

ASX / MEDIA ANNOUNCEMENT

Glenaras 3D Seismic Survey Commenced & Operations Update

26 June 2023

HIGHLIGHTS

- The Glenaras Pad 3D Seismic Survey has commenced across the Glenaras Pilot.
- The survey is a technology partnership between Galilee and Oceania Geo Pty Ltd, who are acquiring the data.
- The 3D survey is a trial of cutting-edge seismic acquisition technology and is designed to improve structural and stratigraphic resolution of the Betts Creek Beds to further optimise pilot performance.
- Pilot gas rates on the rise and evidence of increasing desorption.

Galilee Energy Ltd ("Galilee") (ASX:GLL) is pleased to announce the commencement of the Glenaras Pad 3D Seismic Survey across an approximately 6km² area covering the Glenaras Pilot ("Pilot"). The 3D survey is a partnership between Galilee and Oceania Geo Pty Ltd, who are acquiring the data as a trial of cutting-edge seismic acquisition technology.

The primary objectives of the Glenaras Pad 3D Seismic Survey are to:

- Improve the structural and stratigraphic resolution of the Betts Creek Beds across the Pilot area;
- Identify and increase definition of any small-scale faulting that may be impacting individual well and Pilot performance;
- Provide possible solutions for further optimizing the Pilot.

This cutting-edge technology is a potential game changer for seismic acquisition in terms of significantly reducing the time required for field operations and the level of resourcing, both of which lead to considerable cost reductions, while not impacting the quality of the data recorded. The survey will also provide important insights into the complex interaction of the Pilot's horizontal and vertical wells. Increased and more accurate resolution of the Betts Creek Beds coals will provide optimisation solutions for individual wells and the greater Pilot going forward.

Building an integrated & diversified sustainable energy company



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Operations

The last three months have seen a number of necessary and planned workovers on the Pilot with positive results. Figure 1 shows that a higher water rate of 22,000 BWPD was achieved in early June following the completion of the workovers.

Currently the Pilot has 15 wells online and pumping, with gas rates of approximately 80 mscfd and water rates of 21,000 BWPD. Importantly, since the first week in June water rates have been declining while the gas rate has been increasing. This has been accompanied by a continuing decline in pressure in the monitoring wells.

This is the first time in recent history that increasing gas rates have coincided with decreasing water rates, which with the continued pressure decline, are key attributes to success by enabling a greater volume of coal to be desorbed, which in turn will see increasing gas rates over time. One of our key wells, namely G26, has been demonstrating these very signs over the past two weeks, which is early evidence of the Pilot starting to yield long anticipated results.

Glenaras Multi Lateral Pilot Production

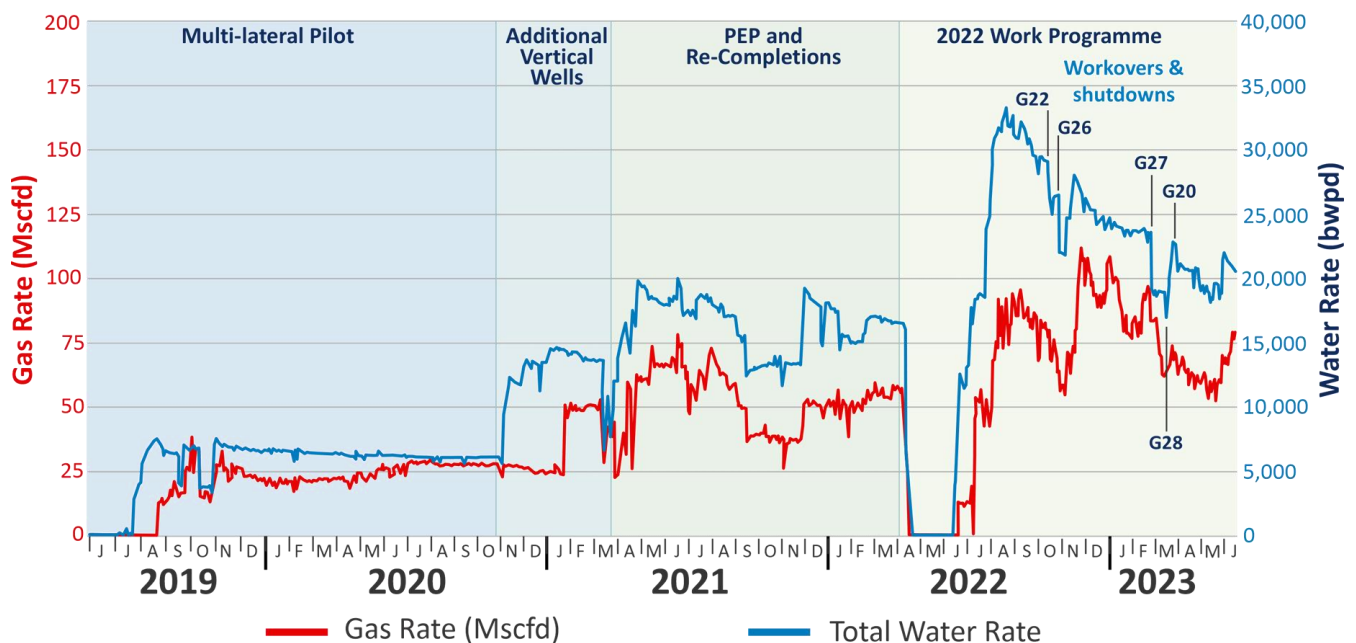


Figure 1: Glenaras Pilot Production History

Galilee's Managing Director & CEO, David Casey said:

"This technology partnership with Oceania Geo provides significant potential for Galilee to further optimise the Glenaras pilot towards achieving commercial gas rates. It is a low cost, high value-add project, which takes minimal time and resources to acquire, while yielding data vital to identifying well and pilot activities to optimize and accelerate outcomes at the Glenaras pilot.

Notably it comes at a time when recent remedial activities have seen a profound change in the dynamics of the pilot with clear signs of desorption and a reservoir in transition. While its early days since the recent workovers, it's nonetheless encouraging that we are seeing increasing gas rates while water rates are decreasing."

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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 commercialization. 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.

This announcement was released with the authority of the Board.

Directors

Chairman – Ray Shorrocks

Non-Executive Director – Gordon Grieve

Managing Director – David Casey

Non-Executive Director – Greg Columbus

Non-Executive Director – Stephen Kelemen