

# ASX / MEDIA ANNOUNCEMENT



## Operations Update

1 February 2023

### HIGHLIGHTS

- **Buildup testing confirms pressure continues to reduce across pilot**
- **Lowest recorded pressure and largest pressure sink achieved to date**
- **Desorbed gas production at Glenaras 26 post workover**
- **Two other candidates identified for remediation**

### Production Update

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

During the last month an extensive reservoir pressure surveillance programme was conducted at Glenaras 12, 15, 21, 25 and 29. While this obviously resulted in reduced water and gas rates for the period as wells were shut-in for pressure buildup monitoring, this work was important to gain the necessary information to assess the true extent of pressure reduction and to refine and recalibrate the Schlumberger reservoir model. While the modelling is still ongoing, the pressure data (Figure 1) has confirmed that the laterals and inner vertical wells are at the lowest pressures recorded to date.

Following the successful remedial cementing activities in Glenaras 26 to isolate this well from the lower Aramac sands, (Glenaras 26 water chemistry now identical to the other Pilot wells) this well encouragingly was able to be pumped off to the point where it was able to exhibit signs of desorption at the immediate wellbore to record the highest individual well gas rate to date. While the gas rate at Glenaras 26 has shown a recent decline, this is to be expected and is due to it being an isolated shield well with water recharge. Importantly, what this well highlights is that desorption can be achieved and that with continued pumping the pressure should be reduced over a sufficient area for material gas desorption to occur.

Building an integrated & diversified sustainable energy company

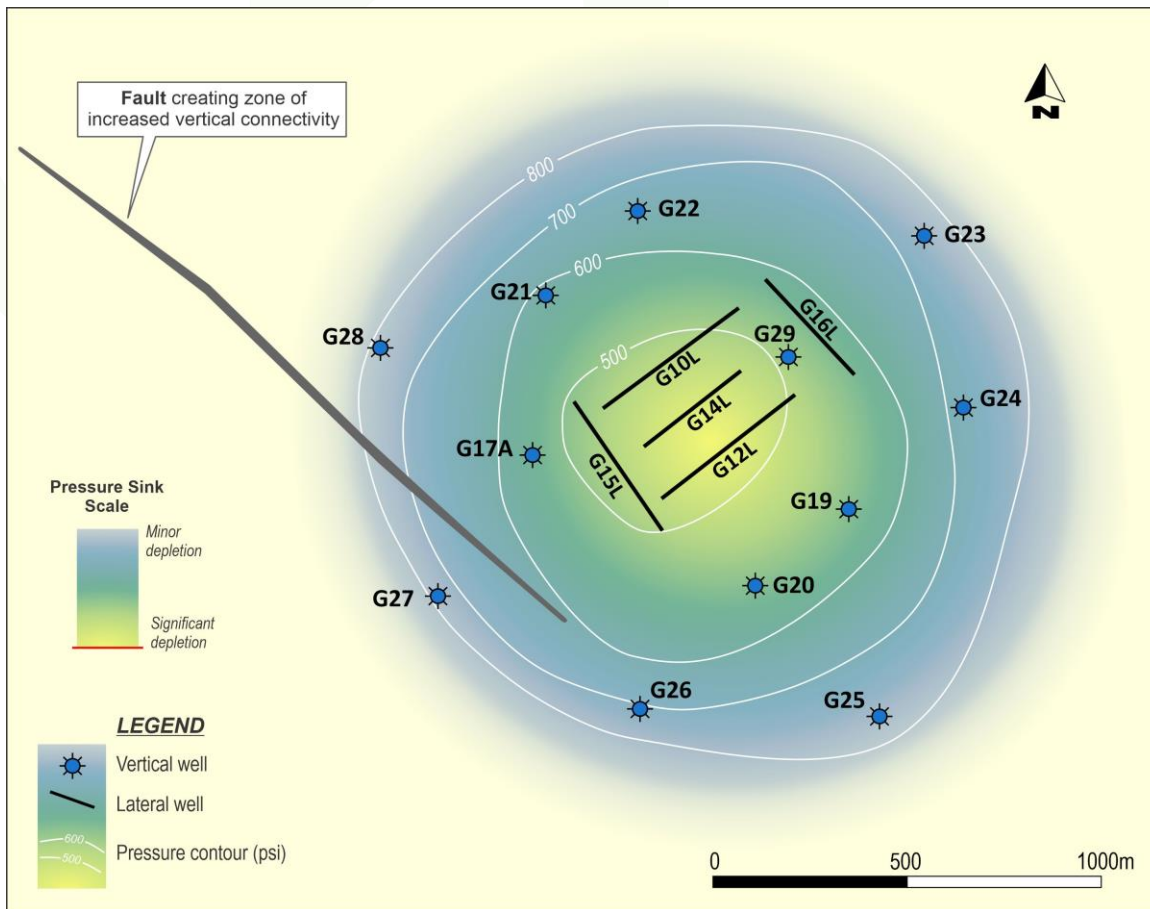


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**Figure 1:** Glenaras Pressure Map

A detailed review of the water chemistry data and recent production trends indicates that two other wells drilled in 2022 may also benefit from a similar remedial operation, namely Glenaras 27 and Glenaras 28. Planning work on these activities has been undertaken and work is scheduled to commence in mid-February.

The significance of this work is that other than Glenaras 26, the Glenaras 27 and Glenaras 28 wells are the highest water producers in the field, and some initial results from the modelling work is suggesting that the possible reasons why the Pilot has taken longer to realise predicted gas trends may be a combination of aquifer support, strong crossflow between layers and well performance.

Galilee’s Managing Director, David Casey commented:

*“While Glenaras is obviously a challenging reservoir, it is clear that we are making progress in reducing the reservoir pressure and that the shield wells drilled last year are achieving the desired results, albeit over a longer timeframe than anticipated due to unexpected potential crossflow. With the additional remediation measures planned at Glenaras 27 and Glenaras 28, it is anticipated that we can further expedite pressure drawdown and ultimately the gas desorption process to unlock one of the east coast’s largest gas resources.*”

*It's worth noting that some of the most successful CSG pilots in Queensland, including Fairview in the Bowen Basin and Berwyndale in the Surat Basin, took extended periods prior to commercial gas rates being recorded. Success was achieved in these pilots by continuing to draw the pressure down, which is the path that the Glenaras pilot is currently on."*

This announcement was released with the authority of the Board.

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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 CO<sub>2</sub> natural gas and freshwater production to facilitate agricultural activities for CO<sub>2</sub> 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