

Kumbarilla Project drilling confirmed for April 2020

12 February 2020

Highlights

- ❖ Savanna 406 drilling rig secured for initial three well corehole exploration programme at Kumbarilla, commencing April 2020.
- ❖ Primary objective of the coreholes is to confirm prospectivity of the Walloons coal seam gas potential for future reserves and commercial production.
- ❖ Kumbarilla reserves can be readily fast-tracked to market with existing tie-in facilities located less than 10km away.

Galilee Energy Limited (ASX:GLL) (“Galilee”) is pleased to provide an update on its Kumbarilla Project located in its 100% owned and operated ATP 2043, with the securing of Savanna Rig 406 to drill three exploration coreholes, commencing April 2020. These wells represent Galilee’s initial exploration programme at Kumbarilla and are designed to comprehensively capture a full suite of coal and subsurface properties of the Walloon Subgroup to assist in confirming the coal seam gas prospectivity of the area.

All three wells will be positioned within the interpreted coal seam gas “sweetspot” and be fully cored across the 300m thick, coal-bearing section of the Walloons. Comprehensive testing will be performed to assist in determining the resource volume and potential for commercial production. It is anticipated the full drilling programme will be completed within 3-4 weeks.

The results of this initial drilling will be used to define further exploration drilling across Kumbarilla’s 384km² area and the placement of a production pilot with the intention of maturing the project’s certified 2C Resources (Table 1) to Reserves status, as quickly as possible.

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 (as at 1st August 2019).

Kumbarilla’s strategic location within the greater, world-class Walloons fairway, places it less than 10km from existing coal seam gas production facilities, enabling rapid connection to the east coast gas market (Figure 1). The project is also located immediately adjacent to APLNG’s Ironbark asset, which was purchased from Origin Energy for \$231 million in February 2019.

The drilling of the coreholes in April 2020 represents an acceleration of the Kumbarilla exploration programme by more than 12 months, clearly demonstrating Galilee’s commitment to unlock material gas Reserves as efficiently as possible.

Commenting on the project, Galilee’s Managing Director Peter Lansom said, “Kumbarilla is a key project in the company’s portfolio and I’m pleased to have secured Savanna Rig 406 to perform the initial exploration drilling. Kumbarilla possesses both high-quality coal seam gas prospectivity in the Walloons and outstanding strategic value due to its proximity to market. The fast-tracking of this drilling programme by more than a year also provides Galilee with an excellent opportunity to realise our strategy of expediting commercial gas reserves to the east coast.

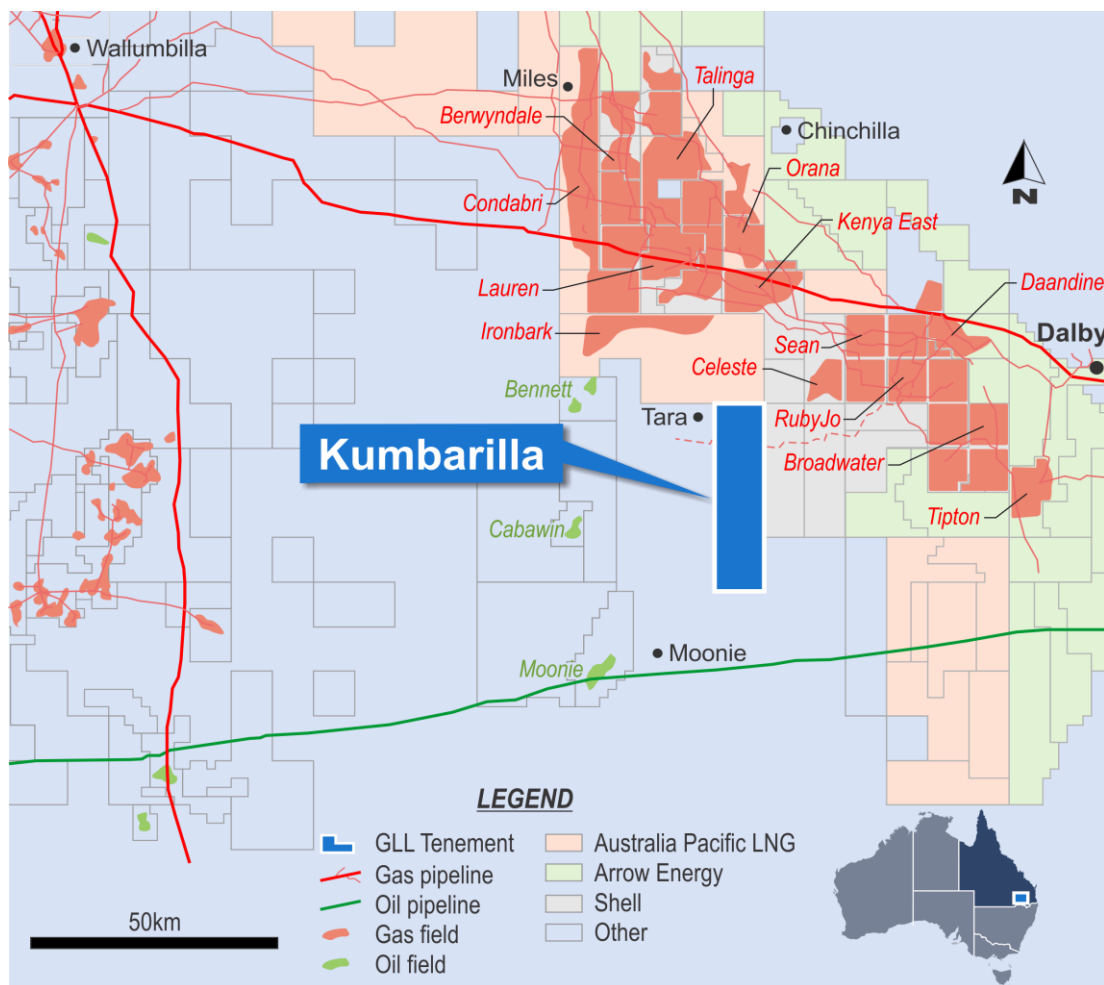


Figure 1. ATP 2043 Kumbarilla Project location.

Also, as previously reported, Galilee is considering the drilling of a vertical monitoring well at the Glenaras multi-lateral pilot in ATP 2019. This well could be drilled as an extension to the drilling programme using Savanna Rig 406 either before or after the Kumbarilla wells. The purpose of the Glenaras monitoring well would be to confirm the extent of pressure depletion around the multi-lateral pilot and to more fully understand the areal influence and subsurface volume of coal the pilot is accessing. Importantly, operations at the pilot would not need to be suspended during the drilling of the well, ensuring uninterrupted drawdown of the R3 coal seam and continued positive progress towards reaching critical desorption pressure, which has already achieved 80% drawdown in the central well, GA 14L. The vertical monitoring well would be cased and suspended for continued monitoring operations.

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* Listing Rule 5.42 +

The details of Contingent Resources referenced throughout this ASX 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 reporting 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 those announcements continue to apply and have not materially changed.

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 and Surat Basins, exploring in the Bowen Basin, whilst looking to add further high quality acreage to its portfolio.

By authority of the Board:

Directors

Chairman – Ray Shorrocks

Managing Director – Peter Lansom

Non-Executive Director – Dr David King

Non-Executive Director – Stephen Kelemen

Non-Executive Director – Gordon Grieve