

Transformational Energy Supply for East Coast Markets



August 2020

ASX: **GLL**

Galilee at a glance

Directors



Ray Shorrocks

Non-Executive
Chairman



Peter Lansom

Managing Director



Dr. David King

Non-Executive Director



Stephen Kelemen

Non-Executive Director



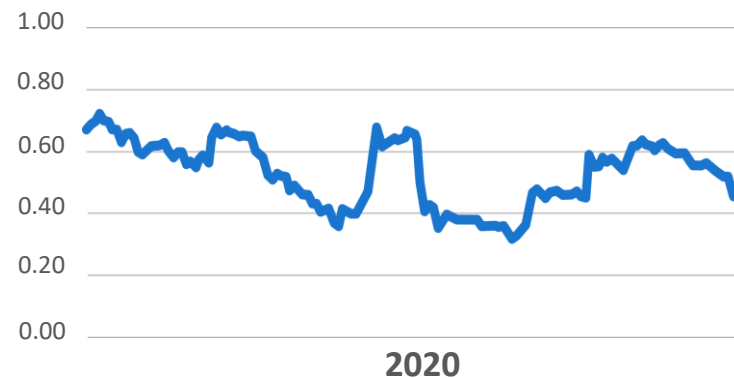
Gordon Grieve

Non-Executive Director

Corporate Information

Share Price	A\$0.55
No of Shares	271M
Market Cap	A\$149M
Cash	A\$22M
Debt	No Debt
Enterprise Value	A\$127M

Share Price



Project Portfolio



Key Investment Themes



Major Gas Resource

Material Contingent Gas Resource in the Galilee basin.



Well Capitalised

Galilee is well funded to convert Resources to Reserves and accelerate future exploration programs.



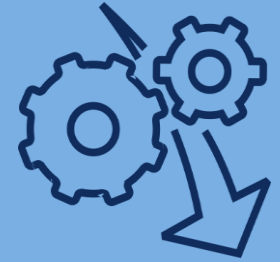
Market Demand For Gas

Market likely to move from being over supplied to structurally short gas as Glenaras gas enters the market.



Significant Upside

Galilee has an extensive portfolio of gas at 100% equity levels across three different gas basins in Queensland.



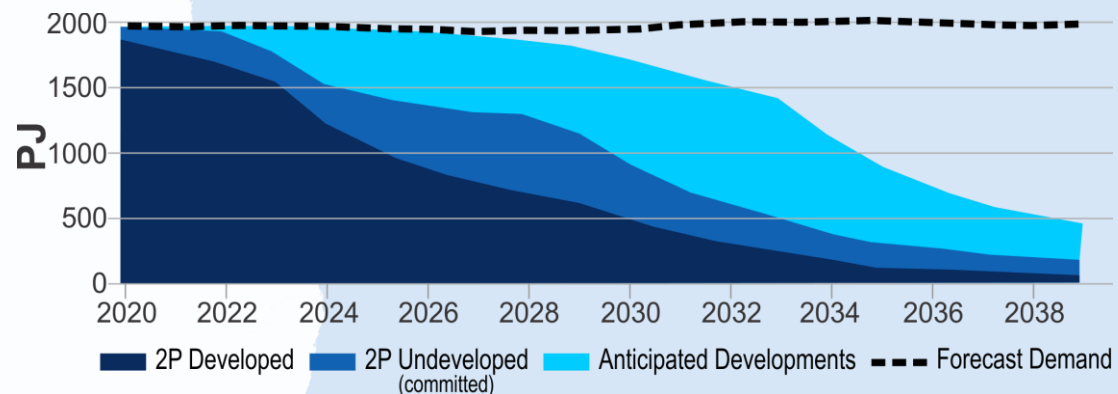
Low Cost Development

Staged development at Glenaras with Kumbarilla and Springsure adjacent to existing gas infrastructure.

Australian East Coast Dynamics

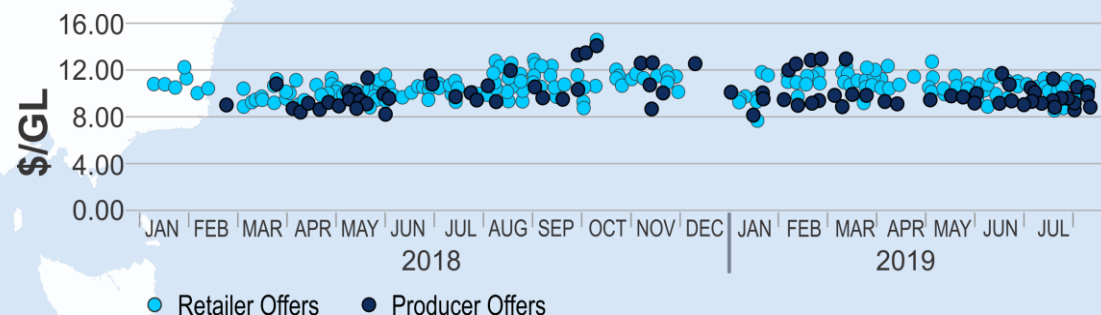
- East coast gas market was transformed with the advent of the three LNG projects in Queensland
- Convergence between domestic gas prices and LNG export prices.
- Production from existing gas basins declining rapidly.
- Near term exploration expenditure has reduced significantly.
- Tightening supply situation now requiring higher cost developments and increased gas prices reflective of these.

Structurally short gas market - tightening supply requiring new gas developments



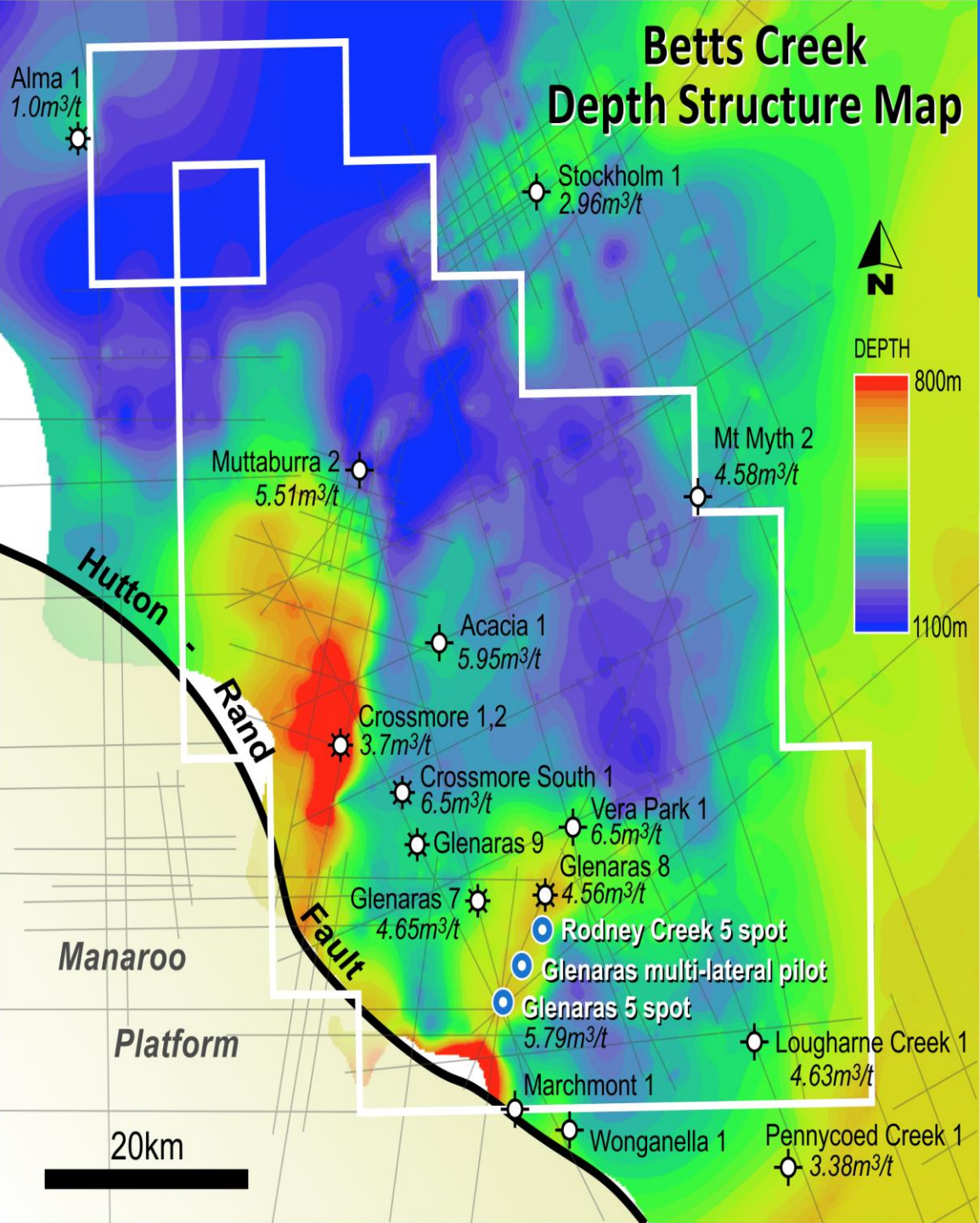
Source: Australian Energy Market Operator Gas Statement of Opportunities 2020

ACCC plot of producer offers around \$8-\$10/GJ



Source: ACCC Gas Inquiry 2017-2025

Glenaras Gas Project - The Asset



- Over \$90 million spent to date.
- Clearly defined resource – twenty exploration wells, 700km of seismic & two multi well pilots.
- Existing assets - large \$6M water storage facility (450 ML) & production gathering & flare.
- Expenditure has advanced the Project to its significant current +Contingent Resource position:

Contingent Gas Resource (PJ) +

1C	2C	3C
308	2,508	5,314

- Conversion of Resources to Reserves is the remaining step for significant value creation.

Glenaras Gas Project – Land & Water

- Flat, open grazing country with large scale holdings of 50,000+ acres.
- Expected low field development costs:
 - Gas composition is sales spec with no processing required.
 - Low salinity water - minimal treatment cost.
- Strong stakeholder relationships:
 - Less than twelve landowners within the 2C Contingent Resource area.
- Management plan developed to use produced water for irrigation purposes.
- Centre pivot irrigation system under construction, various crops to be grown, provides assistance to landholders for livestock management during prolonged drought in this area.
- Scalable system with work underway on alternate water management options as well.



Glenaras Gas Project – CSG Properties

Successful CSG projects require three key parameters

1 Resource concentration ✓
(thickness, gas content)

2 Productivity ✓
(thickness, permeability)

3 Pressure drawdown in the coal ?
(well design)



Depth

900m – 1000m



Net Coal

19m



Gas Content

5.3m³/t



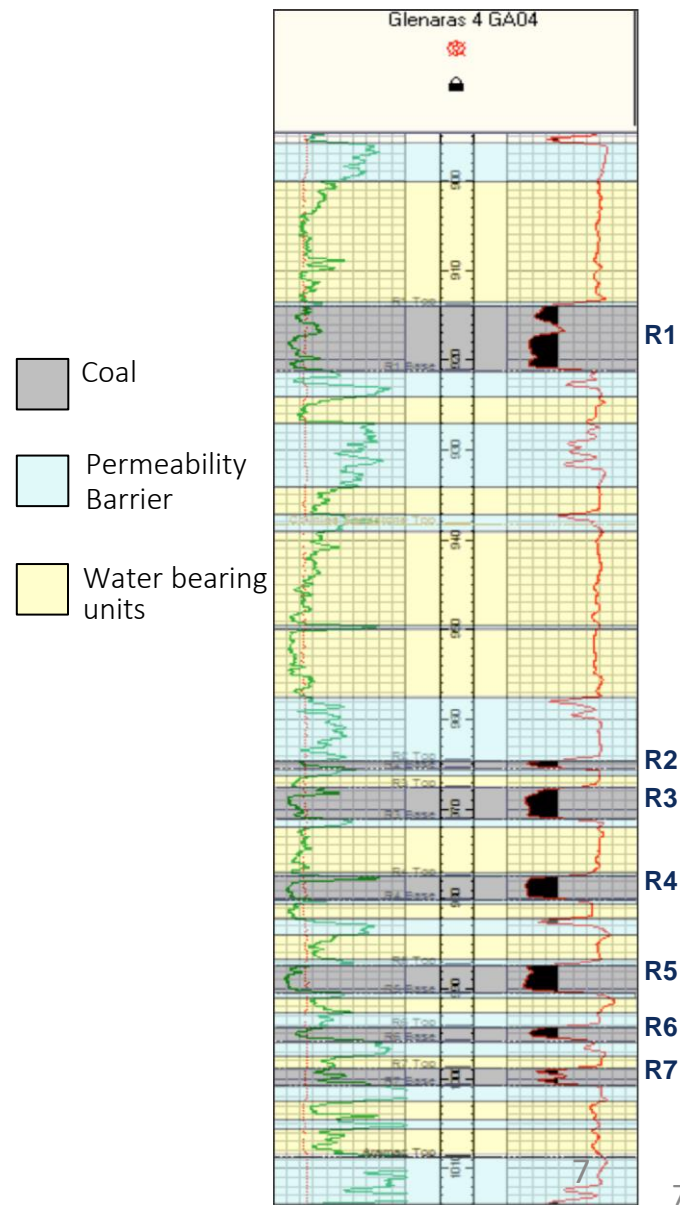
Permeability

45md



Resource Concentration

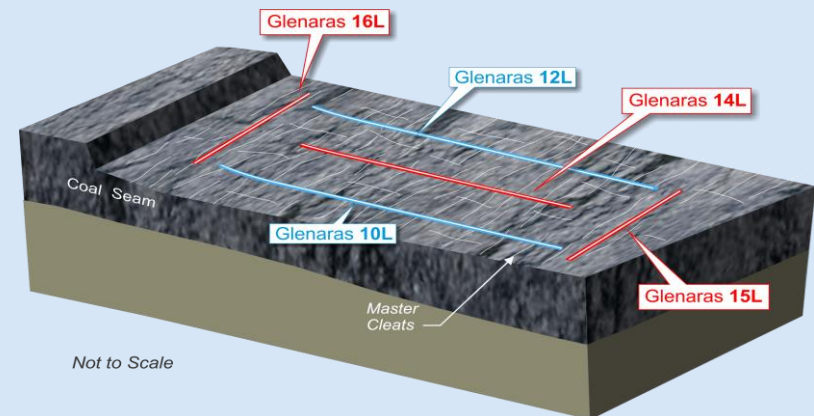
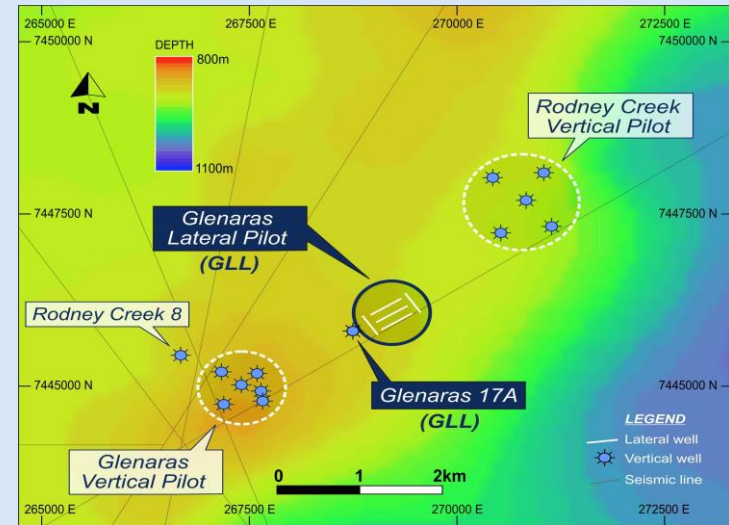
5.2 bcf/km²



Glenaras Gas Project – Enhanced Pilot

- Pilot continuing to produce strongly, achieving a significant pressure sink in the Pilot area – c 85% toward critical desorption.
- Glenaras 17A well provided breakthrough in understanding – pilot is successfully draining from the entire Betts Creek sequence.
- Betts Creek coal sequence is isolated from all significant aquifer systems.
- Vertical connectivity helps explain the continued strong water production rates due to crossflow support into the R3 coal sequence.
- Explains the longer timeframe required for Pilot to achieve critical desorption.
- Simplifies and reduces the capital costs of future drilling.
- Targeting a larger Reserves booking given all coal seams are being depleted.

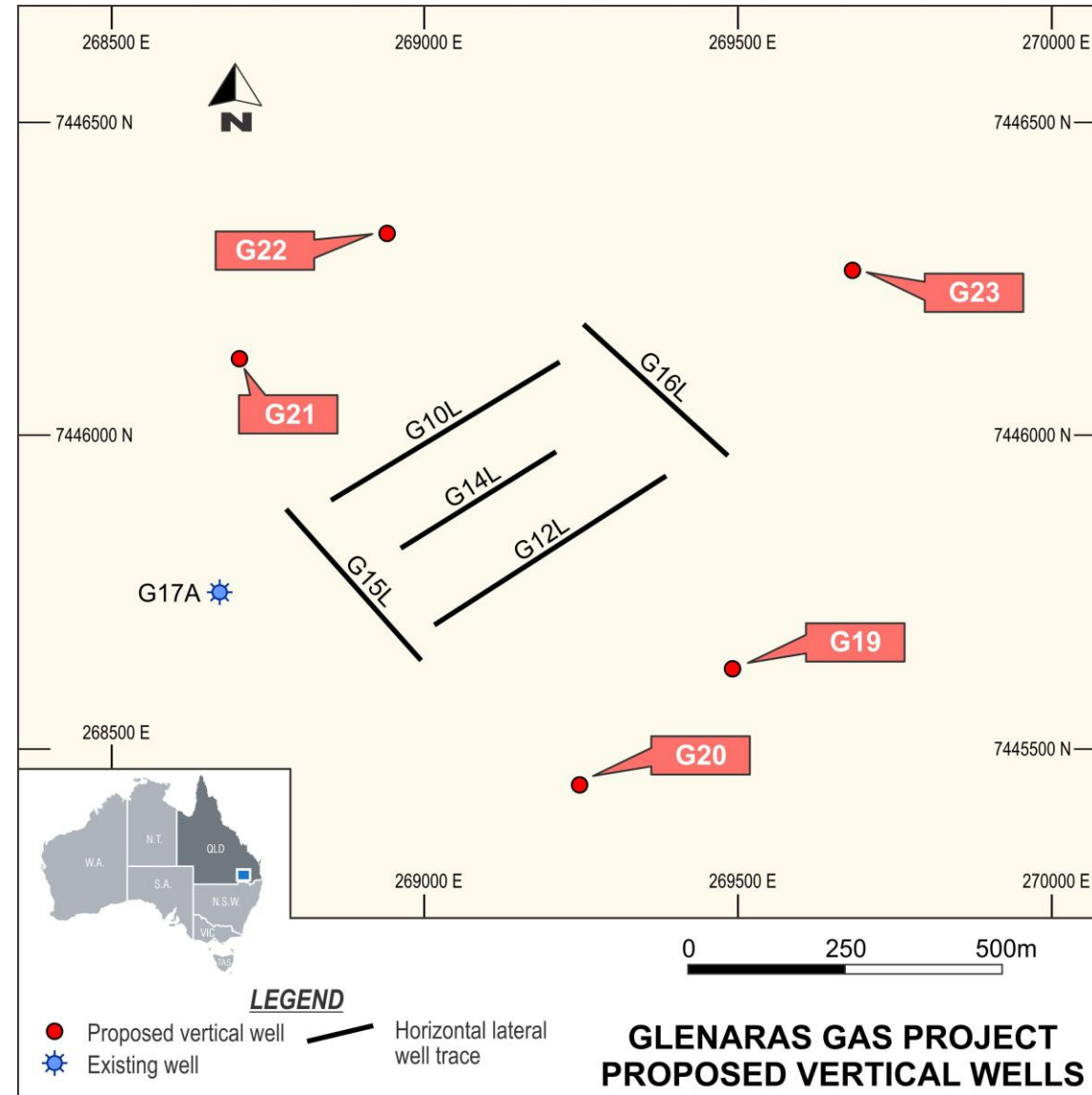
High productivity and pressure drawdown – a strong indicator for robust field economics



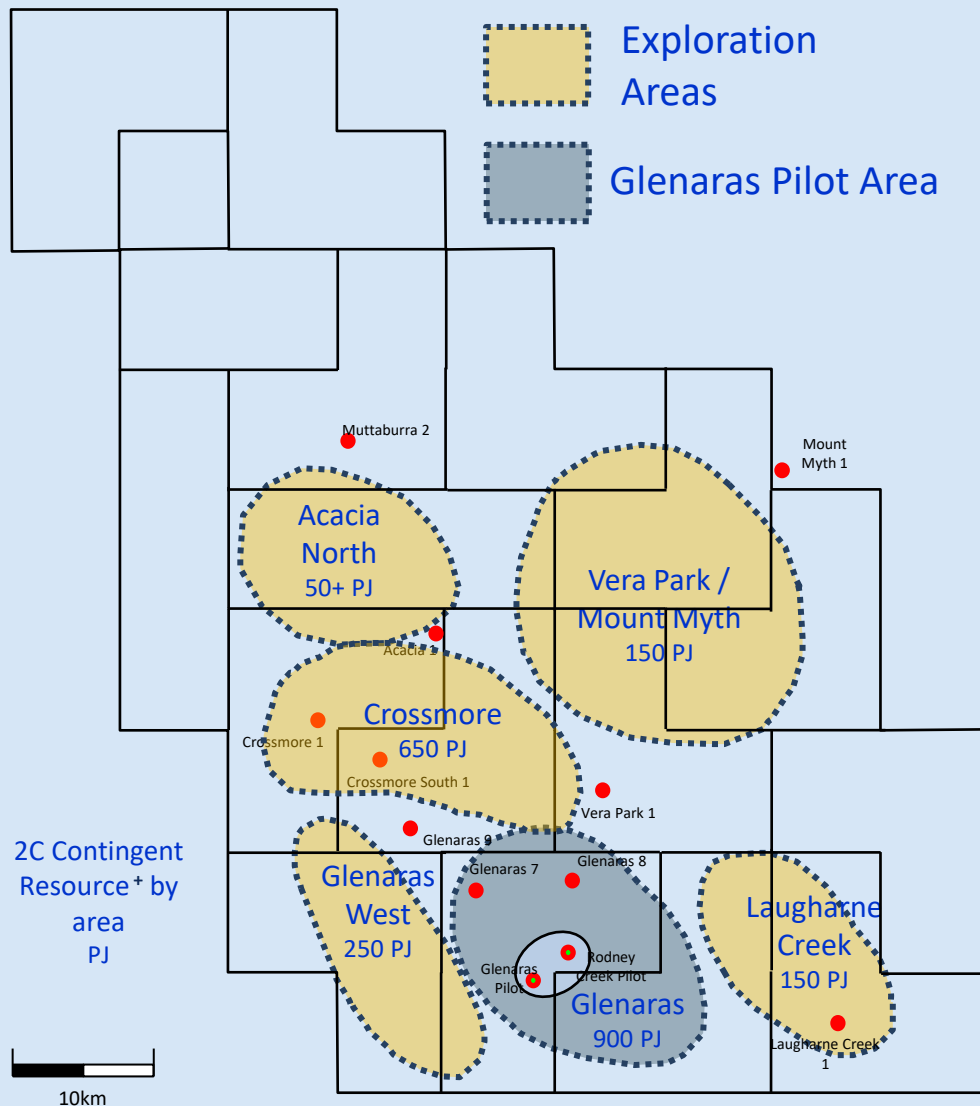
Upcoming appraisal programme

- Five new vertical wells will be drilled around the existing pilot and completed over the full Betts Creek section.
- These new wells, plus Glenaras 17A, will provide perimeter shielding and accelerate pressure depletion and commercial gas flow.
- Rig contract signed with Silver City, with drilling due to commence in mid September.
- All long lead items for drilling, completion and surface connections now ordered or in stock.
- Landowner agreement in place and lease preparation now underway.

New perimeter vertical well locations



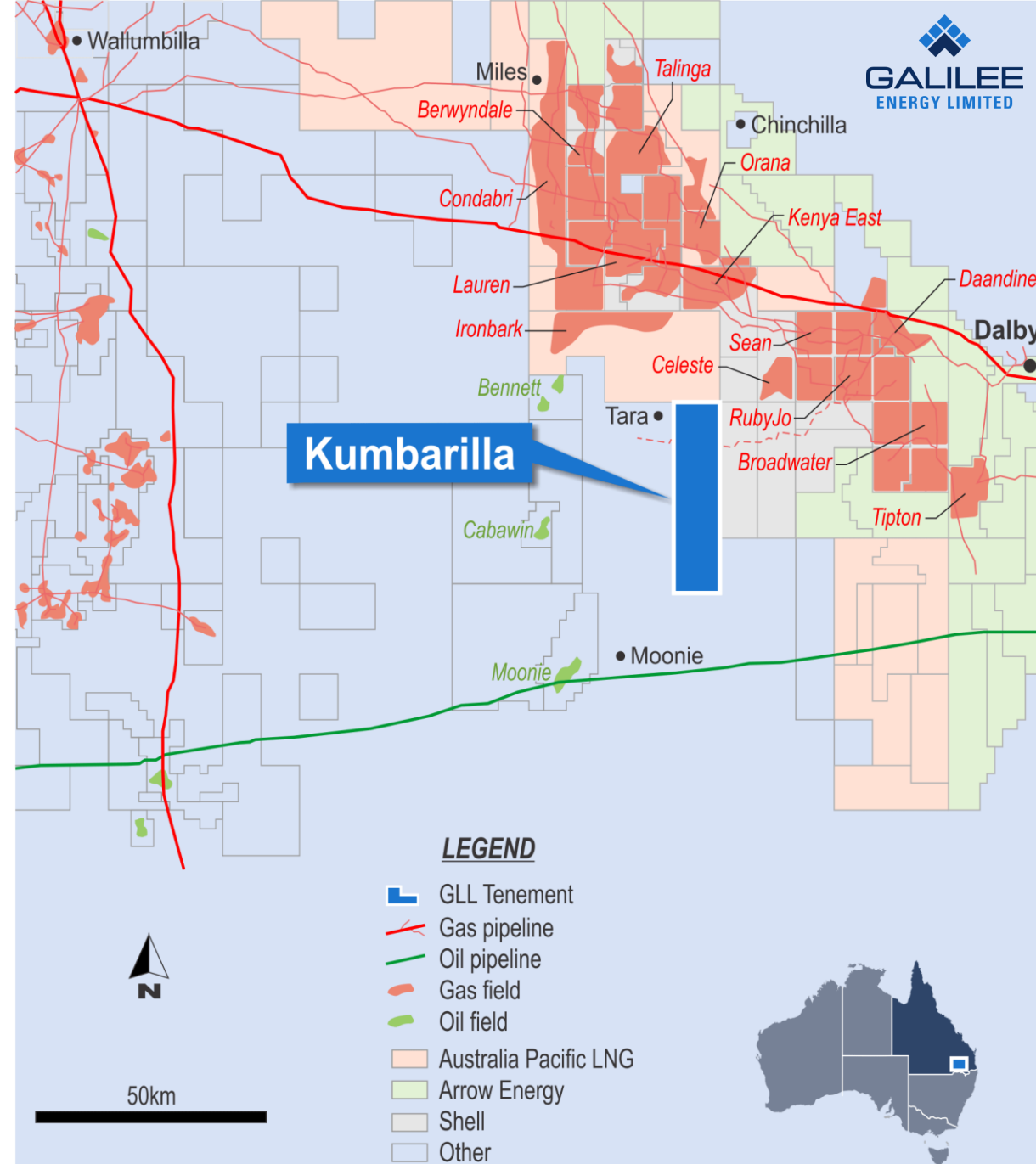
Future Exploration Potential



- Important to appreciate the scale of the permit area, over 80 km N-S and 70km E-W.
- The majority of the permit area has Contingent Resources coverage. 16+ Petroleum Lease applications, depicted on the left, would be required to cover the current Resource booking.
- Acreage area is similar in size to the respective Spring Gully/Fairview and Undulla nose developments.
- Currently, the only production testing in the permit has been in a 5km band.
- Primary focus for future exploration and appraisal activities are Glenaras, Crossmore and Glenaras West where greater subsurface data control exists.

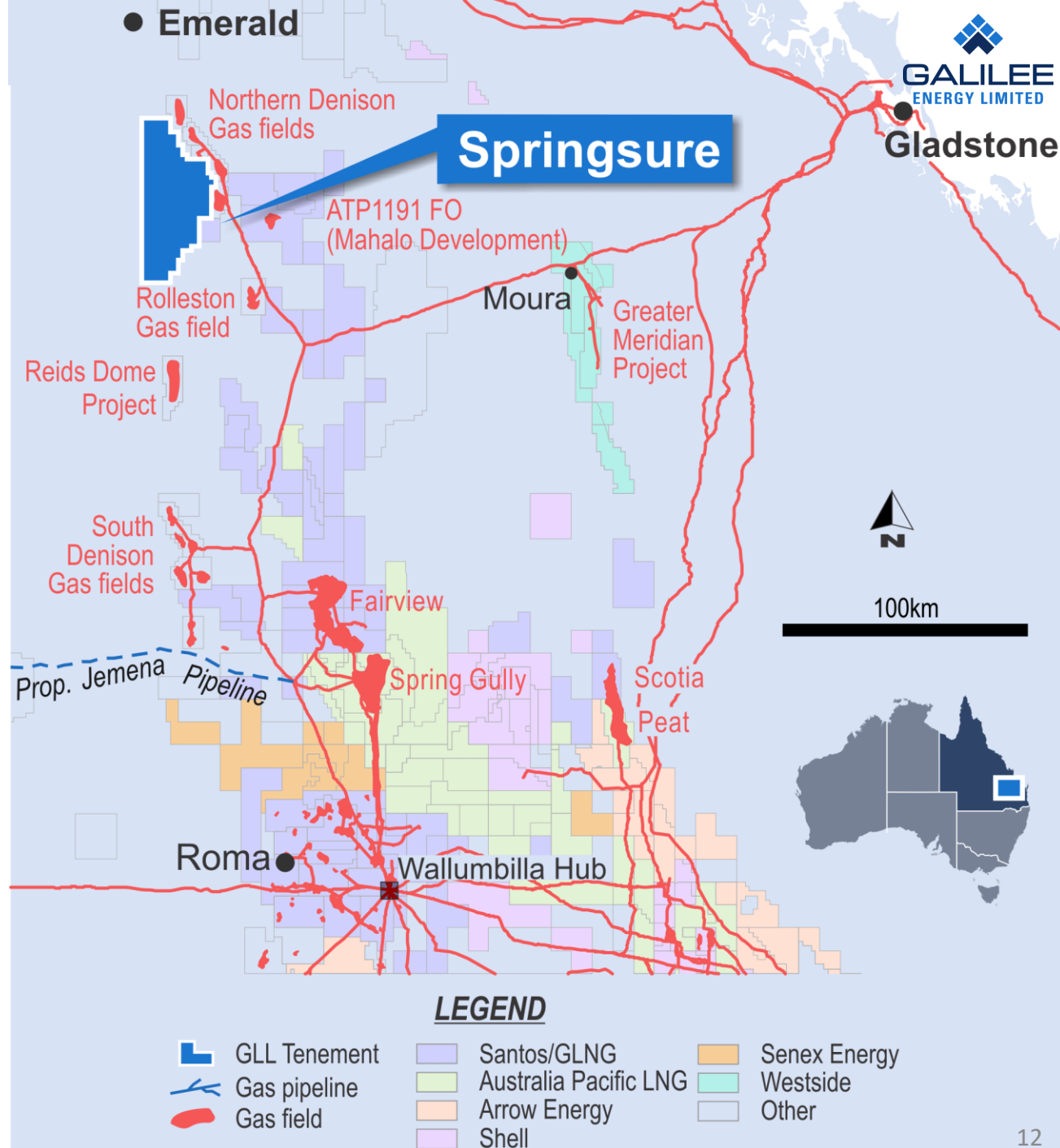
Surat Basin – Kumbarilla Gas Project

- 384km² of high-value exploration acreage targeting both coal seam gas and conventional oil.
- Close proximity to top tier production assets.
- Existing pipeline tie-ins less than 10km.
- The nearby Ironbark CSG field - purchased by APLNG in 2019 for \$231 million.
- 2D seismic reprocessing complete and three well corehole programme completed Q1 2020.
- Discussions at an advanced stage with adjacent Operator regarding a subsurface data exchange between the two parties.



Bowen Basin – Springsure Gas Project

- 1,425km² of high-quality exploration acreage - Denison Trough region:
 - Multiple coal seam gas and stacked conventional gas targets;
- Excellent location with short-range tie-in potential to both existing gas networks and future developments including:
 - Jemena’s proposed Galilee to Yellowbank pipeline;
 - Mahalo Development;
 - Northern Denison gas fields.
- Reprocessing of over 700km of existing 2D seismic nearing completion.



Summary



Focus on high growth east coast gas

Glenaras Pilot producing strongly and remains the key focus. Now hold 100% equity positions across three Queensland basins to service east coast gas markets.



Experienced management team

High quality people in place at board and management level with experience and track record of success in these basins.



Structurally short gas market

East coast gas market tightening and short in supply as Glenaras gas enters market.



Positions across multiple prospective basins

Exclusively targeted high value exploration plays with multiple targets. Provides a portfolio of opportunities, spreading risk and resource maturity.



Channel to market

Jemena have made significant progress with all stakeholders and have lodged EIS for proposed Galilee Gas Pipeline providing a clear pathway to the east coast gas market.



Strong financial position

Strong support from shareholders, well funded to progress both Glenaras and new exploration projects and no debt.

Disclaimer

This presentation may contain forward looking statements that are subject to risk factors associated with oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates. Investors should undertake their own analysis and obtain independent advice before investing in GLL shares. All references to dollars, cents or \$ in this presentation are to Australian currency, unless otherwise stated.

+Competent Persons Statement & Listing Rule 5 Additional Reporting on Oil & Gas Activities

The estimates of contingent resources for both ATP 2043 and ATP 2019 as they appear in this presentation, are based on, and fairly represents, information and supporting documentation determined by Mr Timothy L. Hower of MHA Petroleum Consultants LLC Inc Denver, Colorado, USA, an independent petroleum reserve and resource evaluation company, in accordance with Petroleum Resource Management System guidelines. Mr Hower is a full-time employee of MHA, and is a qualified person as defined under the ASX Listing Rule 5.41. His career spans over 30 years petroleum engineering evaluations experience including field development planning, unconventional reservoir assessment and reserves, reservoir simulation, enhanced recovery, and industry training courses. His qualifications and experience meet the requirements to act as a Competent Person to report petroleum reserves in accordance with the Society of Petroleum Engineers (“SPE”) 2007 Petroleum Resource Management System (“PRMS”) Guidelines as well as the 2011 Guidelines for Application of the PRMS approved by the SPE. Mr Hower has consented to the publication of the contingent resource estimates for Galilee Energy’s 100% interest in ATP 2043 and ATP 2019 in the form and context in which they appear in this presentation . The contingent gas resource estimates for ATP 2019 provided in this presentation were originally released to the market in the Company’s announcement of 1 September 2015, and were estimated using the Deterministic Method with the estimate of contingent resources for ATP2019 not having been adjusted for commercial risk. The contingent gas resource estimates for ATP 2043 provided in this presentation were originally released to the market in the Company’s announcement of 1 August 2019 and were estimated using the Deterministic Method with the estimate of contingent resources for ATP2043 not having been adjusted for commercial risk. Galilee Energy confirms that it is not aware of any new information or data that materially affects the information included in the presentation of the 1st of September 2015 and that all of the material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.



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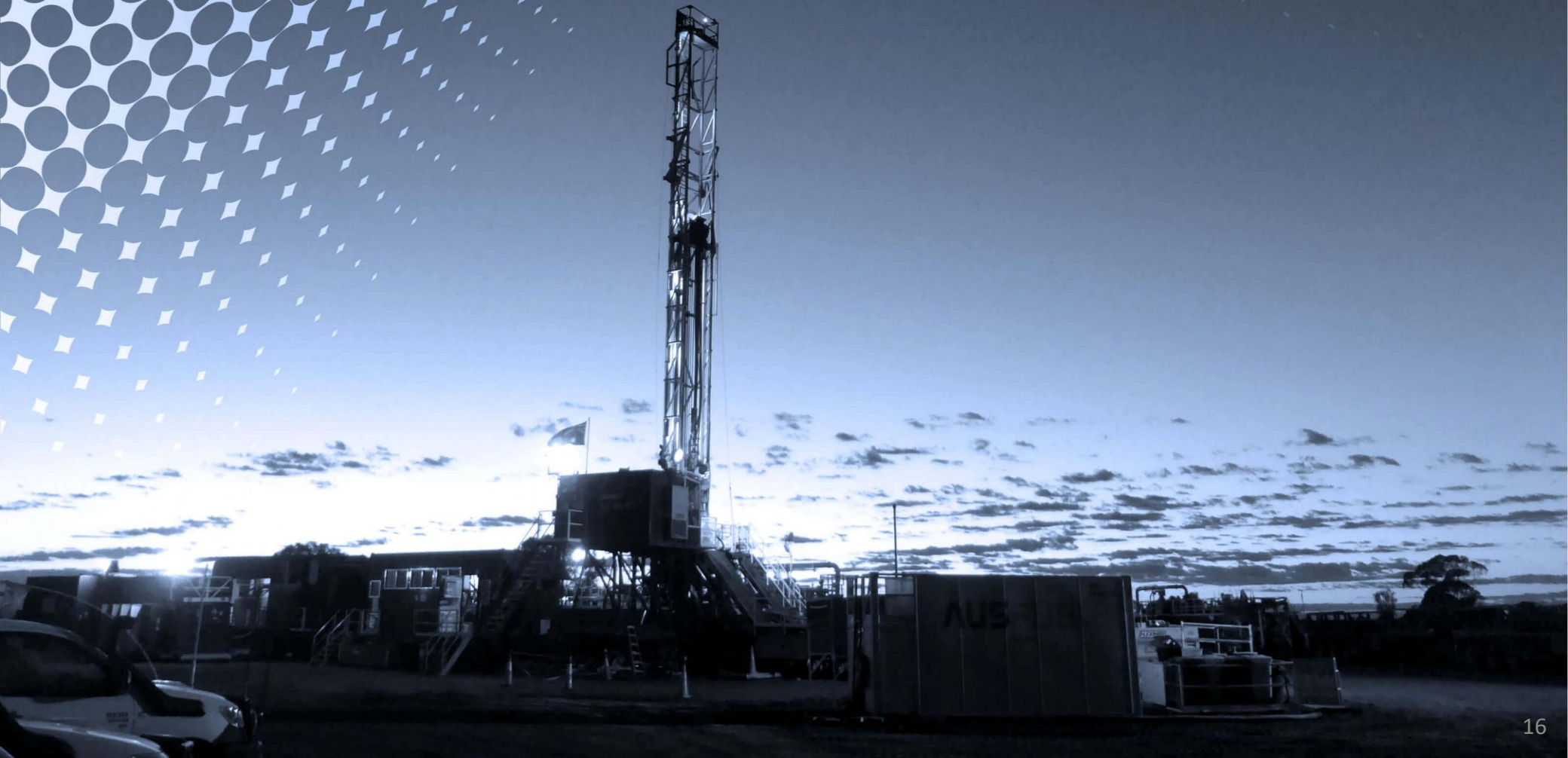
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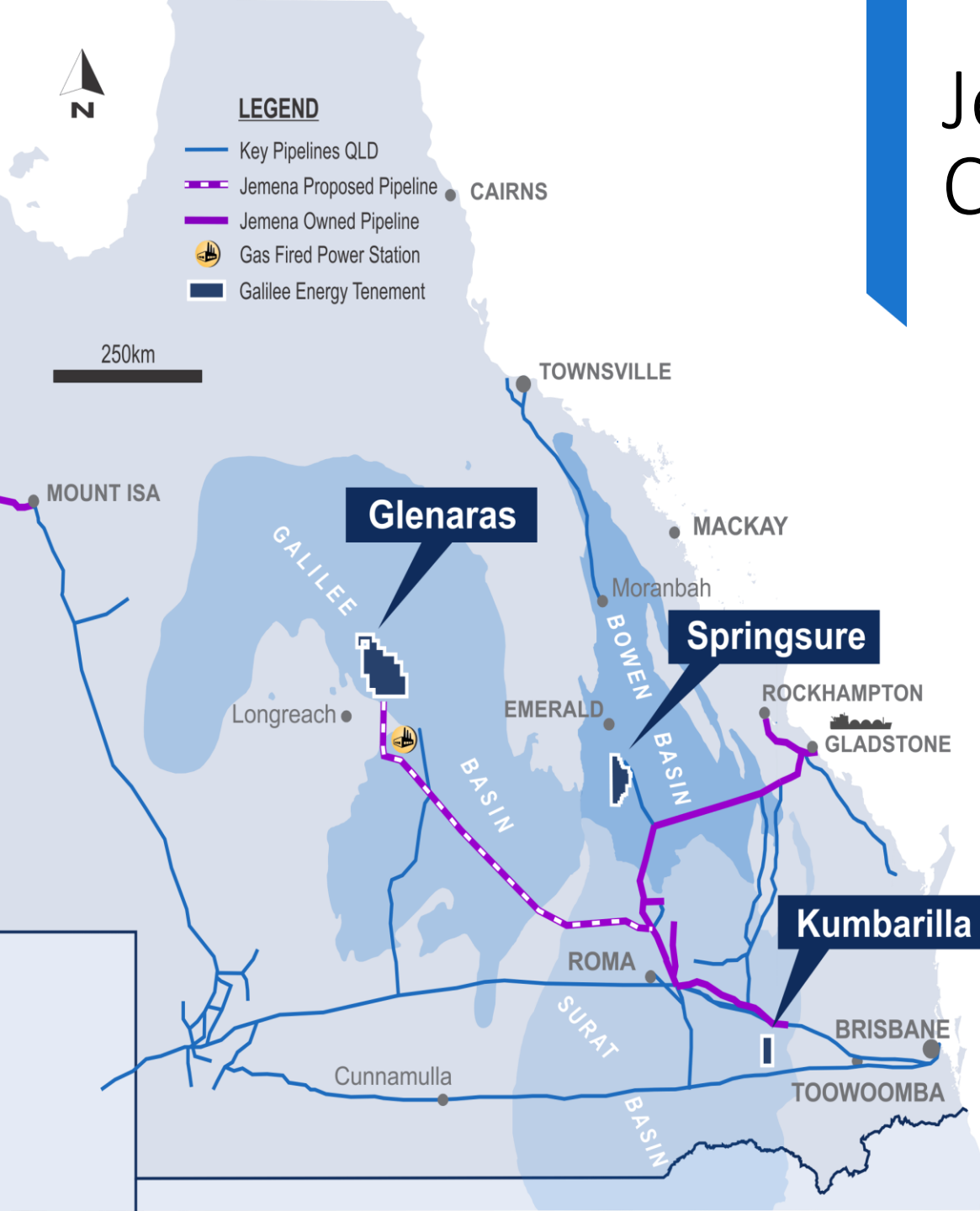
Email: admin@galilee-energy.com.au

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BACKUP SLIDES



Jemena MOU – Clear Path to Market



- Binding MOU to fast-track to market
- Jemena have conducted various assessments of the pipeline route corridor.
- Aerial surveys have been conducted
- Formal lodgement of Voluntary EIS Application
- Galilee are in discussion with a number of gas customers:
 - Domestic and export.
 - Government and gas buyers.