

## Alinta Energy HoA - Glenaras Gas Project

25 March 2021

### Highlights

- ❖ Galilee has entered into a Heads of Agreement with Alinta Energy to work towards the supply of natural gas from the Glenaras Gas Project into the east coast domestic market.
- ❖ Now have multiple near term and longer term gas commercialisation options for the Glenaras Gas Project.
- ❖ Galilee Basin has been identified by the Federal Government as a key basin to be unlocked as part of the “gas led economic recovery”.

Galilee Energy Limited (ASX:GLL) (“Galilee”) is pleased to advise that it has entered into a Heads of Agreement (“HoA”) with Alinta Energy to collaborate on domestic gas supply opportunities from the Glenaras Gas Project.

Managing Director Peter Lansom said Galilee is delighted to have entered into the HoA with a customer such as Alinta Energy who have a strong Queensland presence and who support the powering of homes, manufacturing and jobs.

“Galilee is committed to working with potential customers to supply natural gas that will help to support the gas-led recovery and assist in the creation of sustainable employment for Queenslanders.

This agreement with Alinta Energy follows both the Queensland and Federal Government’s policy to support the new supply of natural gas into the domestic market and I’m proud that Galilee has the opportunity to help support the supply of natural gas for homes, local manufacturing and to boost regional investment.

This HoA with Alinta Energy is a crucial step towards Galilee becoming a material supplier of gas to the east coast market and provides us with another commercialisation option in addition to those existing options outlined below,” Mr Lansom said.

### **About Alinta Energy**

Alinta Energy is a leading Australian utility with an owned and contracted generation portfolio of 3,000MW, over 1 million combined electricity and gas retail customers, and around 800 employees across Australia and New Zealand. Alinta Energy has been supplying energy in Australia for over 20 years.

Alinta Energy's energy portfolio includes power stations, transmission lines and natural gas pipelines in Australia and the Glenbrook power station in New Zealand. Other assets include the 502MW Braemar Power Station, near Dalby in Queensland, and gas fired power stations and a large-scale battery in Western Australia.

Alinta Energy are working to make energy more affordable and are committed to supporting the development of new renewable energy generation, including WA's largest wind farm and the Pilbara's Solar Gas Hybrid Project.

### **For further information contact:**

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

### **About Galilee**

Galilee Energy is focused on creating a high value 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 and Bowen Basins whilst looking to add further high quality acreage to its portfolio.

This announcement was released with the 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

Non-Executive Director – Greg Columbus

# Pathway to commercialisation and a lower carbon future



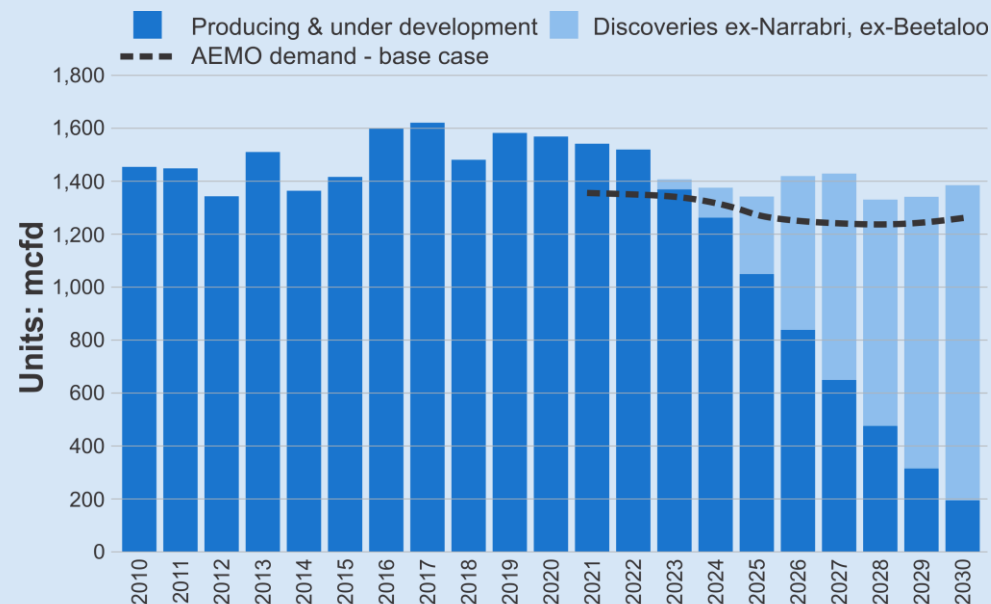
25 March 2021

ASX: **GLL**

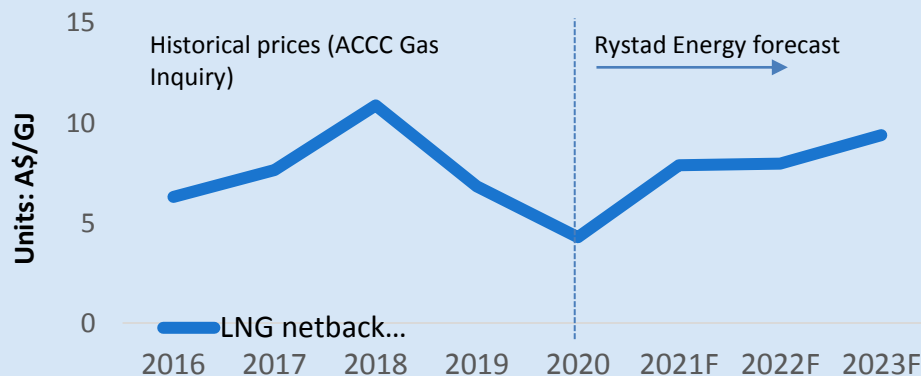
# Australian East Coast Dynamics

- East coast supply fundamentals remain tight – nothing has emerged to change that.
- Import LNG and natural gas piped from WA/NT will be more expensive gas.
- Given the existing challenges in NSW and Victoria, only Queensland natural gas is likely to solve the problem.
- Reserves are not being replaced via new exploration and appraisal drilling.
- The Australian Government recognises that natural gas is critical in supporting Australian manufacturing and jobs.

## Structurally short gas market – increasing supply deficits requiring new gas developments



Source: Rystad Energy Ucube, Rystad Energy Research & Analysis, Australian Energy Market Operator



Source: Rystad Energy research & analysis, Australian Energy Market Operator

# Early phase gas commercialisation - Alinta

- Alinta has been a generator and retailer of reliable and affordable energy to Australia for over 20 years.
- Alinta sell gas and electricity to over 1 million customers and employ 800 people across Australia and New Zealand.
- Energy portfolio includes power stations, transmission lines and natural gas pipelines in Australia.
- Working to make energy more affordable, underwriting or directly investing in 1,500MW of large scale renewable energy by 2025.
- Other renewable generation projects across Australia include solar power, battery storage and major wind farm operations.

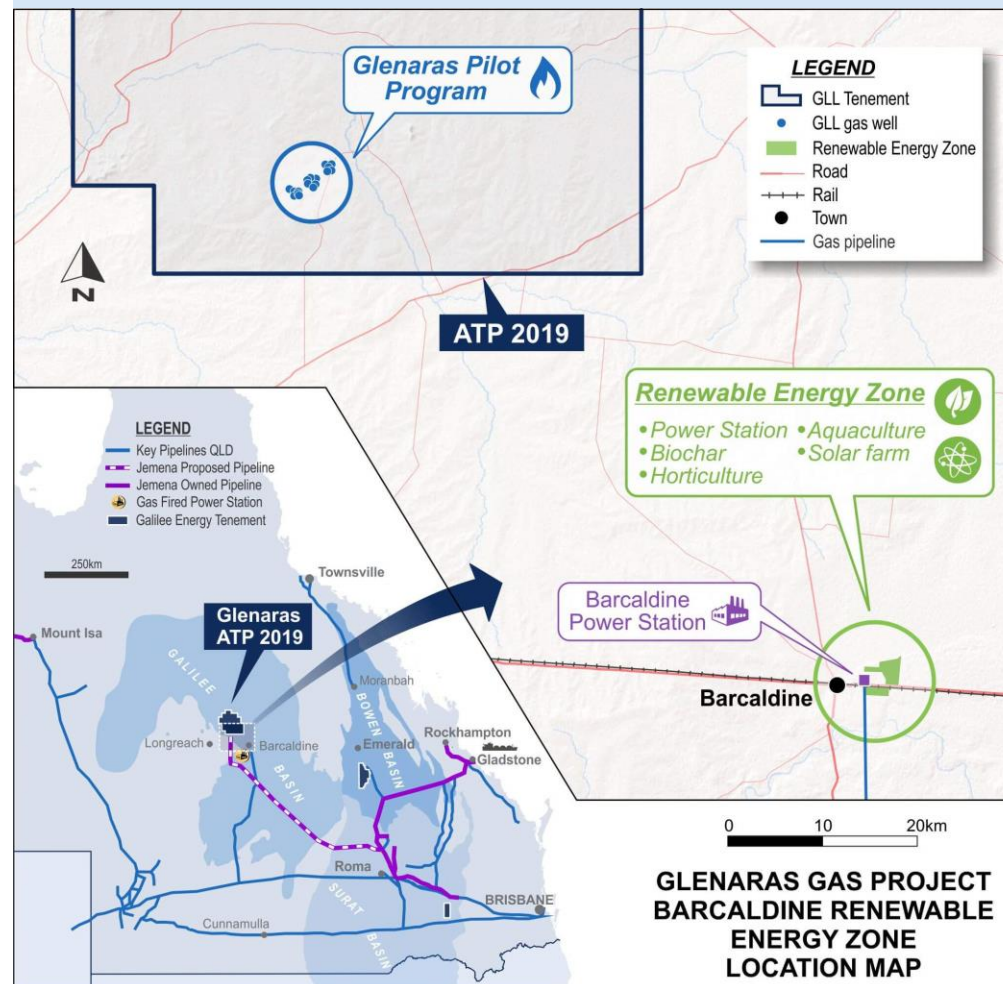
HoA signed for the supply of natural gas from Glenaras Gas Project



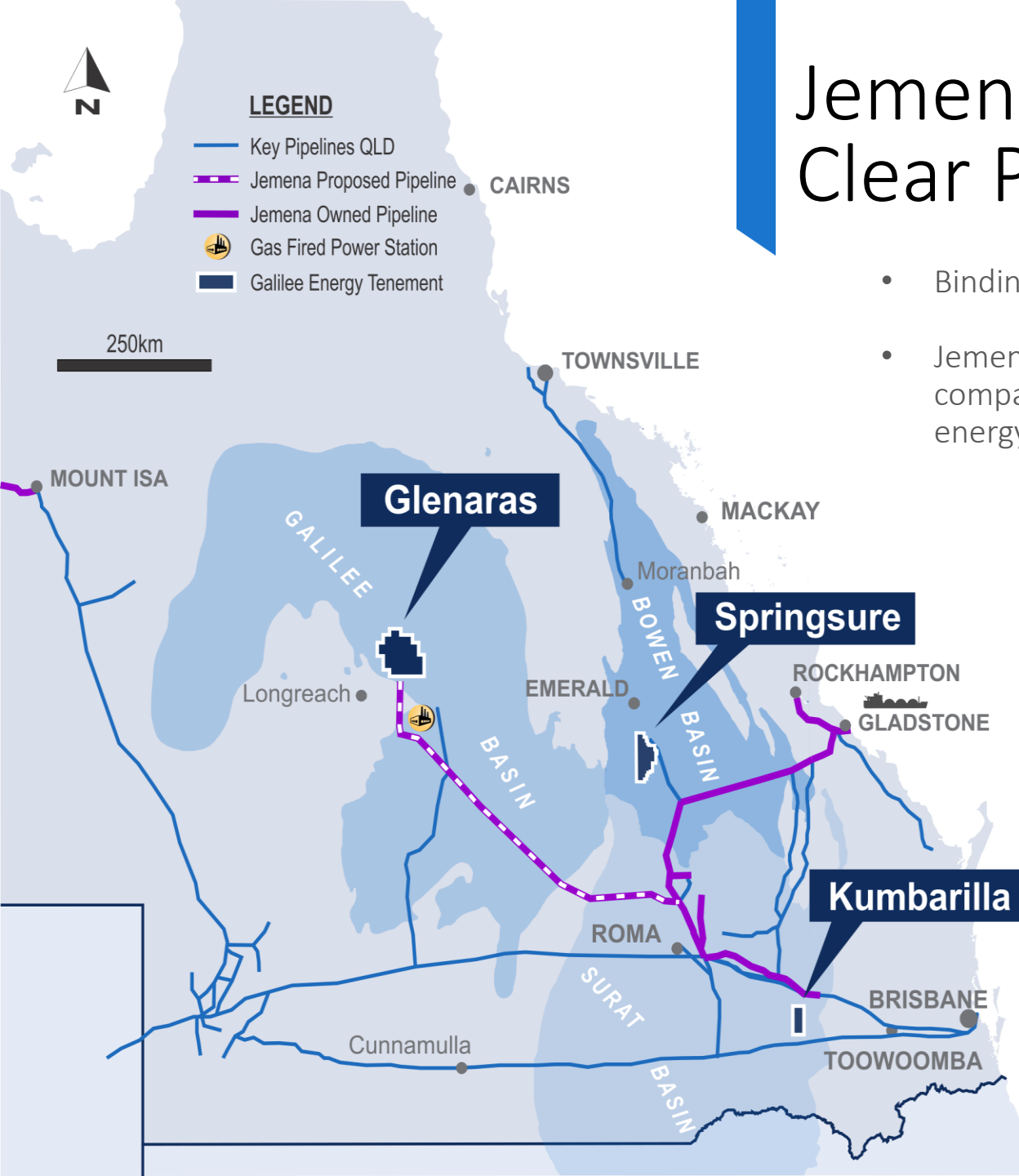
# Early phase gas commercialisation - Sunshot

- Barcaldine presents a number of early phase commercial gas sales opportunities. Barcaldine has an existing natural gas fired power station owned by Energy Queensland which is connected to the grid.
- Multiple opportunities within the Renewable Energy Zone with Sunshot Energy (Chaired by Professor Ross Garnaut).
- Renewable Energy Zone has strong local and state government support.
- Galilee Basin identified by Federal Government as a key Basin to be unlocked as part of the “gas led economic recovery”.
- ACCC Gas Inquiry – Jan 2021 Interim Report clearly identifies the need for projects such as the Glenaras Gas Project to address forecast natural gas supply shortfalls.

## Barcaldine supply options



# Jemena MOU – Clear Path to Market



- Binding MOU to fast-track to market.
- Jemena are a \$11.5 billion energy infrastructure company, operating some of Australia’s most critical energy assets.
- Address the forecast natural gas shortages by bringing new natural gas to market quickly, creating new jobs and supporting regional communities.
- Place downward pressure on natural gas prices by bringing genuine competition and choice to market.
- Jemena have mapped out the pipeline route corridor with the aim of protecting local culture and heritage.
- Aerial surveys have been conducted.

# Early phase gas commercialisation – Clarke Energy

- Assessing staged installation of a natural gas fuelled power station at the Glenaras Gas Project.
- Co-operation to install natural gas fired electricity generation to connect Galilee’s initial natural gas production to the grid.
- Flexibility to contribute to local power requirements at the Glenaras Gas Project.
- Environmental advantages through the beneficial use of pilot production gas.
- Early cashflow, proof of concept for initial development phase, prior to FID on full field development.

## Clarke delivery model

1.

Gas Genset



2.

Power Module



3.

Power Plant



4.

Solar PV, Wind



Diesel Gensets

Gas Engines



Battery Storage



# Managing the transition to a lower carbon future

Assessing viability of mini solar farms for early development activities.



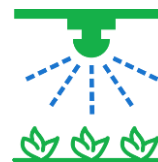
MoU with Sunshot assessing CCS and hydrogen opportunities.

Evaluating natural gas fired power station feeding directly into battery storage.

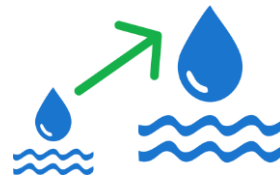


Building quality relationships with communities, partners and stakeholders.

Forage sorghum crops growing well, 2nd harvest about to commence, evaluating potential for achieving higher yields.



Centre pivot irrigation system now in full operation, with a 2<sup>nd</sup> system currently under construction.



Scalable system has provided proof of concept for a produced water solution at the Project.



# Summary



## Focus on high growth east coast gas

Glenaras Project producing strongly and remains the key focus. Galilee Basin identified by State and Fed Govts as key area to unlock in nation's gas led recovery.



## Experienced management team

Board and management bolstered recently. 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, gas prices rising again and forecast to be short of supply in same time frame as Glenaras gas enters the market.



## Managing the transition to a lower carbon future

Multiple opportunities within the Barcardine Renewable Energy Zone, irrigation system successfully implemented, evaluating CCS and hydrogen opportunities.



## Short and longer term commercialisation options

Combination of short term renewable and power generation options, coupled with high quality counterparties such as Alinta and Jemena providing a clear pathway to the east coast gas market.



## Strong financial position

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