new pump installation.

Metered gas rates, measured via orifice plate meters at each well, have been up to 35-40 Mscfd in aggregate prior to the Glenaras 15L issues. Galilee Managing Director Peter Lansom stated, “The pilot is continuing to demonstrate strong productivity and whilst it is unfortunate that the pump issues have temporarily suspended production from Glenaras 15L, it is further confirmation of the strong productivity of the coals and my team have actively progressed a solution to optimise and re-instate Glenaras 15L. In the meantime this will have no impact on uptime of the other 4 wells which are all continuing to produce strongly.”

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.

Further operational updates will be provided to the market throughout this period.

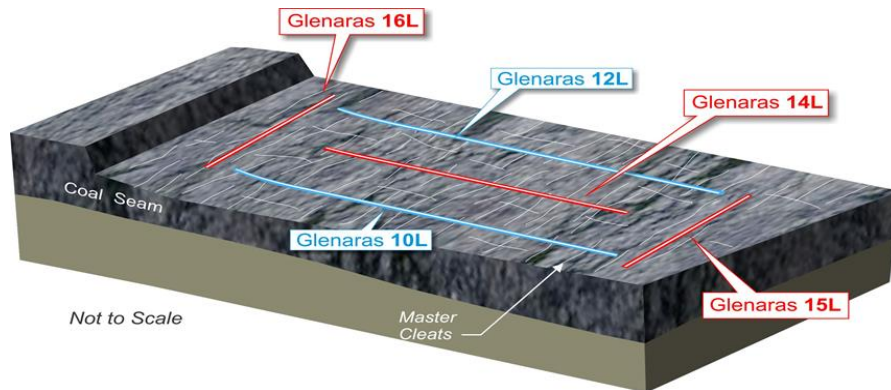


Figure 1 – Enhanced multi-lateral programme.

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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
- Non-Executive Director – Gordon Grieve