



## **Galilee Energy Limited**

**ACN 064 957 419**

### **Offer Booklet**

For a non-renounceable entitlement offer of one (1) New Share for every two point two (2.2) Shares registered as being held by Eligible Shareholders as at the Record Date at an issue price of \$0.012 per New Share to raise approximately \$2.08 million (before expenses) (**Offer**).

The Offer is fully underwritten by Canaccord Genuity (Australia) Limited ACN 075 071 466 (the **Lead Manager**). Refer to section 3.13 for details regarding the terms of the Underwriting Agreement.

### **IMPORTANT NOTICE**

This Offer Booklet may not be released to US wire services or distributed in the United States.

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

Neither ASIC nor ASX, nor any of their respective officers or employees take any responsibility for this Offer or the merits of the investment to which this Offer relates.

**The Shares offered in accordance with this Offer Booklet should be considered as a speculative investment.**

### **Important Notices**

The Offer Booklet is not a prospectus prepared in accordance with the Corporations Act and has not been lodged with ASIC. Accordingly, this Offer Booklet does not necessarily contain all of the information which a prospective investor may require to make an investment decision and it does not contain all of the information which would otherwise be required to be disclosed in a prospectus or other disclosure document. As Galilee Energy Limited ACN 064 957 419 (**the Company**) is a listed disclosing entity which meets the requirements of section 708AA of the Corporations Act, as modified by ASIC Instruments 2016/84 and 2016/73, the Offer and the Shortfall Offer will be made without a prospectus.

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

### **Privacy**

If you complete an Application, you will be providing personal information to the Company (directly or via the Share Registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder 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 Share Registry.

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

### **Overseas Shareholders**

The Offer and the Shortfall Offer does not, and is not intended to, constitute an offer, invitation or issue in any place in which, or to any person to whom, it would be unlawful to make such an offer, invitation or issue. This Offer Booklet has not been, nor will it be, lodged, filed or registered with

any regulatory authority in the securities laws of any country.

The Company has determined that it would be unreasonable to make the Offer and the Shortfall Offer to Shareholders resident outside Australia, Cayman Islands or New Zealand, having regard to the number of Shareholders and the costs in complying with the legal and regulatory requirements in those jurisdictions. No action has been taken to register or qualify the New Shares or the Offer or otherwise to permit an offering of the New Shares in any jurisdiction outside Australia.

The distribution of this Offer Booklet and the accompanying Application Form outside of Australia, Cayman Islands or New Zealand may be restricted by law and persons who come into possession of this Offer Booklet and the accompanying Application Form should seek advice on and observe those restrictions.

Any failure to comply with those restrictions may constitute a violation of applicable securities laws. The Company reserves the right to treat as invalid any Application which does not comply with the requirements of this Offer Booklet or the Application Form or which the Company believes has been sent for, or on the account of, a person located in a jurisdiction to whom it would be illegal to make the Offer.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your application for New Shares is subject to all requisite authorities and clearances being obtained for the Company to lawfully receive your application monies.

### **Cayman Islands**

No offer or invitation to subscribe for New Shares may be made to the public in the Cayman Islands or from within the Cayman Islands. The New Shares will be offered in the Cayman Islands from outside the Cayman Islands and only to existing shareholders of the Company.

### **New Zealand**

The New Shares are not being offered or sold to the public within New Zealand other than to Eligible Shareholders with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021* (New Zealand).

This Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority in accordance with the Financial Markets Conduct Act 2013 (New

Zealand). This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement prepared in accordance with New Zealand law is required to contain.

### **United States**

None of the information in this Offer Booklet, or the Application Form that will accompany this Offer Booklet when it is despatched to Eligible Shareholders, constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this Offer Booklet (or any part of it), the accompanying ASX announcements nor the Application Form when that is to be made available, may be released or distributed directly or indirectly, to persons in the United States.

The New Shares have not been, and will not be, registered pursuant to the United States Securities Act of 1933 (as amended) (**US Securities Act**) or the securities laws of any state

or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States.

### **Notice to Nominees and Custodians**

Eligible Shareholders that are recorded in the Company's Share register as having an address in Australia, Cayman Islands or New Zealand that hold Shares on behalf of persons who are located in jurisdictions outside of Australia and New Zealand are responsible for ensuring that taking up an Entitlement in accordance with the Offer or the Shortfall Offer does not breach regulations in the relevant overseas jurisdiction. The return of a duly completed Application will be taken by the Company to constitute a representation that there has been no breach of those regulations.

### **Capitalised terms**

Capitalised terms used in this Offer Booklet have the same meaning as those given in the Glossary contained in section 6 of this Offer Booklet.

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## 1. Timetable

Announcement of Capital Raising and Appendix 3B for Placement and Appendix 3B for Offer Lodged with ASX	Thursday, 15 August 2024 (Before market open)
Resume trading	Thursday, 15 August 2024
Lodge Offer Booklet and 708AA Cleansing Notice with ASX	Friday, 16 August 2024 (before Market Open)
Settlement/ receipt of funds in Placement	Monday, 19 August 2024
Issue of Shares under the Placement (before noon) and issue Appendix 2A and Placement Cleansing Notice	Tuesday, 20 August 2024
Shares quoted on an 'ex-basis'	Tuesday, 20 August 2024
Record Date	Wednesday, 21 August 2024
Offer Booklet and Application Form dispatched to Eligible Shareholders and Ineligible Shareholders letters sent	Friday, 23 August 2024
Last date to extend the Closing Date of the Offer and Shortfall Offer	Before 12:00pm (Sydney time) on Tuesday, 10 September 2024
<b>Closing Date for applications in accordance with the Offer and Shortfall Offer</b>	<b>5:00pm (Sydney time) on Friday, 13 September 2024</b>
Expected commencement of trading of New Shares on a deferred settlement basis on the ASX	Monday, 16 September 2024
Latest date for advising the ASX of subscriptions received for the Offer and Shortfall Offer	Before 12:00pm (Sydney time) on Friday, 20 September 2024
Issue Offer Shares, Appendix 2A and deferred settlement trading ends	Before 12:00pm (Sydney time) on Friday, 20 September 2024
Normal trading of New Shares re-commences	Monday, 23 September 2024

*The above timetable is subject to the ASX Listing Rules and the Corporations Act and the Directors reserve the right to vary these dates. You cannot withdraw an Application once it has been accepted. No cooling-off rights apply to the offers made pursuant to this Offer Booklet.*

## 2. Chairman's Letter

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Dear Shareholder,

The Board is pleased to offer all Eligible Shareholders the opportunity to acquire one (1) New Share for every two point two (2.2) Shares registered in the name of Eligible Shareholders as at the Record Date, being 7:00pm (Sydney time) on 21 August 2024, at an issue price of \$0.012 per New Share, to raise approximately \$2.08 million (before expenses) (**Offer**).

The Offer is fully underwritten by Canaccord Genuity (Australia) Limited ACN 075 071 466 and is sub-underwritten by entities controlled or otherwise associated with each of the Directors in the amount of approximately \$264,000 worth of New Shares.

Eligible Shareholders are also entitled to subscribe for any New Shares not subscribed for by other Eligible Shareholders in accordance with the Offer (**Shortfall Offer**) and the Company intends to place any New Shares not taken up in accordance with the Shortfall Offer within three months of the Closing Date.

In parallel with the Offer, the Company has announced a placement to sophisticated and professional investors to raise approximately \$500,000 (before expenses) (**Placement**), at the same issue price of \$0.012 per Share as the Offer.

The funds raised pursuant to the Offer and the Placement (after expenses) are planned to be used to fund:

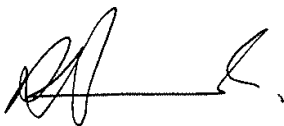
- (a) the costs associated with the proposed Scheme;
- (b) if the Scheme proceeds, the advancement of the Merged Group's assets; and
- (c) other general working capital expenses.

As the Offer is non-renounceable, your Entitlement will not be tradeable on the ASX or otherwise transferable. Eligible Shareholders who do not take up their Entitlements in full will not receive any value for those Entitlements that they do not take up.

Applicants for New Shares pursuant to this Offer Booklet should be aware that there are various risks associated with an investment in the Company, including those risks summarised in section 4 of this Offer Booklet. Accordingly, any potential investors should consult with their professional advisers before deciding whether to apply for any Shares pursuant to this Offer Booklet.

The Board thanks all Shareholders for their continuing support for Galilee Energy Limited and recommends the Offer.

Yours sincerely,



**Ray Shorrocks**  
Executive Chairman  
Galilee Energy Limited

### 3. Investment Overview

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#### 3.1 The Offer

The Offer is being undertaken as a non-renounceable entitlement offer of one (1) New Share for every two point two (2.2) Shares held by Eligible Shareholders registered as at the Record Date, being 7:00pm (Sydney time) on 21 August 2024, at an issue price of \$0.012 per New Share.

Fractional entitlements to New Shares will be rounded up to the nearest whole number.

Eligible Shareholders will receive a personalised Application Form setting out their Entitlement at the Offer website [www.computersharecas.com.au/gll](http://www.computersharecas.com.au/gll). Ineligible Shareholders will not be entitled to participate in the Offer or subscribe for New Shares.

The Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX nor can they be sold, transferred or otherwise disposed of.

All New Shares issued pursuant to this Offer Booklet will rank equally with the existing Shares on issue as at the date of this Offer Booklet. The rights attaching to the New Shares are set out in the Company's constitution, a copy of which is available on the Company's website at <https://galilee-energy.com.au/corporate-governance/>.

There is no minimum subscription for the Offer as the Offer is fully underwritten by the Lead Manager. In the event that the Underwriting Agreement is terminated for any reason, including without limitation, failure to satisfy a condition or the occurrence of a termination event, the Company will not proceed with the Offer. If the Company does not proceed with the Offer, any application money received by the Company will be refunded to Applicants (without interest).

Based on the Company's capital structure as at the date of this Offer Booklet, approximately 173,368,777 New Shares will be issued pursuant to this Offer Booklet to raise approximately \$2.08 million (before expenses).

#### 3.2 Shortfall Offer

In addition to the Offer, Eligible Shareholders may apply to receive any New Shares not taken up in accordance with the Offer (**Shortfall Shares**) by participating in the Shortfall Offer.

The issue price of the Shortfall Shares is the same as the New Shares offered under the Offer, being \$0.012 per Shortfall Share.

Eligible Shareholders who wish to apply for Shortfall Shares can do so in accordance with the instructions contained in section 5.2 of this Offer Booklet.

The Shortfall Shares will only be offered if the Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions received in accordance with the Offer. There is no minimum subscription for the Shortfall Offer.

It is possible that, depending on the extent to which Eligible Shareholders participate in the Offer or Shortfall Offer, one or more Eligible Shareholders could increase their Shareholding significantly by participating in the Offer and Shortfall Offer.

The control effect of the Offer and Shortfall Offer is set out in section 3.10 of this Offer Booklet.

### 3.3 Placement

The Offer has been supplemented by the Placement that was announced to the market on 15 August 2024, which is intended to raise approximately \$500,000 (before expenses), at an issue price of \$0.012 per Share, being the same issue price as the New Shares offered pursuant to the Offer.

The Shares issued in accordance with the Placement will rank equally with the existing Shares of the Company.

### 3.4 Purpose of the Offer

The purpose of the Offer is to raise approximately \$2.08 million (before expenses).

The funds raised pursuant to the Offer (after expenses) are planned to be used to:

- (a) fund the costs associated with the proposed Scheme;
- (b) if the Scheme proceeds, fund the advancement of the Merged Group's assets; and
- (c) fund other general working capital expenses.

The above is a statement of current intentions as at the date of this Offer Booklet. As with any budget, the allocation of funds set out in the above may change depending on a number of factors including intervening events (including additional requirements arising from exploration and other activities), regulatory developments, market and general economic conditions and other new circumstances. In light of this, the Board reserves the right to alter the way the funds are ultimately applied.

### 3.5 Underwriting Arrangements

The Offer is fully underwritten by Canaccord and further details regarding the Underwriting Agreement with Canaccord are contained in section 3.13.

As at the date of this Offer Booklet, the Lead Manager has advised the Company that it has entered into various sub-underwriting agreements in respect of the Offer, including with entities affiliated with the following Directors (**Related Party Sub-underwriters**):

Director	Number of Sub-Underwritten Shares	Amount of Sub-Underwriting (\$)
Ray Shorrocks	14,096,417 Shares	\$169,157
Greg Columbus	4,166,667 Shares	\$50,000
Stephen Kelemen	2,083,333 Shares	\$25,000
Gordon Grieve	1,666,667 Shares	\$20,000

Under these sub-underwriting agreements, the Lead Manager has agreed to pay a percentage fee of the funds sub-underwritten to the Related Party Sub-underwriters, however the Related Party Sub-underwriters above (associated with Directors of the Company) have waived that fee. There are no significant events that could lead to the sub-underwriting with Related Party Sub-underwriters being terminated by the Related Party Sub-underwriters.

The Lead Manager may terminate a sub-underwriting agreement in the event that a Related Party Sub-underwriter defaults on its obligations.

The Related Party Sub-underwriters' current interest in the Company is set out in clause 3.11.

### 3.6 Effect of the Offer

The principal effect of the Offer and Shortfall Offer will be to:

- (a) increase the cash reserves by approximately \$2.08 million (before deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 339,744,643 at the date of this Offer Booklet to 554,780,087 Shares.

### 3.7 Effect on capital structure

The effect of the Offer on the Company's capital structure, assuming that all Entitlements are accepted, is set out below:

Description	Number
Shares currently on issue	339,744,643
Shares to be issued pursuant to the Placement	41,666,667
New Shares offered pursuant to the Offer	173,368,777
<b>Total Shares on issues after completion of the Offer and the Placement</b>	<b>554,780,087</b>

### 3.8 Dilution of Eligible Shareholders that do not accept their Entitlement

The dilutionary effect of the Offer on the shareholding of existing Shareholders will depend on whether they are an Eligible Shareholder and, if so, whether they elect to subscribe for some or all of their Entitlements. If Eligible Shareholders take up all of their Entitlements pursuant to the Offer, Eligible Shareholders will hold the same percentage interest in the Company as they did immediately prior to the Record Date for the Offer. However, to the extent that any Eligible Shareholder fails to take up their full Entitlement pursuant to the Offer, and Ineligible Shareholders are unable to participate in the Offer, that Shareholder's percentage holding in the Company will be diluted.

As the Offer is one (1) New Share for every two point two (2.2) Shares held by Eligible Shareholders, the maximum amount that any Shareholder will be diluted is approximately 31.25%.

The following table sets out the potential dilution of Eligible Shareholders if they do not accept their Entitlements in full:

Example Shareholder	Holding as at Record Date	% as at Record Date	Entitlement	Holding if Entitlement not taken up	% following allotment of New Shares
Shareholder 1	1,000,000	0.26%	454,545	1,000,000	0.18%
Shareholder 2	2,500,000	0.66%	1,136,363	2,500,000	0.45%
Shareholder 3	5,000,000	1.32%	2,272,727	5,000,000	0.90%
Shareholder 4	10,000,000	2.63%	4,545,454	10,000,000	1.80%



### 3.9 Effect on relevant interest of substantial security holders

As at the date of this Offer Booklet, the following parties were believed to have a Relevant Interest in 5% or more of the Shares in the Company:

Shareholder	Number of Shares	Relevant Interest
Carpe Diem Asset Management Pty Ltd	40,538,122	11.93%
Buttonwood Nominees Pty Ltd	30,616,057	9.01%
Copulos Group	24,659,841	7.26%
Ecarlate Pty Ltd	19,259,738	5.67%

As at the date of this Offer Booklet, the Company has not received any binding commitment from any Eligible Shareholder as to whether they will subscribe for their Entitlements pursuant to the Offer or participate in the Shortfall Offer.

If the Offer is fully subscribed and the above parties subscribe for all of their Entitlements (if any) pursuant to the Offer, there will be no change to their relevant interests in Shares.

If the above parties do not fully participate in the Offer, their Relevant Interest in Shares may reduce.

Similarly, if the above parties subscribe for all of their Entitlements pursuant to the Offer, and subscribe for additional Shares in the Shortfall Offer, they may increase their Relevant Interest in the Company.

The potential effect on control is set out in section 3.10 below and is influenced by a number of factors, including the level of subscriptions received from Eligible Shareholders.

### 3.10 Effect on control

The Lead Manager has advised that it does not have a Relevant Interest in the Company's Shares. If at completion of the Offer, the Lead Manager were required to subscribe for the entire underwritten amount, it is theoretically possible that the Lead Manager may be issued with up to a maximum of 173,368,777 New Shares, which would represent approximately 31.2% of the Voting Power in the Company.

However, as the acquisition of New Shares pursuant to the Offer and Shortfall Offer does not satisfy the requirements of exception 10 of section 611 of the Corporations Act, no person, including the Lead Manager, shall be entitled to acquire New Shares pursuant to the Offer or Shortfall Offer if to do so would result in their, or another person's, Voting Power increasing from 20% or below to more than 20%, or from a starting point above 20% to below 90%, unless an exception to the restrictions contained in section 606 of the Corporations Act applies.

Accordingly:

- (a) as the Company is not aware of any person having Voting Power of 19% or more in the Company and, therefore, there are no applicable exceptions that apply;
- (b) the Lead Manager is a professional underwriter, who has sought and obtained sub-underwriting commitments from third parties, including from entities who are related parties of the Company as further detailed in section 3.5; and

- (c) given the current Voting Power held by each of the Company's largest Shareholders and the fact that the Company has provided Eligible Shareholders with the opportunity to subscribe for additional New Shares pursuant to the Shortfall Offer in accordance with the sections 3.2 and 5.3 of this Offer Booklet,

neither the Offer nor the Shortfall Offer are expected to have any potential effect on the control of the Company.

### 3.11 Interests of Directors

As at the date of this Offer Booklet, the Relevant Interest of each Director, together with their respective Entitlements in accordance with the Offer, is set out in the table below:

Director	Shares	Entitlement under the Offer
<b>Ray Shorrocks</b> Executive Chairman	2,702,886	1,228,585
<b>Stephen Kelemen</b> Non-Executive Director	368,750	167,614
<b>Gordon Grieve</b> Non-Executive Director	316,500	143,864
<b>Greg Columbus</b> Non-Executive Director	436,563	198,438

As noted in section 3.5, the Lead Manager has advised the Company that it has entered into sub-underwriting agreements with, among others, entities affiliated with each of the Directors, further details of which are set out in section 3.5.

### 3.12 Overseas shareholders

The offer of Shares pursuant to this Offer Booklet 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 Offer Booklet.

It is not reasonable for the Company to comply with the securities laws of all overseas jurisdictions in which Shareholders are resident having regard to the number of overseas Shareholders and the number and value of Shares these Shareholders would be offered and the cost of complying with the regulatory requirements in each relevant jurisdiction.

Accordingly, the Offer and Shortfall Offer is not being extended, and no Shares will be issued, to Shareholders with a registered address that is outside Australia, Cayman Islands and New Zealand unless the Board is satisfied, in its sole discretion, that it would not contravene the local laws of the country in which the Shareholder is resident to offer Shares.

This Offer Booklet is 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 New Shares

is being extended to Eligible Shareholders that were recorded in the Company's share register as having an address in New Zealand in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021* (New Zealand).

As a result, Eligible Shareholders 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.

Any amounts paid on the financial products will be in Australian dollars and not New Zealand dollars. You may incur significant fees in having any such Australian dollar 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. The financial products are not currently traded on any financial product market in New Zealand. The way in which any financial product trading market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from the financial product trading markets that operate in New Zealand.

### 3.13 Underwriting Agreement

The Company has entered into an underwriting agreement with the Lead Manager pursuant to which the Lead Manager has been appointed as the sole lead manager, broker and bookrunner of the Offer and the Placement has agreed to underwrite the Placement and to subscribe for any Shares offered under the Offer (**Offered Shares**) not subscribed for under the Offer or Shortfall Offer (**Underwriting Agreement**).

The material terms of the Underwriting Agreement are as follows:

- (a) the Company has appointed the Lead Manager as the lead manager, broker and bookrunner of the Offer and the Placement;
- (b) the Company will pay the Lead Manager;
  - (1) a selling and management fee equal to 2.0% of the Placement and Offer Proceeds; and
  - (2) an underwriting fee equal to 4.0% of the Placement and Offer Proceeds,
- (c) the Company has agreed to reimburse the Lead Manager for all reasonable out-of-pocket expenses reasonably incurred in connection with or incidental to the Offer, (other than fees payable to sub-underwriters, co-lead managers, co-managers or sales agents);

- (d) the Underwriting Agreement contains standard commercial terms and conditions for a firm underwriting agreement for a capital raising of this size and type, including customary covenants, indemnities and representations and warranties by the Company and terminating events which if they occur, will relieve the Lead Manager of its underwriting obligations;
- (e) under the Underwriting Agreement, the Lead Manager is responsible for paying any commission and other fees, where applicable, to any appointed sub-underwriters;
- (f) subject to certain exclusions relating to fraud, wilful misconduct or gross negligence, the Company indemnifies the Lead Manager and certain affiliated parties against various liabilities and losses incurred or sustained directly or indirectly in connection with the Offer and the Placement;
- (g) the obligation of the Lead Manager to underwrite the Offer to the Underwritten Amount is subject to certain events occurring, including the giving of various notices and certificates within prescribed timeframes;
- (h) the Lead Manager has the right to immediately terminate the agreement by notice and without any costs or liabilities if certain events occurs, including, but not limited to the following:
  - (1) **(Regulatory action in relation to affairs of the Company)** Any regulatory body commences or publicly announces that it intends to take any public enforcement action or investigation against the Company, or any senior management of the Company in relation to the affairs of the Company;
  - (2) **(Change in management)** There is a change (or a change is announced) in the senior management of the Company;
  - (3) **(Proposed Scheme)** the Company or VEN makes a public statement to the effect that they do not intend to proceed with the transactions contemplated by the proposed Scheme or the HOA is terminated or is otherwise unable to be implemented in accordance with its terms;
  - (4) **(Market fall)** The S&P/ASX Metals and Mining Index falls 10% or more below the level on the close of trading on the Business Day before the date of this agreement and closes at or below that level on:
    - (A) any two consecutive Business Days after the date of this agreement and on or before the Business Day immediately prior to the Settlement Date; or
    - (B) at the close of trading on the Business Day immediately prior to the Placement Settlement Date or Settlement Date.
  - (5) **(Compliance)** The Company commits a breach of the Corporations Act, ASX Listing Rules, the Constitution, or other applicable laws or its Constitution.
  - (6) **(Corrective statement)** The Lead Manager (acting reasonably) considers the Company becomes required to give, or gives, in respect of a Cleansing Notice issued in connection with the Offer which is Defective; and

- (i) the Lead Manager also may terminate the agreement if one or more of the following events has, or is likely to have, a material adverse effect on the success of the Offer, the value of the Shares, or leads or is likely to lead to a contravention or liability for that Lead Manager under the Corporations Act or any applicable law:
- (1) **(Regulatory action in relation to directors and senior executives)** Any senior management is charged with an indictable offence or fraudulent conduct or any director of the Company is disqualified under the Corporations Act;
  - (2) **(Information)** The information provided by or on behalf of the Company to the Lead Manager is false, misleading or deceptive or likely to mislead or deceive;
  - (3) **(Representations and warranties)** A representation or warranty made or given by the Company is breached or untrue or incorrect or misleading or deceptive;
  - (4) **(Conduct)** The Company or any of its directors or officers engages in misleading or deceptive conduct or activity in connection with the Offer;
  - (5) **(New circumstance)** A new circumstance arises which is a matter adverse to investors in Offer Shares and which would have been required by the Corporations Act to be included in the Entitlement Offer Cleansing Notice;
  - (6) **(Adverse change)** There is an adverse change, or an event occurs that is likely to give rise to an adverse change, in the Company or there the introduction or announcement of new laws, regulations, or policies that could prohibit, regulate the Offer, or negatively impact the Group;
  - (7) **(Disruption in financial markets)** there is a moratorium on bank activities , trading in all securities quoted or listed on the ASX, the London Stock Exchange, the New York Stock Exchange, Euronext, the SGX or the Hong Kong Stock Exchange is suspended or limited in a material respect or disruption to financial, political or economic conditions, currency exchange rates or controls or financial markets in Australia, New Zealand, the United States, Japan, Singapore, the United Kingdom, a member state of the European Union or the People's Republic of China (including Hong Kong); or
  - (8) **(Hostilities)** Major hostilities not existing at the date of this agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving specific jurisdictions or a national emergency is declared by any of those countries, or a major terrorist act is perpetrated anywhere in the world.

## 4. Risks

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### 4.1 Introduction

The Shares offered in accordance with this Offer Booklet 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 Offer Booklet and otherwise disclosed to the ASX, and consult their professional advisers before deciding whether to apply for Shares pursuant to this Offer Booklet.

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, including those risks related to the proposed Scheme as set out in section 4.2 below.

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 issued pursuant to this Offer Booklet.

### 4.2 Scheme Specific Risks

#### (a) The proposed Scheme may not proceed

The Company and VEN have signed a heads of agreement pursuant to which the parties have agreed to work together to progress the proposed Scheme, including each party completing and being satisfied with their respective legal and financial due diligence in relation to the proposed Scheme and negotiating and entering into a binding Scheme Implementation Deed (**SID**) and is subject to Galilee raising at least \$2.5million (**Pre-Conditions**) within seven (7) weeks of the HOA.

Accordingly, there is a risk that the Pre-Conditions may not be satisfied or, even if satisfied, that the Scheme may not proceed for any other reason, including as a result of the any one or more conditions precedent to be contained in the SID not being satisfied, some of which are outside the control of the Company and VEN, including, but not limited to, approval of the Scheme by the requisite majorities of Shareholders and approval by the applicable Court.

If, for any reason, the HOA or any subsequent SID is terminated, including due to the conditions precedent to the Scheme not being satisfied or waived (if permitted) and the Scheme does not proceed, the market price of Shares may be adversely affected.

#### (b) Transaction Costs

If the Scheme does not proceed, the cost of the transaction will be payable by the Company which may include costs relating to financial advisory, legal, accounting, Independent Expert, Independent Technical Expert, tax and administrative fees, printing, registry and other expenses. The exact quantum payable by the Company will depend upon how advanced the transaction is at the time is terminated.

Additionally, in certain circumstances, the Company may also be required to pay a break fee of \$250,000 to VEN.

### 4.3 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 underestimation of time necessary and volume of water offtake required to reduce the reservoir pressure within the coal to below the 'critical desorption' point (the point at which gas is released from the coal). It is believed that this has been due to a combination of better reservoir quality, more extensive lateral connectivity and vertical communication due to a local fault within the Betts Creek Beds.

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, Permits 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 Permits.

**(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, which has the potential to delay or increase the costs of exploration and development activities.

**(f) Joint venture parties, agents and contractors**

There is a risk of financial failure or default by a participant in any joint venture to which the Company is, or may in the future become, a party or the insolvency or managerial failure by any service provider used by the Company for any activity.

Any failure by any of the Company's existing or future joint venture partners could result in the Company being required to expend significant time and monetary resources, for which it may not have made provision, requiring it to raise additional funds and direct its energies and/ or reallocate budgeted expenditure.

If the Scheme proceeds, this includes the risks arising from any joint venture arrangements to which VEN is a party.

**4.4 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 Executive Chairman, assisted by the Chief Financial Officer, Chief Technical 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 Executive Chairman, 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 permits 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) **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.

(k) **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.

(l) **Insurance risk**

Insurance of all risks associated with oil and 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.

(m) **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).

#### 4.5 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 Shares 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.

##### (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, United States 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 New Shares.

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

Additionally, while the Shares are currently admitted to ASX's official list, 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 New Shares, 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.

#### **4.6 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 Shares offered pursuant to this Offer Booklet.

Therefore, the Shares to be issued pursuant to this Offer Booklet carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

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 Shares pursuant to this Offer Booklet.

## **5. Acceptance of Offer and Shortfall Offer**

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### **5.1 Acceptance of Offer**

Your acceptance of the Offer must be made in accordance with the instructions contained in your personalised Application Form accompanying this Offer Booklet and can be accessed at the Offer website [www.computersharecas.com.au/gll](http://www.computersharecas.com.au/gll).

You may participate in the Offer as follows:

- (a) if you wish to accept your full Entitlement, you must either:
- (1) pay your application monies via BPAY® in accordance with the instructions, and for the amount indicated, on the Application Form. Please refer to section 5.6 for further information regarding payment via BPAY®; or
  - (2) if you are unable to pay via BPAY® (for example, because you are a Cayman Islands or a New Zealand Shareholder who does not have an Australian bank account), contact the Company Secretary on 07 3177 9970 (within Australia) or +61 7 3177 9970 (outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday,

in each case, by no later than 5:00pm (Sydney time) on the Closing Date;

- (b) if you only wish to accept part of your Entitlement, you must either:
- (1) pay the appropriate application monies for the relevant part via BPAY® in accordance with the instructions on Application Form. Please refer to section 5.6 for further information regarding payment via BPAY®; or
  - (2) if you are unable to pay via BPAY® (for example, because you are a Cayman Islands or New Zealand Shareholder who does not have an Australian bank account), contact the Company Secretary on 07 3177 9970 (within Australia) or +61 7 3177 9970 (outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday,

in each case, by no later than 5:00pm (Sydney time) on the Closing Date; or

- (c) if you do not wish to accept any part of your Entitlement, you are not obliged to do anything.

Eligible Shareholders who do not take up their Entitlement in full will not receive any payment or value for any part of their Entitlement that they do not take up and their Shareholding in the Company will be diluted.

The Directors retain the discretion to refuse to accept applications for Shares (in whole or in part) where the effect of issuing Shares to the Applicant will result in the Applicant's, or another person's, Voting Power in the Company increasing from 20% or below to more than 20%, or from a starting point above 20% to below 90%.

### **5.2 Application for Shortfall Shares**

If you wish to apply for Shares in excess of your Entitlement by applying for Shortfall Shares, you may do so in accordance with the instructions referred to the Application Form. Please read

the instructions carefully. Any Shortfall Shares applied for in excess of your Entitlement will be issued from the excess of any New Shares not applied for in accordance with the Offer (if any) and there is no guarantee that you will receive all, or any, of the amount of the Shortfall Shares applied for pursuant to the Shortfall Offer.

Application monies received by the Company in excess of the amount in respect of your Entitlement will be treated as an application to apply for as many New Shares as that excess amount will pay for, in full, at the issue price of \$0.012 per New Share (up to the maximum number of New Shares available as per the discretion in section 5.1 above).

For payment via BPAY® please refer to section 5.6.

### **5.3 Allocation of Shortfall Shares**

Subject to the Directors retaining discretion to refuse to accept applications (in whole or in part) for Shortfall Shares where the effect of issuing Shortfall Shares to the Applicant will result in the Company breaching the ASX Listing Rules or the Applicant's, or another person's, Voting Power in the Company increasing from 20% or below to more than 20%, or from a starting point above 20% to below 90%, Applicants in accordance with the Shortfall Offer will be allocated the lesser of:

- (a) the number of Shortfall Shares applied for by the Applicant; and
- (a) if the number of Shortfall Shares available for subscription is less than the aggregate number of Shortfall Shares applied for by all unsatisfied Applicants, the number of Shortfall Shares applied for, scaled on a pro rata basis according to all unsatisfied Applicants' respective shareholdings in the Company as at the Closing Date for the Offer.

If, following the allocation process referred to in paragraphs (a) and (b) immediately above, there are any remaining Shortfall Shares, that allocation process will be repeated continuously until all applications for Shortfall Shares have been satisfied in full or there are no further Shortfall Shares.

The Directors intend to place the Shortfall of any Shares not subscribed for pursuant to the Offer or Shortfall Offer, within three months following the Closing Date, and to carry out additional capital raising activities if necessary.

### **5.4 Payment Methods**

You may make payment of your application monies in the following ways:

- (a) by BPAY®; or
- (b) if you are unable to pay via BPAY® (for example, because you are a Cayman Islands or New Zealand shareholder who does not have an Australian bank account), contact the Company Secretary on 07 3177 9970 (within Australia) or +61 7 3177 9970 (outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday,

Cash payments will not be accepted. Receipts for payment will not be issued. Any application monies received for more than your final allocation of New Shares (only where the amount is \$1.00 or greater) will be refunded as soon as practicable. No interest will be paid on any application monies received or refunded.

## 5.5 No Cooling-Off Rights

Cooling-off rights do not apply to an investment in New Shares. You cannot, in most circumstances, withdraw your application once it has been accepted.

## 5.6 Payment by BPAY®

For Eligible Shareholders wishing to pay via BPAY®, please follow the instructions on the Application Form. You can only make a payment via BPAY® if you are an Eligible Shareholder and the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Application Form but are taken to have made the declarations on that Application Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your application monies.

**It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5:00pm (Sydney time) on the Closing Date. You should be aware that your financial institution may implement cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.**

Any application monies received for more than your final allocation of New Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Offer is non-renounceable. Accordingly, Shareholders may not sell or transfer all or part of their Entitlement.

## 5.7 Representations you will be taken to make by acceptance

A payment of application monies made through BPAY® or otherwise constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Booklet and, once paid, cannot be withdrawn. The Company's decision whether to treat an acceptance as valid is final.

By completing your Application, you will be deemed to have:

- (a) acknowledged that you have fully read and understood this Offer Booklet and the Application Form in their entirety and you acknowledge the matters and make the warranties and representations and agreements contained in this Offer Booklet and the Application Form;
- (b) agreed to be bound by the terms of the Offer, the provisions of this Offer Booklet and the Company's constitution;
- (c) authorised the Company to register you as the holder of the New Shares 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 Application Form;



- (e) warranted that you are an Eligible Shareholder and that you are not located in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person located in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue of New Shares pursuant to the Offer;
- (f) declared that you were the registered holder as at the Record Date of the Shares indicated in the Application Form as being held by you on the Record Date;
- (g) agreed to apply for and be issued up to the number of New Shares specified in the Application Form, or for which you have submitted payment of any application monies via BPAY or otherwise at the issue price of \$0.012 per New Share;
- (h) authorised the Company, the Share Registry and their respective officers, employees or agents to do anything on your behalf necessary for New Shares to be issued to you;
- (i) acknowledged and agreed that:
  - (1) determination of eligibility of investors for the purpose of the Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company; and
  - (2) the Company, and each of its Affiliates, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- (j) acknowledged that the information contained in this Offer Booklet and your Application is not investment advice nor a recommendation that the New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (k) acknowledged that this Offer Booklet is not a 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;
- (l) acknowledged the statement of risks in section 3.13(i)(8) of this Offer Booklet and that investments in the Company are subject to risk;
- (m) acknowledged that none of the Company or its Related Bodies Corporate and Affiliates 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
- (n) authorised the Company to correct any errors in your Application.

The Directors' (or their delegates') decision as to whether to treat an Application as valid and how to construe, amend or complete the Application is final and binding.

## **5.8 Not financial product or investment advice**

This Offer Booklet and the accompanying Application is for information purposes only and is not financial product or investment advice or a recommendation to acquire New Shares and has been prepared without taking into account your objectives, financial circumstances or

particular needs. This Offer Booklet should not be considered to be comprehensive and does not purport to contain all the information that you may require to make a decision about whether to apply for any New Shares. This Offer Booklet should be read in conjunction with the Company's other periodic statements and continuous disclosure announcements lodged with the ASX under the ASX code "GLL" and available on the Company's website at <https://galilee-energy.com.au/asx-announcements/>.

Before making an investment decision, you should consider the appropriateness of the information in this Offer Booklet having regard to your own objectives, financial situation and needs and seek legal and taxation advice appropriate to your jurisdiction. If you have any questions about whether you should participate in the Offer, you should seek professional advice before making any investment decision. The Company is not licensed to provide financial product advice in respect of the New Shares.

### **5.9 Enquiries concerning your Entitlement**

If you have any queries concerning your Entitlement please contact the contact the Company Secretary on 07 3177 9970 (within Australia) or +61 7 3177 9970 (outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday.

### **5.10 Allotment**

New Shares issued pursuant to the Offer and Shortfall Offer will be allotted in accordance with the ASX Listing Rules and the timetable set out in this Offer Booklet.

Where the number of Shares issued is less than the number applied for, or where no allotment is made, any surplus application money received by the Company will be refunded to the Applicant in full as soon as practicable after the Closing Date of the Offer. No interest will be paid on any application money refunded to Applicants.

Pending the allotment and issue of Shares or payment of refunds pursuant to this Offer Booklet, all application money will be held by the Company on trust for the Applicants in a separate bank account as required by the Corporations Act. The Company will, however, be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

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

### **5.11 Brokerage and Stamp Duty**

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for applying for New Shares pursuant to the Offer.

### **5.12 ASX listing**

An application has been made for Quotation of the Shares offered pursuant to this Offer Booklet. If the ASX does not grant Quotation of the New Shares offered pursuant to this Offer Booklet, the Company will not issue any New Shares and will repay all application money for the Shares as soon as reasonably practicable, without interest.

### **5.13 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.

As such, this Offer Booklet should be read in conjunction with the publicly available information in relation to the Company which has been notified to the ASX and does not include all of the information that would be included in a prospectus prepared in accordance with the Corporations Act. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision as to whether or not to invest.

The Company’s announcements are also available on the Company’s website at <https://galilee-energy.com.au/asx-announcements/>.

### **5.14 Clearing House Electronic Subregister 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 subregisters 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 in accordance with this Offer Booklet. 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 pursuant to 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.

### **5.15 Governing Law**

This Offer Booklet and the contracts formed on acceptance of the Applications are governed by the laws of Queensland, Australia. Each applicant submits to the non-exclusive jurisdiction of the Courts of Queensland, Australia.

### **5.16 Taxation**

The taxation consequences arising from an investment in any New Shares 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 applies to them by consulting their own professional tax advisers.

### **5.17 Information Availability**

Eligible Shareholders in Australia, the Cayman Islands or New Zealand can obtain a copy of this Offer Booklet during the period of the Offer on the Company’s website at <https://galilee-energy.com.au/> or by calling the contact the Company Secretary on 07 3177 9970 (within Australia) or +61 7 3177 9970 (outside Australia) between 8:30am and 5:00pm (Sydney time),

Monday to Friday during the offer period for the Offer. Persons who access the electronic version of this Offer Booklet should ensure that they download and read the entire Offer Booklet.

The electronic version of this Offer Booklet on the Company's website will not include an Application. Applicants will only be entitled to apply for New Shares pursuant to the Offer in accordance with the instructions in the personalised Application which accompanies a complete and unaltered copy of this Offer Booklet. A replacement Application can be requested by calling the contact the Company Secretary on 07 3177 9970 (within Australia) or +61 7 3177 9970 (outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday.

#### **5.18 Disclaimer of representations**

No person is authorised to give any information, or to make any representation, in connection with the Offer that is not contained in this Offer Booklet.

Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by the Company, or its Related Bodies Corporate, in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of the Company, nor any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Offer Booklet or its contents.

#### **5.19 Withdrawal of Entitlement Offer**

The Company reserves the right to withdraw all or part of the Offer at any time, subject to applicable laws, in which case the Company will refund application monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest.

To the fullest extent permitted by law, you agree that any application monies paid by you to the Company will not entitle you to receive any interest and that any interest earned in respect of application monies will belong to the Company.

#### **5.20 Enquiries**

Any questions concerning the Offer or this Offer Booklet should be directed to the contact the Company Secretary on 07 3177 9970 (within Australia) or +61 7 3177 9970 (outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday.

## 6. Glossary

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<b>\$</b>	means the lawful currency of the Commonwealth of Australia.
<b>Affiliates</b>	has the meaning given to that term in the Corporations Act.
<b>Applicant</b>	means an Eligible Shareholder who applies for New Shares.
<b>Application</b>	means an application for New Shares in accordance with the instructions set out in this Offer Booklet and any applicable Application Form.
<b>Application Form</b>	means a personalised entitlement and acceptance form in the form accompanying a copy of this Offer Booklet, pursuant to which Eligible Shareholders may apply for New Shares.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ACN 008 624 691 or the financial market operated by it (as the context requires).
<b>ASX Listing Rules</b>	means the listing rules of the ASX.
<b>Board</b>	means the board of Directors unless the context indicates otherwise.
<b>Business Day</b>	means any day except a Saturday or a Sunday or other public holiday in Brisbane, Queensland, Australia.
<b>Canaccord</b>	means Canaccord Genuity (Australia) Limited ACN 075 071 466.
<b>Capital Raising</b>	means together, the Placement and the Offer.
<b>CHESS</b>	means the ASX's clearing house electronic subregister system.
<b>Closing Date</b>	means the date specified in the timetable set out at the commencement of this Offer Booklet (unless extended).
<b>Company</b>	means Galilee Energy Limited ACN 064 957 419.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Directors</b>	means the directors of the Company as at the date of this Offer Booklet.
<b>Eligible Shareholder</b>	means a Shareholder, as at the Record Date, that is not an Ineligible Shareholder.
<b>Entitlement</b>	means the entitlement of an Eligible Shareholder pursuant to the Offer.
<b>HOA</b>	means the heads of agreement between the Company and VEN dated 15 August 2024 in respect of the proposed Scheme.
<b>Ineligible Shareholder</b>	means a Shareholder that is recorded in the Company's share register as having an address outside of Australia, the Cayman Islands or New Zealand or that are located or acting for the account of persons located in the United States (to the extent that they are holding Shares for the account or benefit of such persons in the United States), unless the Company is satisfied (in its sole discretion) that the offer of New Shares to Shareholders with a registered in a particular place pursuant to this Offer Booklet would not be unlawful under the local laws of that place, either unconditionally or after compliance with such conditions as the Board, in its sole discretion, considers is reasonable in the circumstances.
<b>Lead Manager</b>	means Canaccord.

<b>Merged Group</b>	means the VEN Group, including GLL as a wholly owned subsidiary of VEN, following implementation of the Scheme.
<b>New Share</b>	means any Shares to be issued pursuant to the Offer or Shortfall Offer.
<b>Offer</b>	means the non-renounceable entitlement offer to Eligible Shareholders contained in this Offer Booklet.
<b>Offer Booklet</b>	means this offer booklet.
<b>Offered Shares</b>	has the meaning given to that term in clause 3.13.
<b>Placement</b>	means the Company's proposed placement of 40,000,000 Shares to sophisticated and professional investors, announced to ASX on 15 August 2024.
<b>Quotation</b>	means official quotation of the Shares on the ASX and the term ' <b>Quoted</b> ' has a corresponding meaning.
<b>Record Date</b>	means 7:00pm (Sydney time) on the date specified in the timetable set out at the commencement of this Offer Booklet.
<b>Related Bodies Corporate</b>	has the meaning given to that term in the Corporations Act.
<b>Related Party Sub-underwriter</b>	has the meaning given to that term in clause 3.5.
<b>Relevant Interest</b>	has the meaning given to it in the Corporations Act.
<b>Scheme</b>	means the proposed scheme of arrangement pursuant to Part 5.1 of the Corporations Act to be made between the Company and its Shareholders in relation to the acquisition of all of the Shares by VEN.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Share Registry</b>	means Computershare Investor Services Pty Limited ACN 078 279 277.
<b>Shareholder</b>	means a holder of a Share.
<b>Shortfall</b>	means any New Shares not applied for in accordance with the Offer (if any).
<b>Shortfall Offer</b>	means the offer to acquire any New Shares not applied for in accordance with the Offer on the terms and conditions set out in section 3.1 of this Offer Booklet.
<b>Shortfall Shares</b>	means the New Shares offered pursuant to the Shortfall Offer.
<b>Subsidiaries</b>	has the meaning given to that term in the Corporations Act.
<b>Permits</b>	means the petroleum permits in which the Company has an interest including granted authorities to prospect (ATP 2019, ATP 2050 and ATP 2043)
<b>Underwriting Agreement</b>	means the underwriting agreement between the Company and the Lead Manager dated 15 August 2024.
<b>United States</b>	means the United States of America.
<b>VEN</b>	means Vintage Energy Ltd ACN 609 200 580.
<b>VEN Group</b>	VEN and each of its Subsidiaries.
<b>Voting Power</b>	has the meaning given to that term in the Corporations Act.

## 7. Corporate Directory

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### Directors

Mr Ray Shorrocks (Executive Chairman)

Mr Stephen Kelemen (Non-executive Director)

Mr Gordon Grieve (Non-executive Director)

Mr Greg Columbus (Non-executive Director)

### Company secretary

Mr Andrew Ritter

### Share Registry

Computershare Investors Services Pty Limited

Telephone: 1300 850 505 (within Australia)

+61 3 9415 4000 (outside Australia)

### Registered office

Level 6

167 Eagle Street

Brisbane QLD 4000

Telephone: +61 7 3177 9970

Email: [admin@galilee-energy.com.au](mailto:admin@galilee-energy.com.au)

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

### Lawyers

Piper Alderman

Level 26, Riparian Plaza

71 Eagle Street

Brisbane QLD 4000