

ATP 2043 - Kumbarilla Project

27 November 2019

Highlights

- ❖ ATP 2043 (“Kumbarilla”) was officially granted to Galilee Energy Limited (100%), effective 1st August 2019 and covers 384km² of high-value, dual prospectivity acreage across the overlapping Surat and Bowen basins.
- ❖ 504 petajoules* (“PJ”) of coal seam gas 2C Contingent Gas Resource⁺ has been independently certified in the Walloon Subgroup of the Surat Basin.
- ❖ Acceleration to Q1 2020 of initial 3 core-holes in the Walloon Subgroup coal seam gas “sweet spot”.
- ❖ All landholder approvals secured for drilling with rig contract negotiations in final stages.
- ❖ 667 km of regional 2D seismic data currently being reprocessed to improve visualisation of key structural elements for enhanced coal seam gas fracture permeability and definition of conventional oil and gas leads.
- ❖ Kumbarilla Project is strategically located less than 10km from existing producing fields and facilities enabling accelerated access to market.

Galilee Energy Limited (ASX:GLL) (“Galilee”) was officially granted operatorship and 100% working interest of Kumbarilla, effective 1st August 2019 for a term of 6 years. The acreage was made available for tender as part of the Queensland Government’s 2019 release of new petroleum resource areas, designed to stimulate oil and gas exploration in Queensland and provide sustainable benefits to local communities and the broader Queensland economy.

Kumbarilla is a 384km², high-quality, exploration tenure with dual prospectivity in both the world-class Walloon Subgroup coal seam gas (“CSG”) fairway and the oil and gas prone eastern flank of the Taroom Trough in the Bowen basin. A total of 504 PJ* of CSG 2C Contingent Gas Resource⁺ has been independently certified in the Walloon Subgroup as at 1st August 2019 by MHA Petroleum Consultants (“MHA”), as per industry standard guidelines (Table 1), validating Kumbarilla’s material prospectivity and significant value.

Permit	Contingent Gas Resource (PJ)		
	1C	2C	3C
ATP 2043 – Surat basin	266	504	895
ATP 2019 – Galilee basin	308	2,508	5,314
Total	574	3,012	6,209

Table 1. Galilee Energy Contingent Gas Resource* estimates*

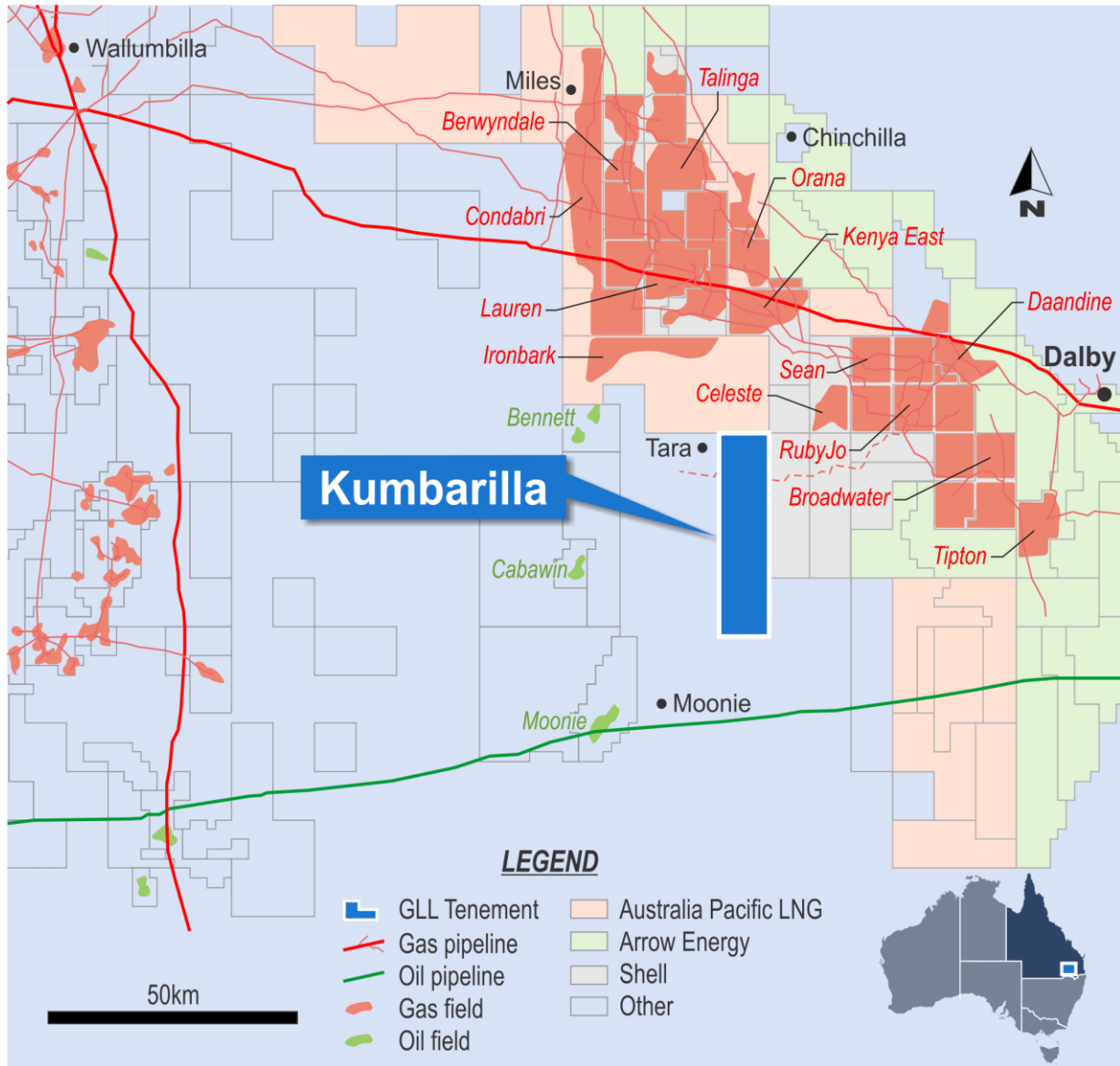
Initial drilling at Kumbarilla has been accelerated more than one year ahead of schedule with 3 core-holes planned to be drilled in Q1 2020. These wells will exclusively target the interpreted Walloon Subgroup CSG “sweet spot”, where prospectivity is interpreted to be highest. Each core-hole will acquire core across the complete 300m of Jurassic coal-bearing stratigraphy with extensive formation and flow testing. This initial program will provide early definition of the CSG potential at Kumbarilla and support additional acceleration of the subsequent exploration program and in turn, fast-track maturation of the Contingent Resource base to Reserves ahead of schedule.

All landholder approvals have been secured for the core-hole program with lease preparation due to commence shortly in readiness for drilling Q1 2020. Contract negotiations with the preferred rig company are well progressed.

In addition to the accelerated core-hole program, 667 km of 2D regional seismic reprocessing is also nearing completion. Earth Signal Processing Ltd will deliver final data shortly for the initial subsurface mapping to be completed by end 2019, providing the most complete and advanced visualisation to-date of Kumbarilla’s considerable prospectivity. This high-quality, re-imaged seismic data is designed to highlight multiple key subsurface elements, including the extent of fracture-enhanced permeability in the Walloon Subgroup, the likely presence of structural and stratigraphic oil and gas traps and the distribution of hydrocarbon-bearing reservoirs.

The combination of the accelerated core-hole program and the extensive seismic reprocessing will enable Galilee to continue fast-tracking the Kumbarilla project towards the maturation of material Reserves. This focused approach, combined with Galilee management’s extensive Surat and Bowen basin experience and Kumbarilla’s close proximity (less than 10km) to existing production facilities, will further enhance the likelihood of the project’s success.

Galilee Managing Director Peter Lansom stated, “Acceleration of the exploration program by more than twelve months reaffirms Galilee’s confidence in the prospectivity of the Kumbarilla project and the company’s drive to deliver material CSG and conventional oil and gas reserves to a structurally short east coast gas market. Acquiring early, high-quality core and seismic data is integral to fast-tracking success and is consistent with Galilee’s approach to each of its exploration assets.”



Location Map - Kumbarilla Project

For further information contact:

Galilee Energy Limited
+61 (0) 7 3177 9970
ACN:064 957 419

* Listing Rule 5.42 + The details of Contingent Resources referenced throughout this release in respect to ATP 2019 were announced to the market on 1 September 2015 and in respect to ATP 2043 were announced to the market 1 August 2019. In accordance with Listing Rule 5.34.3, Galilee Energy confirms that it is not aware of any new information or data that materially affects the information in those Market announcements first report the details of the Contingent Resources for ATP 2019 and ATP 2043 respectively and that all of the material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

Directors

Chairman – Ray Shorrocks

Managing Director – Peter Lansom

Non-Executive Director – Dr David King

Non-Executive Director – Stephen Kelemen

Non-Executive Director – Gordon Grieve