

GALILEE ENERGY LIMITED

ACN 064 957 419

Prospectus

For the offer of one (1) Attaching Option for every one (1) Share issued to Participants pursuant to the SPP, for nil consideration (**Offer**).

This Prospectus has also been prepared to facilitate the on-sale of:

- (a) 36,922,568 Attaching Options issued to participants in the Placement; and
- (b) 1,375,000 Attaching Options issued to the Participating Directors pursuant to the Director Placement,

for the purpose of section 708A(11) of the Corporations Act.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Attaching Options being offered pursuant to this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Attaching Options offered in accordance with this Prospectus should be considered as a speculative investment.

Important Notices

This Prospectus is dated 26 April 2022 and was lodged with ASIC on that date. ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Attaching Options the subject of this Prospectus should be considered speculative.

This Prospectus is a transaction specific prospectus for an offer of options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making the representations contained in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters can reasonably be expected to be known to investors and professional advisers whom they may consult.

No exposure period applies to the offer of Attaching Options under this Prospectus by operation of ASIC Corporations (Exposure Period) Instrument 2016/74.

No Attaching Options will be issued pursuant to this Prospectus after the date that is 13 months after the date of this Prospectus.

Electronic prospectus

Participants can obtain a copy of this Prospectus from the Company website at <https://galilee-energy.com.au/>. The electronic version of this Prospectus on the Company website will not include an Acceptance Form. Participants will only be entitled to subscribe for Attaching Options pursuant to the Offer in accordance with the instructions in the personalised Acceptance Form which accompanies a paper copy of this Prospectus. Applicants will only be entitled to

subscribe for Attaching Options in accordance with the instructions in the Acceptance Form accompanying a paper copy of this Prospectus that is provided to them by the Company.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and do not believe that they have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Attaching Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website (<https://galilee-energy.com.au/>). By accepting the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Privacy

If you complete an Acceptance Form, you will be providing personal information to the Company (directly or via the Company's Share Registry). The Company collects, holds and will use that information to assess your Acceptance, service your needs as a holder of Attaching Options and facilitate the distribution of payments and corporate communications to you as a Shareholder.

The information may also be used and disclosed to persons inspecting the Company's register, bidders for your Shares in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its Share Registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Capitalised terms

Capitalised terms used in this Prospectus have the same meaning as those given in the Glossary

contained in section 10 on page 28 of this Prospectus.

1. Contents

1.	Contents	3
2.	Timetable	3
3.	Chairman's Letter	4
4.	Investment Overview	5
5.	Risks	8
6.	Acceptance of Offer	15
7.	Rights and liabilities of Attaching Options	17
8.	Rights and liabilities of underlying Shares	19
9.	Additional information	21
10.	Glossary	28
11.	Corporate Directory	30

2. Timetable

Appendix 3B lodged with ASX	26 April 2022
Prospectus lodged with ASX and ASIC	26 April 2022
Offer Opens	26 April 2022
Closing Date for applications pursuant to the Offer	27 May 2022
Issue date (if not issued earlier)	2 June 2022
Holding statements dispatched to Applicants pursuant to the Offer	9 June 2022

Subject to the ASX Listing Rules and the Corporations Act, the Directors reserve the right to vary these dates.

3. Chairman's Letter

Dear Participant,

On 24 February 2022, the Company announced a successful capital raising, comprising:

- (a) a private placement to sophisticated and institutional investors, raising approximately \$11.8 million at an issue price of \$0.32 per Share (**Placement**);
- (b) a private placement to Directors to raise a further A\$440,000, on the same terms as the Placement, which was conditional on Shareholder approval being obtained on 13 April 2022 (**Director Placement**); and
- (c) a share purchase plan (**SPP**) offering eligible Shareholders the opportunity to acquire up to \$30,000 worth of Shares at an issue price of \$0.32 per Share, to raise a further \$3 million,

for the purpose of the Company undertaking a five (5) well drilling programme at the Company's flagship Glenaras Gas Project, for general working capital and for costs of the SPP, Director Placement and Placement.

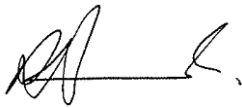
The Company also announced that, subject to obtaining Shareholder approval, Participants in the SPP would be entitled to acquire one (1) Attaching Option for every one (1) Share issued to them pursuant to the SPP, **for nil consideration (Offer)**.

The Attaching Options have an exercise price of \$0.48 per Attaching Option and are exercisable at any time prior to 5:00pm AEST on 4 September 2023.

Applicants for Attaching Options pursuant to this Prospectus should be aware that there are various risks associated with an investment in Attaching Options and the Company, including those risks briefly summarised in section 5 of this Prospectus. Accordingly, any potential investors should consult with their professional advisers before deciding whether to apply for any Attaching Options pursuant to this Prospectus.

The Board thanks all Shareholders for their continuing support for the Company and recommends the Offer.

Yours sincerely,



Raymond Shorrocks
Chairman
Galilee Energy Limited

4. Investment Overview

4.1 The Offer

By this Prospectus the Company offers Participants in the SPP the opportunity to subscribe for one (1) Attaching Option for every one (1) Share issued to the Participant pursuant to the SPP, for nil consideration (**Offer**).

Only Participants in the SPP may apply for Attaching Options and must do so no later than 5:00pm (AEST) on the Closing Date.

No funds will be raised from the issue of Attaching Options pursuant to this Prospectus as they are being issued for nil consideration.

Further details regarding the rights and liabilities attaching to the Attaching Options are contained in section 7 of this Prospectus. All of the Shares issued upon exercise of the Attaching Options offered in accordance with this Prospectus will rank equally with the existing Shares on issue as at the date of issue. Further details regarding the rights and liabilities attaching to the Shares are contained in section 8 of this Prospectus.

There is no minimum subscription amount in respect of the Offer.

4.2 No rights trading

The right to subscribe for Attaching Options pursuant to this Prospectus are non-renounceable, which means that you cannot sell or transfer all or part of your Attaching Option entitlement.

4.3 Key Risks

There are various risk factors associated with an investment in Attaching Options and the Company. Some, but not all, of these risks are summarised in section 5 of this Prospectus. These risks, and others not specifically referred to in section 5, have the potential to materially affect the financial performance of the Company and the value of the Attaching Options offered pursuant to this Prospectus.

Accordingly, potential investors should consider that an investment in the Company is speculative and should consult with their professional advisers before deciding whether to apply for any Attaching Options pursuant to this Prospectus.

Three of the key risks that Participants should be aware of are summarised briefly below:

(a) Gas flow rates

The rate at which gas flows from the Company's wells will be a key determinant of its future profitability and success.

One of the primary challenges faced by the Company in achieving a commercially viable gas flow rate from the Glenaras Gas Project has, to date, been the inability to reduce the reservoir pressure within the coal to the 'critical desorption' point (the point at which gas is released from the coal). It is believed that this has been due to a fault within the Betts Creek Beds which provides a path of communication between the coal beds and the interbedded water saturated sandstones and areas of high porosity/permeability coal.

While the proposed 5 well programme is intended to reduce the reservoir pressure and, hopefully, result in gas desorption and, in turn, commercially viable gas flow rates, there is no certainty that this drilling will be successful in achieving this outcome. If this does

not occur, this will likely have a material adverse affect on the Company. Please refer to section 5.2(a) for more details.

(b) Other Exploration Risk

Key to the Company's financial performance is to have success in exploring for and locating commercially exploitable hydrocarbons. Even if the Company is able to generate an acceptable gas flow rate, there is no assurance that expenditure on activities will result in any or sufficient hydrocarbon reserves and resources that can be commercially, socially or economically exploited. Exploration is subject to technical risks and uncertainty of outcome. Please refer to sections 5.2(b)for more details.

(c) Funding Risk

The Company is an oil and gas exploration company and currently relies on external funding to satisfy its capital requirements. There is no assurance that the Company will be able to secure additional funding, whether debt, equity or otherwise, on acceptable terms, or at all. Any additional equity financing will dilute shareholdings. Please refer to section 5.2(c) for more details.

4.4 Effect of the Offer on balance sheet

As the Attaching Options are being issued for nil consideration, the Offer will have no effect on the Company's cash position.

A further 4,859,375 Shares may be issued in the event that the Offer is fully subscribed and all of the Attaching Options are subsequently exercised.

If the Offer is fully subscribed and all of the Attaching Options are exercised, the Company will also receive approximately \$2.33 million on the exercise of the Attaching Options.

4.5 Effect of the Offer on capital structure

The principal effect of the Offer, assuming that the Offer is fully subscribed, is to increase the number of Options on issue by an amount of 4,859,375, from 48,797,568 to 53,656,943, as set out below:

Capital Structure	
Options on issue prior to Placement and Director Placement	10,500,000
Options issued under Placement and Director Placement	38,297,568
Attaching Options under this Prospectus	4,859,375
Total Options on issue post-Offer	53,656,943

As noted above, a further 4,859,375 Shares may be issued in the event that the Offer is fully subscribed and all of the Attaching Options are subsequently exercised.

4.6 Effect of Offer on relevant interest of substantial security holders

As at 21 April 2022, the following persons have provided notice to the Company that they have a relevant interest in 5% or more of Company's Shares:

Name	# Shares	Relevant Interest
Morgan Stanley Australia Securities (Nominee) Pty Ltd	36,733,909	10.90%
Mitsubishi UFJ Financial Group Inc	31,244,347	9.23%
CGS-CIMB Securities (Singapore) Pte Ltd	26,570,173	7.88%
Ecarlate Pty Ltd	19,259,738	5.71%

The issue of Attaching Options pursuant to the Offer will not have any effect on the relevant interests of any persons unless those Attaching Options are exercised.

4.7 Potential effect on control

The Options to be issued pursuant to this Prospectus will dilute Shareholders who are not Participants and do not subscribe for their full Entitlement pursuant to this Prospectus by approximately 1.44% (if the Offer is fully subscribed and all of the Options subsequently exercised).

Accordingly, the Offer is not expected to have any material effect on control.

4.8 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$35,000 (excluding GST), which are expected to be applied towards the items set out in the table below:

Expense	Amount (\$)
ASIC fees	\$3,206
ASX fees	\$9,430
Legal fees	\$20,000
Printing, registry, distribution and other	\$1,500
Total	\$34,136

4.9 Overseas shareholders

The offer of Attaching Options pursuant to this Prospectus does not, and is not intended to, constitute an offer or invitation in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Prospectus.

The SPP was only extended to Shareholders that were recorded in the Company's share register as having an address in Australia or New Zealand.

Accordingly, the Offer is not being extended, and no Attaching Options will be issued pursuant to the Offer, to Participants that are recorded in the Company's share register as having an address that is outside Australia and New Zealand.

The Prospectus is an Australian prospectus prepared under Australian law and is not a product disclosure statement prepared under New Zealand law. New Zealand law normally requires people who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is important for investors to make an informed decision.

No New Zealand product disclosure statement is being prepared and the Offer of Attaching Options is being extended to Participants that were recorded in the Company's share register

as having an address in New Zealand as a 'small offer' under the *Financial Markets Conduct Act 2013* (NZ).

As a result, Participants that were recorded in the Company's share register as having an address in New Zealand may not be given all the information usually required under New Zealand law and will also have fewer other legal protections for this investment.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

Participants that are resident in Australia and New Zealand that hold Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up any Entitlement pursuant to the Offer does not breach regulations in the relevant overseas jurisdiction. The return of a duly completed Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.10 On-Sale

This Prospectus has also been prepared to facilitate the on-sale of:

- (a) 36,922,568 Attaching Options issued to participants in the Placement; and
- (b) 1,375,000 Attaching Options issued to the Participating Directors pursuant to the Director Placement,

for the purpose of section 708A(11) of the Corporations Act.

5. Risks

5.1 Introduction

The Attaching Options offered in accordance with this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus and otherwise disclosed to the ASX, and consult their professional advisers before deciding whether to apply Attaching Options pursuant

to this Prospectus.

In addition to the specific risks that relate directly to the Company, there are also other general risks, many of which are largely beyond the control of the Company and the Directors, that investors should consider. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of any Shares and/or Attaching Options issued pursuant to this Prospectus.

5.2 Company Specific Risks

(a) Gas flow rates

The rate at which gas flows from the Company's wells will be a key determinant of its future profitability and success.

One of the primary challenges faced by the Company in achieving a commercially viable gas flow rate from the Glenaras Gas Project has, to date, been the inability to reduce the reservoir pressure within the coal to the 'critical desorption' point (the point at which gas is released from the coal). It is believed that this has been due to a fault within the Betts Creek coal and areas of high porosity/ permeability coal.

While the proposed 5 well programme is intended to reduce the reservoir pressure and, hopefully, result in gas desorption and, in turn, commercially viable gas flow rates, there is no certainty that this drilling will be successful in achieving this outcome.

If this does not occur, the Company may be required to drill more wells and/ or undertake other steps to achieve its intended objectives, resulting in further expenditure being incurred and, potentially, further funding being required.

Any future capital raising could result in dilution to existing Shareholders, depending on the nature of the capital raising (whether it is via debt or equity), and there is no guarantee that any future funding required by the Company would be available or on terms acceptable to the Company. This will likely have a material adverse affect on the Company.

(b) Other Exploration Risk

Key to the Company's financial performance is to have success in exploring for and locating commercially exploitable hydrocarbons. Exploration is subject to various technical risks and uncertainty of outcome.

Even if the Company is able to generate an acceptable gas flow rate, there is no assurance that expenditure on activities will result in any or sufficient hydrocarbon reserves and resources that can be commercially, socially or economically exploited, which would adversely impact the financial performance of the Company.

(c) Funding risk

The Company is an oil and gas exploration company and currently relies on external funding to progress and implement its objectives. Development of gas reserves and resources require significant capital and operational expenditure.

The Company's capital requirements depend on numerous factors, including the success of its planned exploration programs, the future exploration programs for its projects, the Company's ability to generate income from its operations and possible acquisitions or other corporate opportunities.

Any future capital raising could result in dilution to existing Shareholders, depending on the nature of the capital raising (whether it is via debt or equity).

Further, there is no guarantee that any future funding required by the Company would be available or on terms acceptable to the Company. If funding is not available on terms acceptable to the Company, it may need to scale back its exploration programs, which may impact adversely on the Company, or it may not be able to secure opportunities to acquire new projects or other corporate opportunities.

(d) **Development Risk**

Oil and gas development is a high risk undertaking and successful development cannot be guaranteed. The Company's financial performance will substantially depend on the accuracy of its sub-surface analysis, the production flow rates achieved and from cost estimates for its exploration well, project development costs and production facilities activities, working capital requirements and the duration of its works program. Due to individual prospect geological risk there can be no assurance that the Company's exploration activities, projects, tenements or databases that the Company holds or may acquire in future, will result in profitable outcomes for the Company. In the event that the Company's exploration and development proves to be unsuccessful, this could lead to a diminution in value of its projects, a reduction in the cash reserves of the Company and the possible relinquishment of one or more of its tenements.

(e) **Operational risks**

The business of oil & gas exploration, development and production, by its nature, involves significant risks. The business depends on, amongst other things, successful exploration and identification of resources and reserves, geological conditions, security of tenure, the availability of adequate funding, satisfactory performance of drilling operations, limitations on activities due to inclement weather or seasonal weather patterns, availability and cost of consumables and plant and equipment (including drilling rigs and other necessary machinery to undertake exploration, development and production) and skilled labour when required.

The Company's flagship project, the Glenaras Project, is located in the Galilee Basin in central Queensland. The remote nature of the project presents and can compound various usual logistical challenges, such as inclement weather, difficulties in obtaining necessary supplies for operations and other force majeure events, including virus containment (i.e. COVID-19), which has the potential to delay or increase the costs of exploration and development activities.

5.3 Industry Specific Risks

(a) **Gas markets risk**

The Company's possible future revenues are expected to be derived from domestic and/or export gas sales. The profitability of the Company's gas business will be determined by the future market for domestic and export gas. LNG prices are generally linked to oil price and in US dollars, and can vary significantly depending on oil prices, exchange rates, worldwide LNG supply and demand and the terms under which LNG off-take arrangements are agreed. Domestic gas prices are historically fixed prices typically under long term contracts with a percentage escalation of CPI, and may also vary due to various economic factors and factors which influence demand and supply at the time of contracting. There is also a spot domestic gas market with spot prices typically reflective of netback LNG plus other domestic supply/consumption influences. Numerous factors outside the control of the Company impact on gas prices. The prices required to achieve adequate returns on the Company's coal seam gas business will vary depending on cost of production including drilling costs, economies of scale and gas flow rates. Any substantial decline in the price of gas is likely to have a material

adverse effect on the financial position of the Company.

(b) **Reserve and Resource estimates**

Estimating hydrocarbon reserves and resources is subject to significant uncertainties associated with technical data and interpretation of that data, future commodity process and development and operating costs. Resource and reserve estimates are expressions of judgement based on knowledge, experience and industry practice. While these estimates may be appropriate when made, they may change significantly when new information or techniques become available.

There are risks associated with such estimates. Resource estimates depend to some extent on interpretations, which may prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect the Company's future plans and ultimately its financial performance and value.

There can also be no assurance that the Company's resources will successfully be converted into reserves, or that the Company will be able to produce the volume of reserves that it estimates are contained within its projects.

(c) **Drilling and completion techniques risk**

The Company may use horizontal drilling in its exploration and development activities. The use of these drilling technologies may be necessary for the production of commercial quantities of gas from geological formations of the type that the Company is targeting. There has been an increase in interest by governments and the public in various drilling techniques used in the oil and gas industry and the enactment of any new laws, regulations or requirements by any relevant government authority in respect of drilling techniques could result in operational delays, increased operational costs and potential claims from a third party or governmental authority. Restrictions on the use of drilling technologies or techniques may reduce the amount of gas the Company can produce and may have a material impact on the Company's business.

(d) **Infrastructure risk**

Infrastructure is a key path to market for a gas producer and any limitation of infrastructure exposes a producer to potential cost and capacity constraints. Discoveries in remote locations may be difficult and expensive to commercialise due to infrastructure and transport costs. The sharing with other industry participants of transport and operating infrastructure is common in the gas sector. Any delay or failure to access properly maintained operating infrastructure or shared facilities may have a material adverse effect on the Company.

(e) **Personnel risk**

The Directors are primarily responsible for overseeing the operations and the strategic management of the Company. The day-to-day operations of the Company are the responsibility of the Managing Director, assisted by the Chief Financial Officer, Chief Operating Officer and technical staff. There can be no assurance that there will be no detrimental impact on the Company if one or more of the Directors, particularly the Managing Director, no longer act as Directors of the Company, or if the employment outlook for geologists, engineers and other petroleum oil and gas industry specialists remains tight or further tightens for any reason

(f) **Environmental risk**

The Company's operations and projects are subject to state and federal laws and regulation regarding the environment. These laws and regulations set various

standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted. Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by the Company, or noncompliance with environmental laws or regulations. The Company proposes to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage.

(g) **Tenement risk**

The Company's exploration and appraisal activities are dependent upon the grant and maintenance of appropriate licences, permits, resource consents, access arrangements and regulatory authorities (**Authorisations**), which may not be granted or may be withdrawn or made subject to limitations at the discretion of government or regulatory authorities. Although the Authorisations may be renewed following expiry or granted (as the case may be), and the Company is not aware of any reason why they would not be granted, there can be no assurances the authorisations will be continued, renewed or granted, or as to the terms of such renewals or grants.

(h) **Legislation and regulatory risk**

The Company's activities in the petroleum industry are subject to legislation, regulation and approvals. The introduction of new legislation, amendments to existing legislation, the application of developments in existing common law or policies or the interpretation of those laws or policies, particularly in relation to, land access arrangements, environmental approvals, the carbon tax or its substitute, the effect of greenhouse gases legislation, royalties and production and exploration licensing may adversely affect the Company's future operations and financial performance. The Company will, from time to time, require various government regulatory approvals for its transactions and operations and must comply with those approvals, applicable laws, regulations and policies. In particular, the Company may require licences and approvals in relation to mining activities, environmental matters and the manufacture and supply of gas and electricity. There is a risk that the Company or a joint venture that it is a party to may not obtain, or there may be a delay in obtaining, the necessary licences and approvals. This may affect the timing and scope of transactions and work that can be undertaken. Further, a failure to comply with a licence, approval or applicable law may affect the timing and scope of work that can be done. The loss of granted tenements or failure to obtain relevant approvals in relation to them may have a material adverse effect on the Company process. By way of example, in the context of the current political environment, the introduction of legislation that further restricts or inhibits gas exploration and production, changes to strategic cropping, native title, land access or overlapping tenement arrangements or the introduction of legislation that restricts or inhibits exploration and production would likely operate to the Company's detriment.

(i) **Occupational health and safety risk**

Gas exploration and production may expose the Company's staff to potentially dangerous working environments. If any of the Company's employees suffered injury or death, compensation payments or fines may be payable and such circumstances could result in the loss of a licence or permit required to carry on the business.

(j) **COVID-19 impact risk**

The global economic outlook is uncertain due to the current COVID-19 pandemic, which has been having, and may to continue to have, an impact on global capital markets, the gas price and foreign exchange rates due to public health and government response factors. The emergence of new variants of Coronavirus is unpredictable and as a result there is continued uncertainty as to the ongoing and future responses of governments and authorities globally, and further Australian economic shut downs are possible.

COVID-19 poses a health risk to the Company's personnel. While to date COVID-19 has not had any material impact on the Company's operations, should any Company personnel or contractors be infected, it could result in the Company's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on the Company's operations and financial condition.

COVID-19 may also cause supply chain disruptions either directly, or due to government responses to the pandemic. Travel bans and mandated quarantines may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, adversely impact the Company's operations, financial position and prospects.

(k) **Community and Social Risk**

While the Company has good relations with the local landowners on whose land it operates, there is a risk that wider community disapproval of oil and gas activities may lead to direct action which impedes the Company's ability to carry out its lawful operations, resulting in project delay, reputational damage and increased costs and thus impact the financial performance of the Company.

(l) **Competition risk**

As a result of high levels of demand in the natural resource industries, a shortage of supply of material, labour and services could impact adversely on exploration or production activities.

(m) **Insurance risk**

Insurance of all risks associated with oil & gas exploration and production is not always available and, where available, the cost can be high. The Company will have in place insurance considered appropriate for the Company's needs; however, there is no guarantee that such insurance will be sufficient in all circumstances.

(n) **Climate change risk**

Climate change is alleged by some experts to be the cause of certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events. These events, which some believe to be associated with climate change, may have a direct impact on Company's ability to perform its operations and may significantly change the industry in which the Company operates.

In addition, changing investor sentiment towards climate change, including a view that oil and gas should be avoided due to its contribution to greenhouse gas emissions and, in turn, cause investors to cease investing in oil and gas entities, may have a significant adverse affect on the Company's ability to secure additional funding and other ancillary

products and services (including, for example, appropriate insurance at affordable prices).

5.4 General investment risks

(a) Economic Risk

Factors such as economic outlook, inflation, currency fluctuation, interest rates, demand, global geo-political events and hostilities and industrial disruption have an impact on operating costs, oil and gas prices and share market conditions. The Company's future possible profitability and the market price of the Company's securities (including the Shares underlying the Attaching Options) can be affected by these factors which are beyond the control of its Directors.

(b) Investing in securities and market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (1) general economic outlook;
- (2) commodity prices;
- (3) interest rates and inflation rates;
- (4) changes in investor sentiment toward particular market sectors;
- (5) the demand for, and supply of, capital; and
- (6) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for securities in general and oil and gas securities in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company

Once the Attaching Options are converted to Shares and are quoted on the ASX, their price may rise or fall and they may trade at prices below or above the Exercise Price. There can be no assurance that the Company's share price will rise, or remain, above the exercise price of the Attaching Options during their exercise period. There also can be no assurance that these Shares will be traded actively, nor that there will be a viable market for the Attaching Options on which an Applicant could sell their Attaching Options prior to their exercise.

(c) Equity market conditions

Securities listed on the stock market can experience extreme price and volume fluctuations that are unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. General factors that may affect the market price of Shares include economic conditions in both Australia and internationally (particularly Australian, US and Chinese economic conditions), investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or

legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(d) **Liquidity Risk**

The Company has applied to the ASX for Quotation of the Attaching Options.

However, no assurance can be given of the price at which Attaching Options will trade or that they will trade at all, even if ASX does admit them for Quotation.

Additionally, while the Company's Shares are currently admitted to ASX's official list, and the Company will apply for Quotation of any Shares issued on the exercise of the Attaching Options if still admitted to the official list at that time, no assurance can be given of the price at which Shares will trade or that they will trade at all.

Potential Applicants should, therefore, be prepared to hold their Shares, on exercise of Attaching Options, for extended periods pending the development of the Company's projects and potential opportunities emerging in the future. The market price of securities can fall, as well as rise, and may be subject to varied and unpredictable influences on the market for equities and, in particular, resources entities. Neither the Company nor the Directors provide any warranty as to the future performance of the Company or any return on an investment in the Company.

(e) **Information technology/privacy**

The Company relies heavily on its own computer systems and those of third party service providers to store and manage private and confidential information. A malicious attack on the Company's systems, processes or people from external or internal sources could put the integrity and privacy of the Company's data at risk. If the Company's efforts to combat any malicious attack are unsuccessful or the Company has actual or perceived vulnerabilities, the Company's business reputation and brand name may be harmed, potentially having a material adverse effect on the Company's operations and financial position.

5.5 Speculative investment

The above risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Options offered pursuant to this Prospectus and the underlying Shares into which they may convert.

Therefore, the Attaching Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Attaching Options or any Shares (if any) on exercise.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for any Attaching Options pursuant to this Prospectus.

6. Acceptance of Offer

6.1 Acceptance of Offer

Your acceptance of the Offer must be made on the Acceptance Form accompanying this Prospectus.

You may accept all or part of your Attaching Option entitlement described in your personalised Acceptance Form and must do so no later than 5:00pm (AEST) on the Closing Date.

The Attaching Options are being issued for NIL consideration and therefore **you are not required to pay any funds** with your Acceptance Form. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for your maximum Entitlement.

You can only apply for Attaching Options if you were a Participant in the SPP and have received a personalised Acceptance Form from the Company.

6.2 Representations you will be taken to make by acceptance

By completing and returning an Acceptance Form, you will be deemed to have:

- (a) acknowledged that you have fully read and understood this Prospectus and the Acceptance Form in their entirety and you acknowledge the matters and make the warranties and representations and agreements contained in this Prospectus and the Acceptance Form;
- (b) agreed to be bound by the terms of the Offer, the provisions of this Prospectus and the Company's Constitution;
- (c) authorised the Company to register you as the holder of the Attaching Options allotted to you;
- (d) declared you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations pursuant to the personalised Acceptance Form;
- (e) warranted that you are a Participant and that you are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue of Attaching Options pursuant to this Prospectus;
- (f) agreed to apply for and be issued up to the number of Attaching Options specified in the Acceptance Form;
- (g) authorised the Company, the Share Registry and their respective officers, employees or agents to do anything on your behalf necessary for Attaching Options to be issued to you;
- (h) acknowledged that the information contained in this Prospectus and your Acceptance Form is not investment advice nor a recommendation that the Attaching Options are suitable for you given your investment objectives, financial situation or particular needs;
- (i) acknowledged that this Prospectus does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to the ASX;
- (j) acknowledged the statement of risks in the 'Risks' Section of this Prospectus and that investments in the Company are subject to risk;

- (k) acknowledged that none of the Company or its Related Bodies Corporate and Affiliates (as those terms are defined in the Corporations Act) and none of its or their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital; and
- (l) authorised the Company to correct any errors in your Acceptance Form.

The Directors' (or their delegates') decision as to whether to treat an Acceptance as valid and how to construe, amend or complete the Acceptance Form is final and binding. The Directors reserve the right to accept late Acceptances in their sole discretion.

6.3 Enquiries concerning your Entitlement

If you have any queries concerning your Entitlement please contact the Share Registry on telephone 1300 850 505 (within Australia) or +61 3 9415 4000 (within New Zealand).

7. Rights and liabilities of Attaching Options

One (1) Attaching Option will be issued for every one (1) Share issued in accordance with this Prospectus for no additional consideration. The Attaching Options will be issued on the following terms and conditions.

7.1 Exercise Price

Each Attaching Option entitles the holder to subscribe for one (1) Share on payment of the sum of \$0.48 per Attaching Option (**Exercise Price**) to the Company.

7.2 Exercise Period and Expiry Date

The Attaching Options are exercisable at any time on a Business Day prior to 5:00pm AEST on 4 September 2023 (**Expiry Date**). Attaching Options not exercised by that date will lapse.

7.3 Notice of Exercise

Applicants will receive an exercise notice at the same time that they receive a holding statement in respect of the Attaching Options (**Exercise Notice**).

Attaching Options may be exercised at any time prior to 5:00pm AEST on the Expiry Date by the holder delivering a duly executed Exercise Notice to the Company's registered address, together with payment (in cleared funds) to the Company of the aggregate Exercise Price for the number of Attaching Options being exercised.

Attaching Options will be deemed to have only been exercised on the date that the Company has received the aggregate Exercise Price (in cleared funds) in respect of the Attaching Options exercised in accordance with the Exercise Notice.

7.4 Shares Issued on Exercise of Attaching Options

Shares to be issued pursuant to the exercise of Attaching Options will be issued following receipt of all the relevant documents and payments (in cleared funds) and will rank equally with the then issued Shares.

Shares issued pursuant to the exercise of Attaching Options will have the same rights and liabilities as the Company's existing Shares on issue as at the date of the exercise of the Attaching Options. The full details of the rights attaching to Shares are set out in the Company's

Constitution. A summary of the rights and liabilities attaching to the Shares as at the date of this Prospectus is set out in section 0 of this Prospectus.

If the holder of any Attaching Options exercises less than the total number of Attaching Options registered in their name, the Company will provide the holder of any Attaching Options with a new holding statement stating the remaining number of Attaching Options registered in that holders name, together with a new exercise notice.

If the Company is still admitted to the ASX's official list at the time of exercise of Attaching Options, an application will be made for Quotation of the Shares to be issued upon exercise.

7.5 Quotation of Attaching Options and Shares on Exercise

The Company will apply to the ASX for Quotation of the Attaching Options within seven (7) days after the date of this Prospectus. However, the Company cannot guarantee that ASX will accept Quotation of the Attaching Options in which case they will remain unlisted. If the Attaching Options are not listed, Participants should be aware that there is unlikely to be a viable market for them and a sale or transfer of the Attaching Options will be difficult.

7.6 Transfer

The holder of any Attaching Options may transfer some or all of their Attaching Options in any manner authorised by the ASX or the Corporations Act.

7.7 Participation Rights or Entitlements

There are no participating rights or entitlements inherent in the Attaching Options and holders will not be entitled to participate in new issues of securities offered to Shareholders during the term of the Attaching Options, except in their capacity as existing Shareholders.

However, the Company will ensure that, for the purpose of determining entitlements to any such issue, the record date will be at least five (5) Business Days after the issue is announced so as to give holders of Attaching Options the opportunity to exercise their Attaching Options before the date for determining entitlements to participate in any issue.

7.8 Bonus Issues

If, prior to the expiry of the Attaching Options, the Company makes a bonus issue of Shares to Shareholders for no consideration, the number of Shares over which an Attaching Option is exercisable will be increased by the number of Shares which the holder would have received if the Attaching Option had been exercised before the relevant record date for calculating entitlements for the bonus issue, and no change will be made to the Exercise Price.

7.9 Pro-Rata Issue

If, from time to time, prior to the expiry of the Attaching Options, the Company makes a pro-rata issue of Shares to shareholders (except for a bonus issue), the exercise price of the Attaching Options will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

7.10 Capital reorganisation

If there is a reorganisation of the issued capital of the Company (including any consolidation, subdivision, reduction, or return of capital), the rights of the holder of Attaching Options shall be changed to the extent necessary to comply with the ASX Listing Rules at the time of the reorganisation.

8. Rights and liabilities of underlying Shares

Shares issued on the exercise of Attaching Options will have the same rights and liabilities as the Company's existing Shares on issue as at the date of this Prospectus. The full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available on the Company's website <https://galilee-energy.com.au/corporate-governance/policies/> and may also be inspected at the Company's registered office. A summary of the rights and liabilities attaching to the Shares is set out below.

8.1 Voting rights

At a general meeting every Shareholder present in person or by proxy, attorney or body corporate representative has one vote on a show of hands and every Shareholder present in person or by proxy, attorney or body corporate representative has one vote for each Share on a poll.

The Constitution enables the Board to determine that Shareholders who are entitled to attend and vote at a meeting may do so by way of direct vote and to prescribe regulations, rules and procedures regarding such direct votes.

8.2 Dividends

Dividends are declared by the Directors at their discretion and are paid to Shareholders according to their rights and interest in the profits at the time of entitlement to the dividend.

8.3 Transfer of Shares

Generally, the Directors will not refuse to register a transfer unless the ASX Settlement Operating Rules, ASX Listing Rules or the Constitution permit it to do so, the transfer of Shares is inconsistent with the Share transfer requirements outlined within the Constitution, the transfer would result in more than three persons being registered as joint holders or the Company has a lien on the Shares.

8.4 Future increases in capital

The issue of any Shares of the Company is under the control of the Directors who may, subject to the Corporations Act and the ASX Listing Rules, issue them on such conditions as they see fit.

8.5 Variation of rights

The rights and privileges attaching to a class of Shares, unless their terms of issue state otherwise, can be altered by a special resolution of Shareholders and either:

- (a) by special resolution passed at a meeting of the members holding Shares in that class;
or
- (b) by the written consent of Shareholders with at least 75% of the votes in that Share class.

A special resolution is a resolution passed by a majority of not less than 75% of those entitled to vote on the resolution.

8.6 Rights on winding up

In the event of a winding up of the Company:

- (a) any surplus will be divided among the Shareholders in proportion to the number of Shares held, irrespective of the amount paid or credited as paid on the Shares (assuming, in the case of any shares that were partly paid up at the commencement of the winding up, that the amount required to be paid to make them fully paid has been contributed to the Company); and
- (b) surplus assets in kind may, with the sanction of a special resolution, be divided among Shareholders in such proportion as the liquidator may determine. This determination may not be in accordance with the legal rights of the members, and in particular, any class may be given preferential or special rights or may be excluded altogether or in part.

8.7 Directors' remuneration

The Constitution provides that the Company may remunerate each Director as the Company determines by resolution. The Company determines by resolution only the total remuneration to be paid to the Directors, and the Directors determine how the total remuneration is divided among them.

The remuneration of the Managing Director or Executive Officer is fixed by the directors and may be by way of fixed salary or participation profits in the Company but may not be by way of commission on or percentage of operating revenue of the Company and this remuneration may be in addition to any remuneration which the Managing Director may receive as a Director of the Company.

The Company must not increase the total amount of Directors' remuneration payable by it without the members' approval by resolution at a general meeting.

8.8 Shareholder liability

As the New Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

8.9 Proportional takeover provisions

The Constitution contains provisions requiring member approval in relation to any proportional takeover bid, being an off-market takeover bid for a specified proportion of securities in the bid class.

The provisions must be renewed by a special resolution of members entitled to vote, three years from the date the provisions were adopted or last renewed, otherwise the provisions will cease to have effect. The Company has not sought to renew the provisions in the last three years and therefore these do not have any operative effect at this time.

8.10 Marketable Parcels

The Constitution includes provisions which entitle the Company to require that a Shareholder who holds less than a "marketable parcel" (as defined in the ASX Listing Rules) to increase its shareholding to a marketable parcel or notify the Company that it wishes to retain its Shares, failing which the Company will be authorised to sell the Shareholders' Shares.

8.11 Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. A special resolution is a resolution passed by a majority of not less than 75% of those entitled to vote on the resolution.

9. Additional information

9.1 Allotment

Attaching Options issued pursuant to the Offer will be allotted in accordance with ASX Listing Rules and the timetable set out in this Prospectus.

Attaching Options issued pursuant to the Offer will be allotted on a progressive basis throughout the offer period and within three (3) months of the Closing Date.

Holding statements for Attaching Options issued pursuant to the Offer will be mailed to Applicants in accordance with ASX Listing Rules and timetable set out at the commencement of this Prospectus.

9.2 ASX listing

An application will be made for Quotation of the Attaching Options offered pursuant to this Prospectus within seven (7) days after the date of this Prospectus.

However, there is no certainty that that application will be accepted and the Attaching Options will still be issued if ASX does not accept that application.

If the Attaching Options are not accepted for Quotation, Applicants should be aware that there is unlikely to be a viable market for the Attaching Options in those circumstances and a sale or transfer of the Attaching Options may be difficult.

The fact that ASX may grant Quotation of Attaching Options offered pursuant to this Prospectus is not to be taken in any way as an indication of the merits of the Company, or Attaching Options offered for subscription or the Shares.

9.3 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

9.4 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all ASX listed companies, the Company is required to immediately disclose to the market any information that a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

The Company ensures compliance with these obligations through the establishment of a formal ‘Continuous Disclosure Policy’, which establishes formal protocols for the notification and disclosure of information by the Company’s Directors, employees, consultants and contractors that may potentially be material. This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

As such, this Prospectus should be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity pursuant to the Corporations Act, advises that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (1) the annual financial report most recently lodged by the Company with ASIC;
 - (2) any half-year financial report lodged by the Company with ASIC after the lodgement of the annual financial report referred to in (1) and before the lodgement of this Prospectus with ASIC; and
 - (3) any documents lodged by the Company with ASX pursuant to the continuous disclosure reporting requirements from 22 October 2021 to the date of this Prospectus.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the time of the lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with ASIC are set out in the table below.

Date	Description of announcement
28 October 2021	Quarterly Activities/Appendix 5B Cash Flow Report
29 October 2021	Notification regarding unquoted securities – GLL
1 November 2021	Jobkeeper Notice
23 November 2021	Chairmans and Managing Directors Address to AGM
23 November 2021	Poll Results of Galilee Energy Ltd Annual General Meeting
25 November 2021	Appointment of Managing Director
29 November 2021	Application for quotation of securities – GLL
1 December 2021	Initial Director's Interest Notice
1 December 2021	Final Director's Interest Notice
7 December 2021	Ceasing to be a Substantial Holder
9 December 2021	Glenaras Gas Pilot – Operations Update
27 January 2022	Glenaras Gas Pilot – Operations Update

Date	Description of announcement
31 January 2022	December 2021 Quarterly Report & Appendix 5B
10 February 2022	Change in substantial holding from MS
10 February 2022	Change in substantial holding from MUFG
11 February 2022	Change in substantial holding from MS
14 February 2022	Change in substantial holding from MUFG
23 February 2022	Trading Halt
24 February 2022	Proposed issue of securities - GLL
24 February 2022	Proposed issue of securities - GLL
24 February 2022	Proposed issue of securities - GLL
24 February 2022	Proposed issue of securities - GLL
24 February 2022	Proposed issue of securities - GLL
24 February 2022	Galilee Energy Completes Capital Raising
2 March 2022	Rig Secured for Glenaras Drilling Programme
3 March 2022	Application for Quotation of Securities
3 March 2022	Notice under section 708A(5)(e) of the Corporations Act 2001
3 March 2022	Notification Regarding Unquoted Securities
4 March 2022	Issue of Share Purchase Plan
4 March 2022	S&P DJI Announces March 2022 Quarterly Rebalance
4 March 2022	Change in substantial holding from MS
7 March 2022	Change in substantial holding from MUFG
9 March 2022	Consolidated Financial Statements - 31 December 2021
10 March 2022	Change in substantial holding from MS
10 March 2022	Change in substantial holding from MUFG
11 March 2022	Change in substantial holding from MS
11 March 2022	Notice of General Meeting/Proxy Form
11 March 2022	Change in substantial holding from MUFG
23 March 2022	Operations Update - March 2022
4 April 2022	SPP closing date extension & drilling update
8 April 2022	Drilling Rig Mobilised to Site
13 April 2022	Poll Results of Galilee Energy General Meeting
14 April 2022	Results of Share Purchase Plan
21 April 2022	Application for quotation of securities – GLL
21 April 2022	Drilling at Glenaras has commenced

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website <https://galilee-energy.com.au/>.

9.5 Director interests

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the two years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (1) its formation or promotion; or
 - (2) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (1) the formation or promotion of the Company; or
 - (2) the Offer.

The relevant interest of each of the Directors as at the date of this Prospectus, is set out in the table below:

Director	Existing Shares	Options held prior to Director Placement ¹	Existing Performance Securities	Shares issued pursuant to Director Placement	Attaching Options issued pursuant to Director Placement
Ray Shorrocks Non-executive Chairman	2,327,886	2,500,000	Nil.	375,000	375,000
Greg Columbus Non-executive Director	61,563	500,000	Nil.	375,000	375,000
Gordon Grieve Non-executive Director	66,500	500,000	Nil.	250,000	250,000
Stephen Kelemen Non-executive Director	150,000	500,000	Nil.	218,750	218,750

¹ Each of these Options have an exercise price of \$1.50 per Option and are exercisable at any time prior to 1 December 2023.

David Casey Managing Director	Nil	Nil	Nil ² .	156,250	156,250
----------------------------------	-----	-----	--------------------	---------	---------

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table details the total compensation each Director received for the financial year ending 30 June 2020 and 30 June 2021 (including allowances and share based payments), together with the current proposed remuneration for the 2022 financial year:

Director	2020 Directors' Remuneration (including superannuation and options)	2021 Directors' Remuneration (including superannuation and options)	2022 Directors' Remuneration (including superannuation and options)
Ray Shorrocks Non-executive Chairman	\$221,704	\$843,382	\$839,067
David Casey Managing Director	Nil.	Nil.	\$788,750
Stephen Kelemen Non-executive Director	\$89,340	\$211,739	\$202,676
Gordon Grieve ³ Non-executive Director	\$53,250	\$202,676	\$202,973
Greg Columbus Non-executive Director	Nil.	\$188,919	\$202,676

Further details of the remuneration paid and payable to each Director of the Company are set out in the Company's annual report for the financial year ending 30 June 2021. A copy of this

² There are currently no performance rights on issue. However, the Company has agreed to issue Mr Casey 3,500,000 Performance Rights, subject to finalising formal documentation for the terms of the Company's Short Term Incentive Plan and Long Term Incentive Plan.

³ For the sake of completeness, it is noted that Piper Alderman Lawyers received \$43,730.40 (2020) and \$241,219.95 (2021) in professional fees during the relevant year for services rendered to the Company and/ or its subsidiaries. Mr Grieve is a partner of Piper Alderman lawyers. The fees were at normal commercial rates.

report can be accessed on the Company's website or on the ASX webpage for the Company (ASX Code: GLL).

9.6 Market price of Shares

The Company's Shares are Quoted on the ASX (ASX Code: GLL).

The highest and lowest market sale prices of Shares on the ASX in the three months prior to 21 April 2022 and the respective dates of those sales were:

	Date	Price
Lowest Price	22 March 2022	\$0.245
Highest Price	28 January 2022	\$0.420

9.7 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the two (2) years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (1) its formation or promotion; or
 - (2) the Offer,and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:
 - (3) the formation or promotion of the Company; or
 - (4) the Offer.

9.8 Consents

Each of the persons referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Computershare Investor Services Pty Limited has given its written consent to being named as the Company's Share Registry. Computershare Investor Services Pty Limited has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

9.9 Clearing House Electronic Sub Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares allotted to them pursuant to this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

9.10 Taxation

The taxation consequences arising from an investment in any Attaching Options will depend on the particular circumstances of each Applicant and it is the responsibility of all Applicants to satisfy themselves of the taxation treatment that apply to them by consulting their own professional tax advisers.

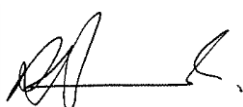
9.11 Enquiries

Any questions concerning the Offer should be directed to the Company's Share Registry on 1300 850 505 (within Australia) or 61 3 9415 4000 (within New Zealand).

9.12 Authorisation

This Prospectus is issued by the Company.

The lodgement of this Prospectus with ASIC was consented to by every director of the Company.



Raymond Shorrocks
Chairman
Galilee Energy Limited

10. Glossary

\$	the lawful currency of the Commonwealth of Australia.
AEST	Australian Eastern Standard Time.
Applicant	a Participant in the SPP who applies for Attaching Options pursuant to the Offer.
Acceptance Form	an entitlement and acceptance form in the form accompanying a paper copy of this Prospectus, pursuant to which Participants may apply for Attaching Options pursuant to the Offer.
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the financial market operated by it (as the context requires).
ASX Listing Rules	the listing rules of ASX.
ASX Settlement Operating Rules	the settlement rules of the securities clearing house which operates CHESS.
Attaching Options	Options to subscribe for Shares on the payment of the exercise price of \$0.48 at any time prior to 4 September 2023, the terms of which are contained in section 7 of this Prospectus.
Board	the board of Directors unless the context indicates otherwise.
Business Day	Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.
CHESS	the ASX's clearing house electronic subregister system.
Closing Date	the date specified in the timetable set out at the commencement of this Prospectus (unless extended).
Company	Galilee Energy Limited ACN 064 957 419.
Constitution	the constitution of the Company as at the date of this Prospectus and as amended from time to time.
Corporations Act	the <i>Corporations Act 2001 (Cth)</i> .
Directors	the directors of the Company as at the date of this Prospectus.
Director Placement	means the placement of 1,375,000 Shares to the Participating Directors, as approved at the general meeting of Shareholders on 13 April 2022.
Entitlement	the entitlement of a Participant pursuant to the Offer.
Offer	the offer to Participants to subscribe for Attaching Options contained in this Prospectus.
Options	options to subscribe for Shares.
Participant	an eligible Shareholder who applied for, and was issued, Shares pursuant to the SPP.

Participating Directors	means each of Messrs Shorrocks, Casey, Kelemen, Grieve, Columbus, all of whom have agreed to subscribe for Shares and Options pursuant to the Director Placement.
Placement	the Share placement of Shares to sophisticated, professional and institutional investors announced by the Company on 24 February 2022.
Prospectus	this prospectus, as supplemented or amended from time to time in accordance with the Corporations Act.
Quotation	official quotation of the Shares on ASX and the term 'Quoted' has a corresponding meaning.
Share	a fully paid ordinary share in the capital of the Company.
Share Registry	means Computershare Investor Services Pty Ltd.
Shareholder	a holder of a Share.
SPP	the Company's share purchase plan dated 4 March 2022.

11. Corporate Directory

Directors

Ray Shorrocks (Non-executive Chairman)

David Casey (Managing Director & CEO)

Stephen Kelemen (Non-executive Director)

Gordon Grieve (Non-executive Director)

Greg Columbus (Non-executive Director)

Registered office

Telephone: + 61 7 3177 9970

Level 6, 167 Eagle Street, Brisbane QLD 4000

Email: admin@galilee-energy.com.au

Website: <https://galilee-energy.com.au/>

Company secretary

Stephen Rodgers

Share Registry

Computershare Investor Services Pty Ltd

Level 1, 200 Mary Street, Brisbane QLD 4000

Telephone: 1300 850 505 (within Australia)

+61 3 9415 4000 (outside Australia)