

ASX / MEDIA ANNOUNCEMENT



Operations Update

19 DECEMBER 2022

HIGHLIGHTS

- Gas rates at record levels in excess of 100 Mscfd
- The reservoir pressure sink continues to expand
 - ✓ Pressure in central observation well lowest on record
 - ✓ Data in vertical wells indicates continued pressure decline
 - ✓ Consistent pressure decline at the distal RC8 well

Production Update

Galilee Energy Ltd ("Galilee") (ASX: GLL) is pleased to provide the following production operations update on the Glenaras multi well pilot ("Pilot").

On the back of remedial operations on Glenaras 26, the Pilot has achieved a record gas rate in excess of 100 Mscfd. With all 16 wells online and pumping, the declining water rates are indicative of decreasing reservoir pressure over an area not seen previously at the Pilot.

Notably while still predominantly solution gas, this is the first time that the gas rate, and in particular the annulus gas or gas primarily from the target seams, has shown an increasing trend, or remained steady with concurrent decreasing water rates (Figure 1), and is evidence that a larger area of the Pilot is approaching the desorption pressure window.

Importantly, the reservoir pressure sink has been observed to be both deepening and widening across the Pilot.

- A reduction in pressure has been observed at the Glenaras 14L monitoring well following the recent remedial work on Glenaras 26, and Glenaras 14L has recorded its lowest pressure since commencement of the Pilot.
- A recent, brief shut-in of Glenaras 21 indicated that the pressure at this location is now at the lowest point observed on record and is under the anticipated desorption pressure window.
- Additionally, the distal Rodney Creek 8 well continues to demonstrate declining pressures (Figure 2).

Building an integrated & diversified sustainable energy company



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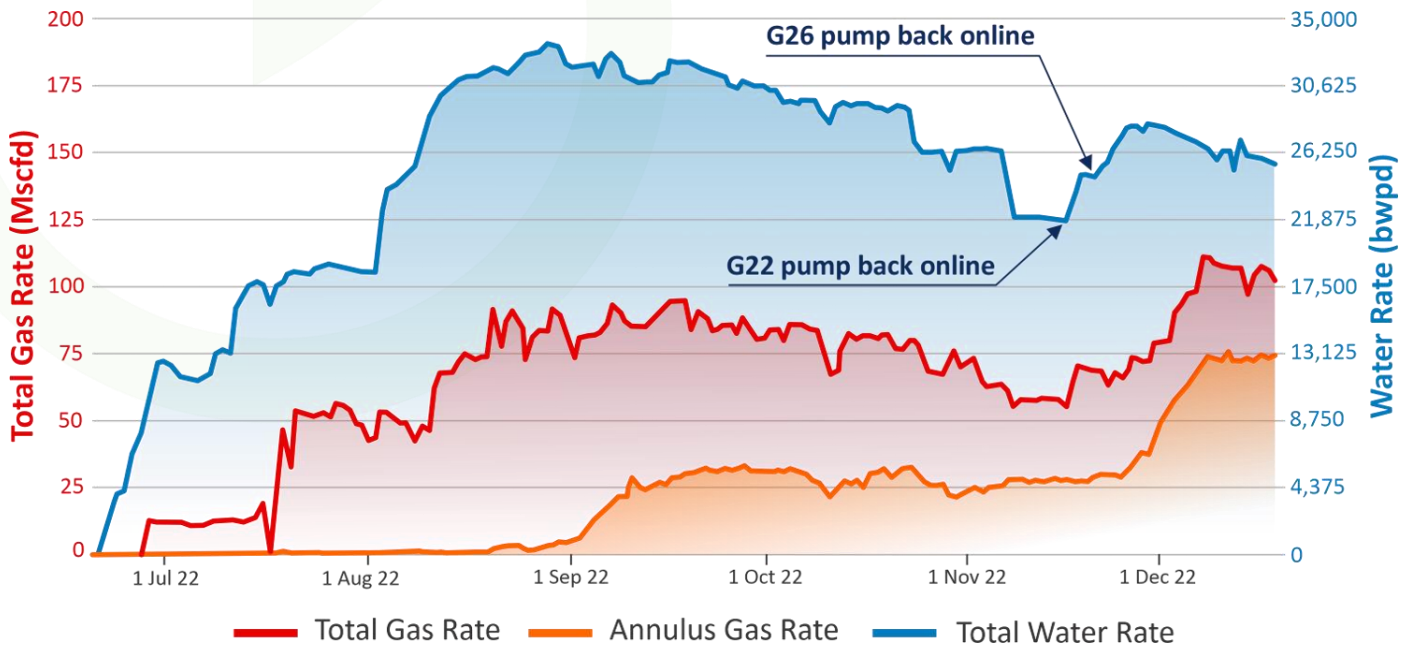


Figure 1: Glenaras production history

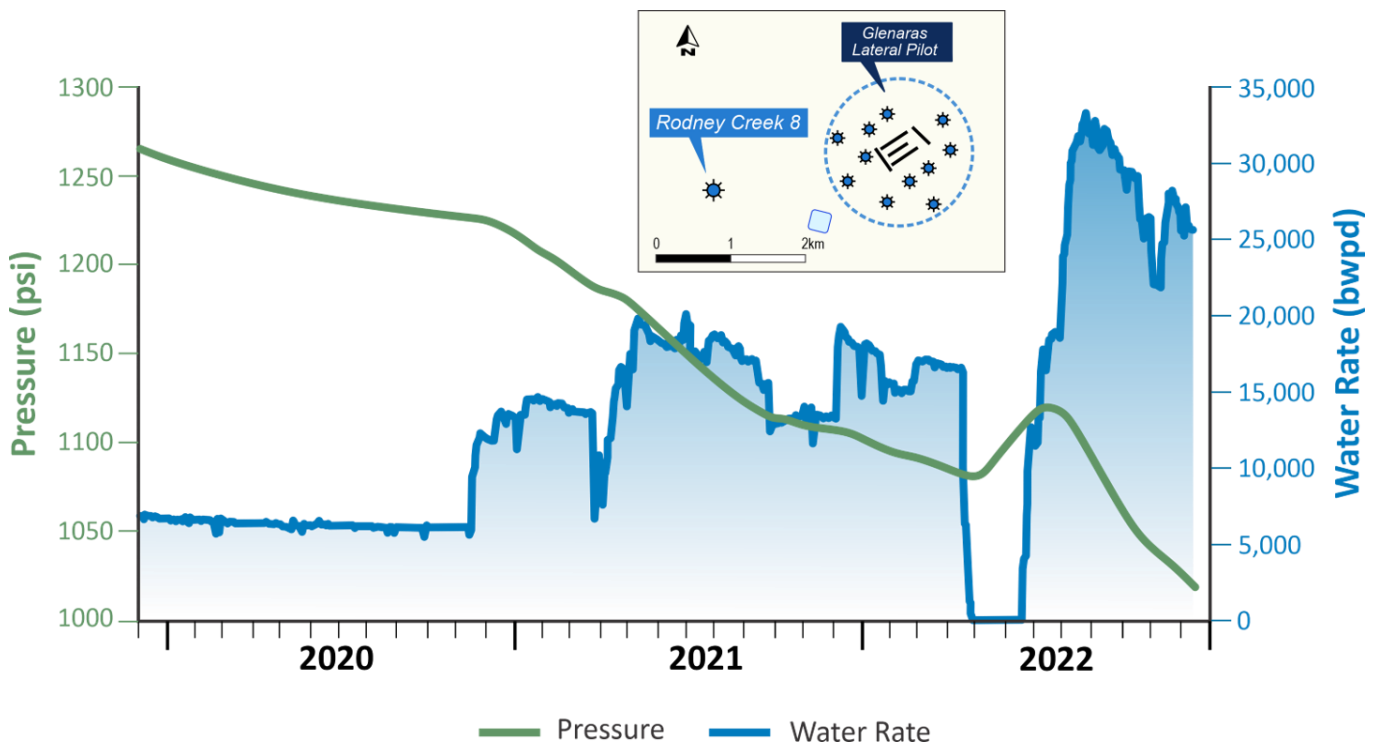


Figure 2: Rodney Creek 8 pressure history

In summary, the recent increasing gas production trend demonstrates that the focus of continuing to drive the reservoir pressure lower and getting more coal under the desorption pressure is beginning to achieve the desired results.

This announcement was released with the authority of the Board.

For further information, contact:

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ABOUT GALILEE

Galilee Energy is well advanced on a pathway to becoming an integrated and diversified sustainable energy company and a key supplier of natural gas to the east coast market of Australia. The company is the 100% owner of one of the largest uncontracted natural gas resources on the east coast of Australia at a time of acute gas shortages. The Glenaras Gas Project, located within Queensland's Galilee Basin, is on the cusp of commercialisation with an inaugural gas reserve booking expected in early 2023. The location and environmental credentials of the project, including low CO₂ natural gas and freshwater production to facilitate agricultural activities for CO₂ sequestration, uniquely positions Galilee as a future material supplier of sustainable energy.

Directors

Chairman – Ray Shorrocks

Non-Executive Director – Gordon Grieve

Managing Director – David Casey

Non-Executive Director – Greg Columbus

Non-Executive Director – Stephen Kelemen