

Glenaras Gas Pilot – Operations Update

10 May 2021

- ❖ **Glenaras pilot pump enhancement workover programme (PEP) is nearing completion.**
- ❖ **Natural gas production now observed at three of the new vertical wells.**
- ❖ **Total pilot water production is now ~19,000 BWPD and the aggregate natural gas rate from the pilot is continuing to rise and is now over 60 Mscfd, which represents a 20% increase over previously reported rates.**
- ❖ **This is encouraging given that not all wells are fully commissioned or at maximum drawdown yet.**
- ❖ **Final commissioning of Glenaras 17A and 23 is underway. Pumping at all six vertical wells will now be steadily increased to maximise drawdown.**
- ❖ **Second pivot irrigation system commissioned and operational.**

Galilee Energy Limited (ASX:GLL) (“Galilee”) is pleased to provide an update on the 100% owned and operated Glenaras multi well pilot programme (“Pilot”) in the Galilee Basin ATP 2019.

The PEP, which is nearing the final stages, has been executed safely, on time and within budget. This programme included workovers in all six of the vertical wells (see Figure 1) to optimise the production performance in these outer wells and accelerate the process of achieving commercial natural gas production.

The total Pilot water production is now ~19,000 BWPD and despite the early stage of production optimization, the aggregate natural gas rate from the Pilot is increasing and is currently at over 60 Mscfd in aggregate. Encouragingly natural gas production is already being observed at three of the new vertical wells and the remaining optimisation of production will be realised as we finalise commissioning of the last two wells and then maximise pressure drawdown in each of the wells.

The PEP, which installed larger capacity pumps in the vertical wells, has succeeded in its objective of increasing the water rate by over 30%, and early pressure data indicates an acceleration in the decline of reservoir pressure. We expect the natural gas rate to continue to increase once a greater proportion of the Pilot area is below the estimated critical desorption pressure.

The second pivot irrigation system, an important component of the requisite water handling capacity, has also been successfully commissioned and is now fully operational.

As previously advised, we are taking advantage of the rig being on location to carry out some further optimisation activities providing scope for further natural gas increases in the central, lateral wells.

Further operational updates will be provided to the market as we continue to bring the Pilot area down to the estimated critical desorption pressure.

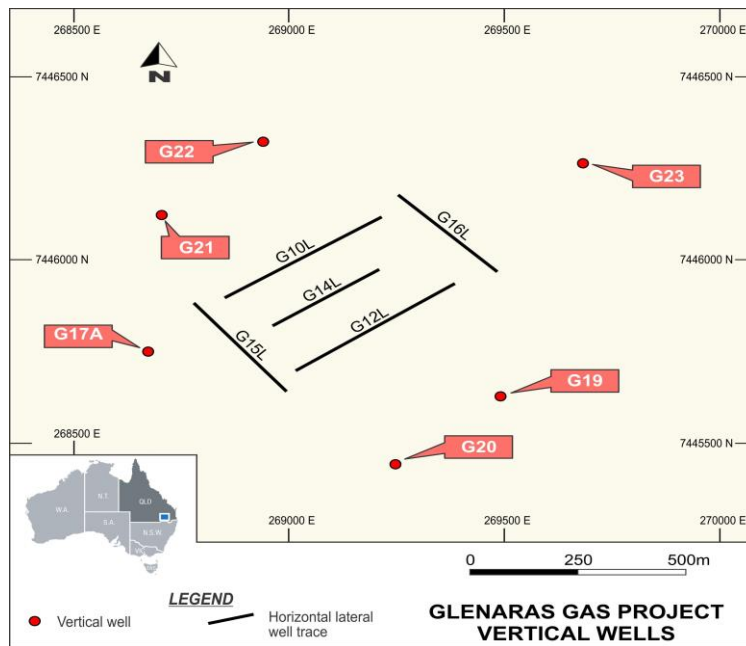


Figure 1 – Pilot well locations.



Wild Desert service rig conducting workover operations.

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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

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Managing Director – Peter Lansom

Non-Executive Director – Dr David King

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