

Glenaras Gas Project – Operations Update

17 December 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 (“Pilot”) located in the Galilee basin.

The Pilot has continued to produce strongly following the installation of a higher capacity pump on Glenaras 15L. The new pump performance at Glenaras 15L has been able to fully draw down the fluid level in this well and now all wells are fully pumped down to the coals.

Following the pump replacement and whilst in the process of bringing Glenaras 15L back on-line, gas flow rates have increased back to previously reported rates. This demonstrates the critical importance of this well to the Pilot performance and the key effect of the shielding this well provides to the Pilot design. Pressure build-ups observed during well maintenance shutdowns show that we are making material headway on reservoir pressure depletion within the Pilot area. While not below critical desorption yet, it is encouraging to see this steady decline in reservoir pressure. Once this pressure is below the critical desorption level, gas rates are expected to build significantly.

The Pilot will be on production for an extended period to de-water and lower the pressure in the surrounding coal with the aim of achieving a commercial gas flow.

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