

November 2016

AGM PRESENTATION

ASX: GLL

Peter Lansom
Managing Director



GALILEE
ENERGY LIMITED

- Oil and gas explorer with strong balance sheet
- Experienced management team with a demonstrated hands-on track record of top tier Australian CSG and conventional exploration success
- Strong shareholder alignment with the directors and management who are well invested with over 8% ownership
- The 100% owned Glenaras Gas Project is a highly strategic asset in the Galilee Basin.
- Well placed to take an advantage to supply competitively priced gas into the structurally undersupplied Australian east coast gas market
- Current Glenaras R1 lateral pilot showing encouraging signs for first Reserves booking in 2017
- Galilee continues to focus its funds on exploration and appraisal.
- Management has significantly reduced its corporate expenditure over the last two years

**WELL FUNDED OIL AND GAS EXPLORER EXECUTING
ON A CLEAR CORPORATE STRATEGY**

Financial information

Share price (8-Nov-16) A\$0.115

Number of shares¹ 152.1M

Market capitalisation A\$17.5M

Cash (30-Sep-15) A\$6.7M

Debt (30-Sep-15) No debt

Enterprise Value A\$10.8M

> Production testing at Galilee (2,508 PJ 2C Resources)

Source: IRESS

Note:

1 Excludes 1.2m unlisted performance rights on issue (exercise price A\$0.30-0.35; expiry date Dec-15-Dec-17)

2 Please refer to the Competent Person's Statement on page 23 of this presentation

Top shareholders

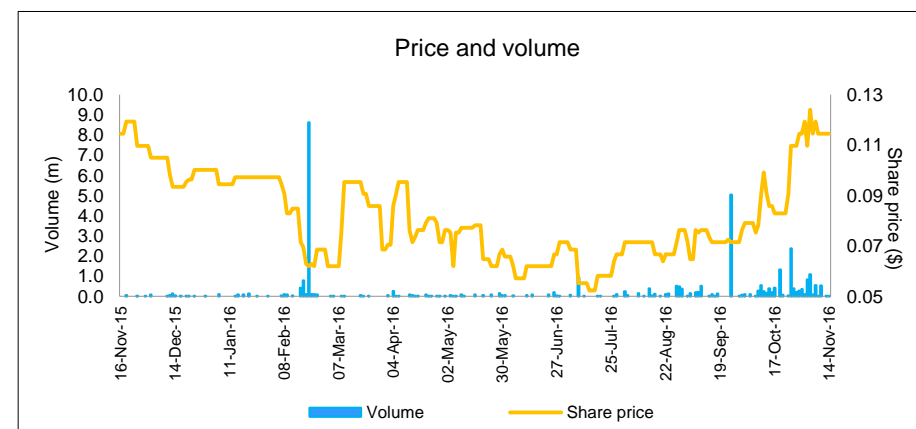
Ecarlate 12.1%

Slade Technologies Pty Ltd 3.9%

Becamal 3.6%

Mr P and Mrs S Bilston 2.9%

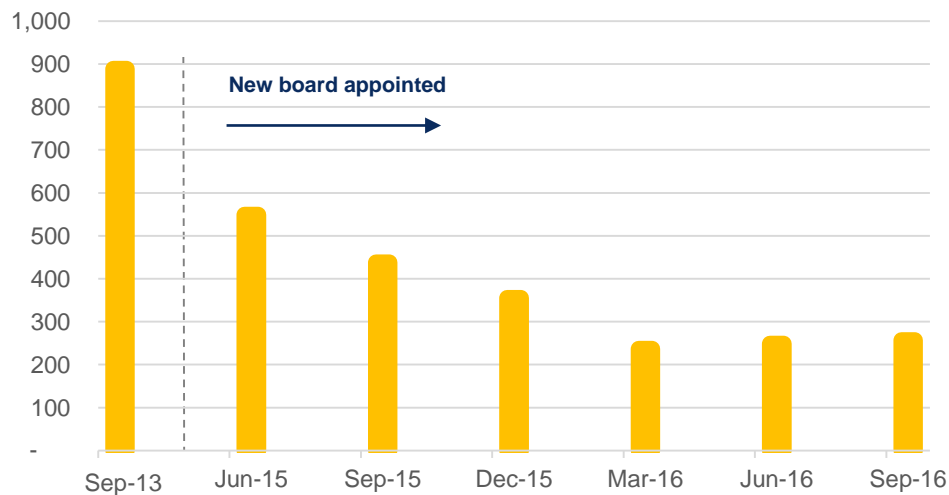
Directors and management¹ 8.2%



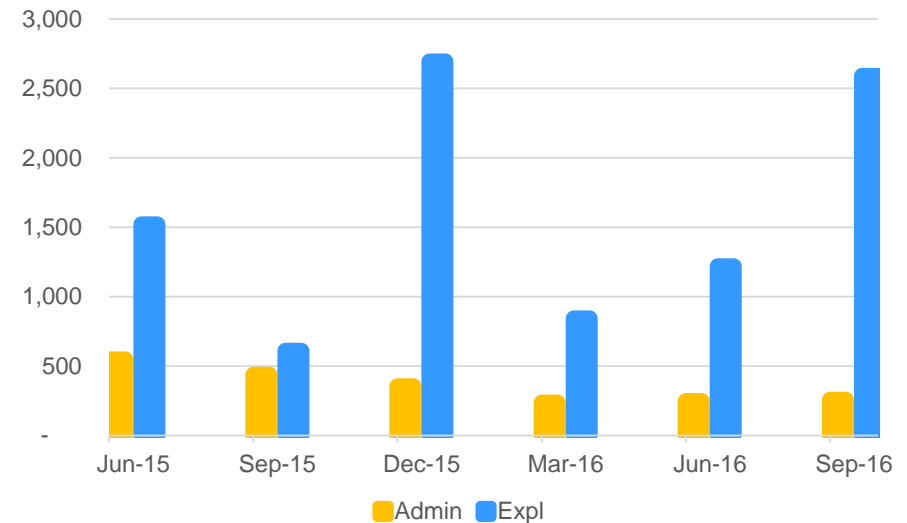
GALILEE'S NEW STRATEGY HAS REDUCED CORPORATE EXPENDITURE AND FOCUSED FUNDS ON EXPLORATION

- Galilee has continued to reduce corporate expenditure consistently over the last 3 years
- Galilee has no debt outstanding and is fully funded for our ongoing exploration program

Quarterly admin expense (A\$,000)

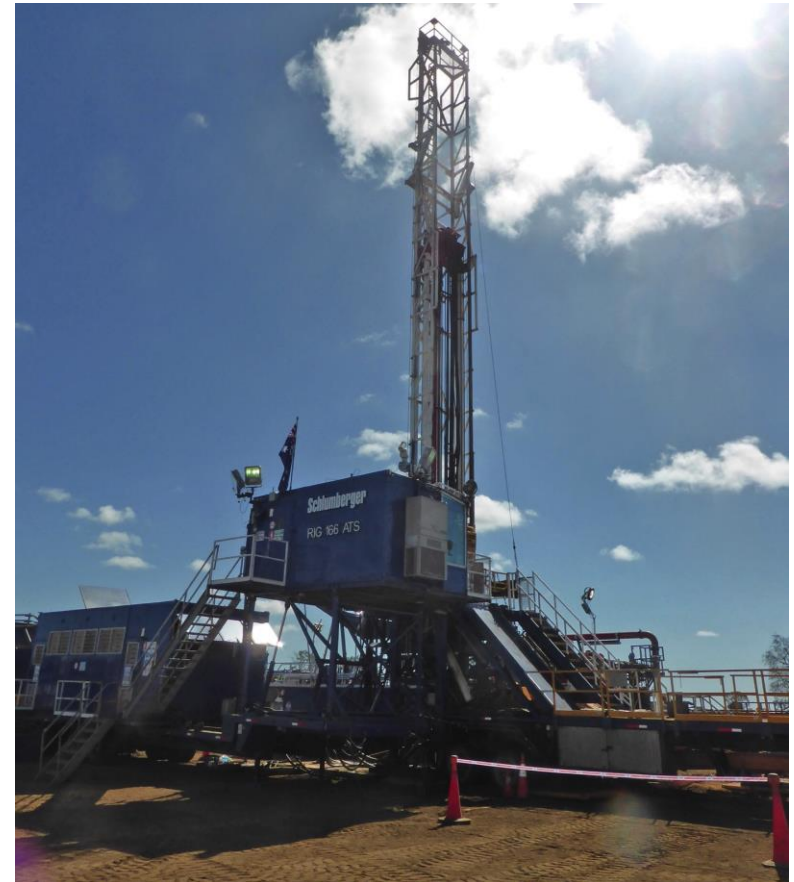


Quarterly admin to exploration (A\$,000)



SUSTAINED OPERATIONAL PERFORMANCE FOCUSED ON RESULTS

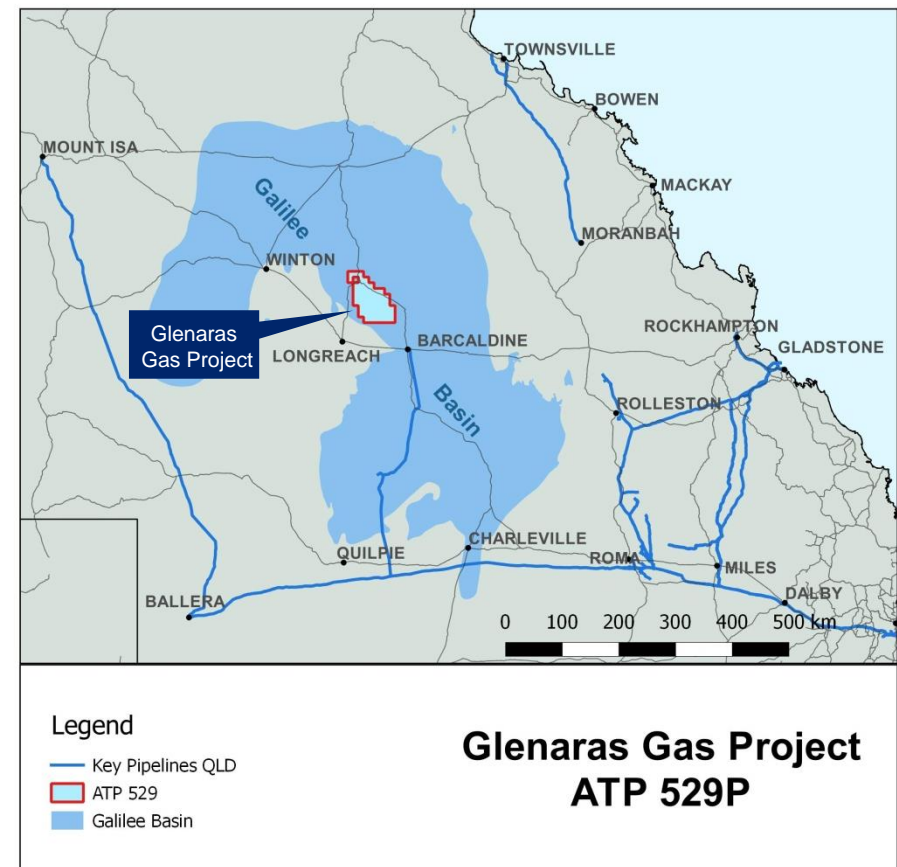
- Galilee has continued to be an active explorer during the current industry downturn
- Excellent time for exploration, with strong supplier competition and heavily reduced rig and labour costs
- Since June 2015 100% acquisition of ATP529P:
 - ✓ Completed revised resource assessment
 - ✓ Conducted 5 well workover programme
 - ✓ Six month production testing
 - ✓ Planning and execution of Glenaras lateral well and associated workovers
 - ✓ Current lateral well production testing



GLENARAS GAS PROJECT (GGP) IS GALILEE'S FOUNDATION ASSET AND REMAINS A KEY EXPLORATION FOCUS

- Potential to become a key supplier to the structurally undersupplied east coast gas market
 - ✓ Very large, yet to be contracted, resource
 - ✓ High resource concentration (equivalent to Fairview/Spring Gully)
 - ✓ Very cost competitive development cost
 - Low well costs
 - No fracture stimulation required
 - Minimal water treatment required
 - ✓ Positive stakeholder relationships

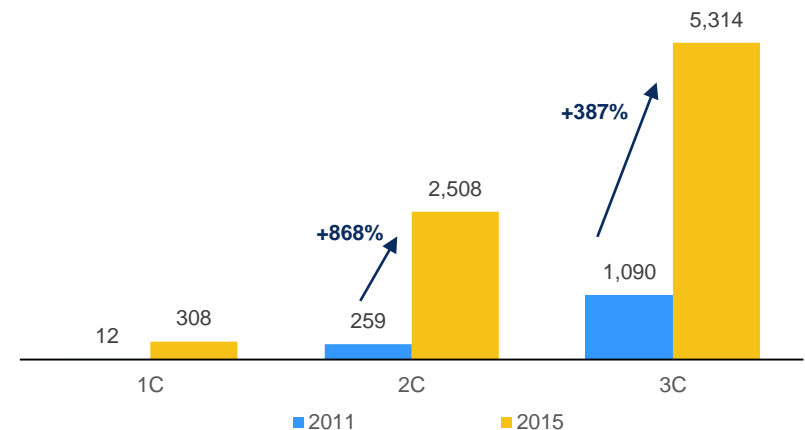
- Multiple market options exist
 - ✓ Connection to Barcaldine Power Station
 - ✓ South or west to Wallumbilla and Mt Isa
 - ✓ East to connect to Brisbane or Gladstone



2015 ASSESSMENT SIGNIFICANTLY INCREASED THE GGP RESOURCES AND HIGHLIGHTS ITS POTENTIAL VALUE

- 2015 MHA Resource Assessment significantly upgraded the Contingent Resources at the GGP
- Converting the 2C resources to 2P reserves is the key immediate focus for Galilee
- The large Contingent Resource position is a result of significant exploration activity since 1992.
- Provided an excellent geological database across the entire permit
 - 12 exploration coreholes
 - 2 x 5-spot production pilots
 - 4 step-out production wells
 - over 700 km of seismic data
- Database focuses on structure, coal thickness and CSG properties
- Two previous production pilots provided little valuable data due to poor completion methods.

**Glenaras Gas Project
Contingent Resource Estimates (PJ)**



Source: MHA Petroleum Consultants LLC (2015), SRK Consulting (2011),

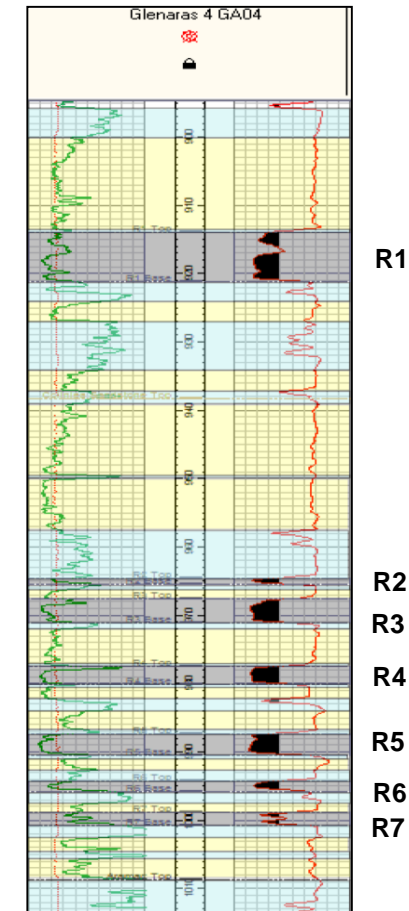
BETTS CREEK COAL EXHIBITS EXCELLENT CSG PROPERTIES

- Successful CSG projects require three key parameters:
 - Resource Concentration (*thickness, gas content*)
 - Productivity (*thickness, permeability*)
 - Pressure drawdown in the coal (*well design*)
- Resource concentration and coal productivity have been proven across the permit
- Comparable to world class projects such as Spring Gully and Fairview



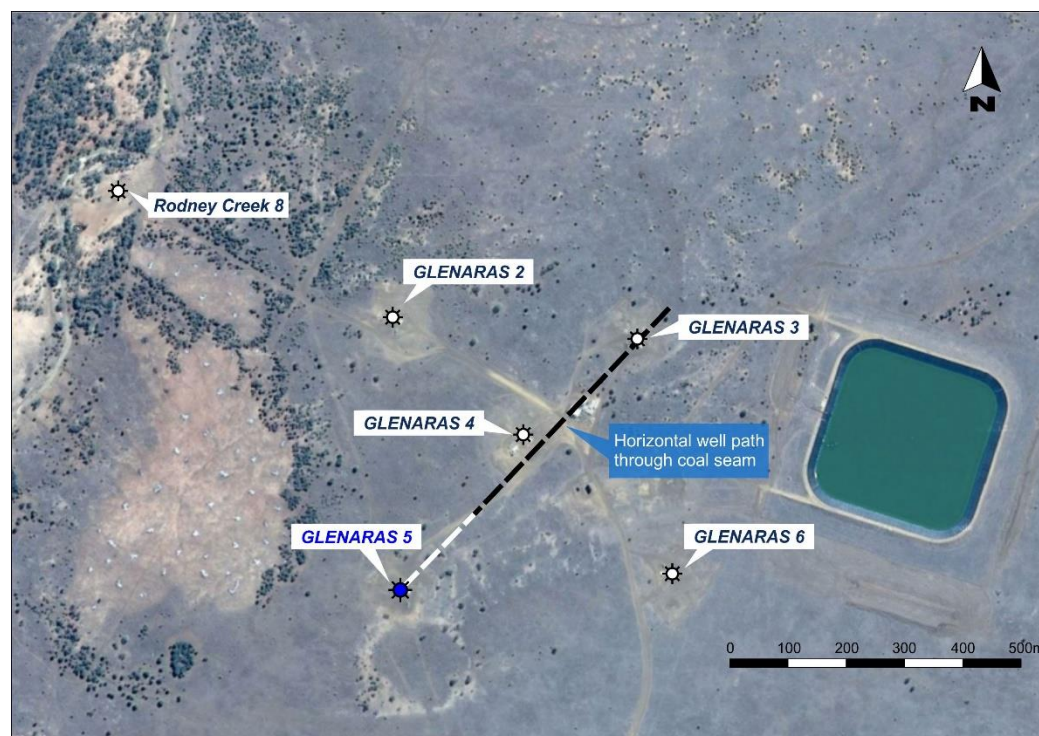
Betts Creek Coal – Core area properties

Coal depth (m)	900 - 1,000
Net coal (m)	19
Gas content (m ³ /t)	5.3
Permeability (md)	45
Resource concentration (bcf/km ²)	5.2



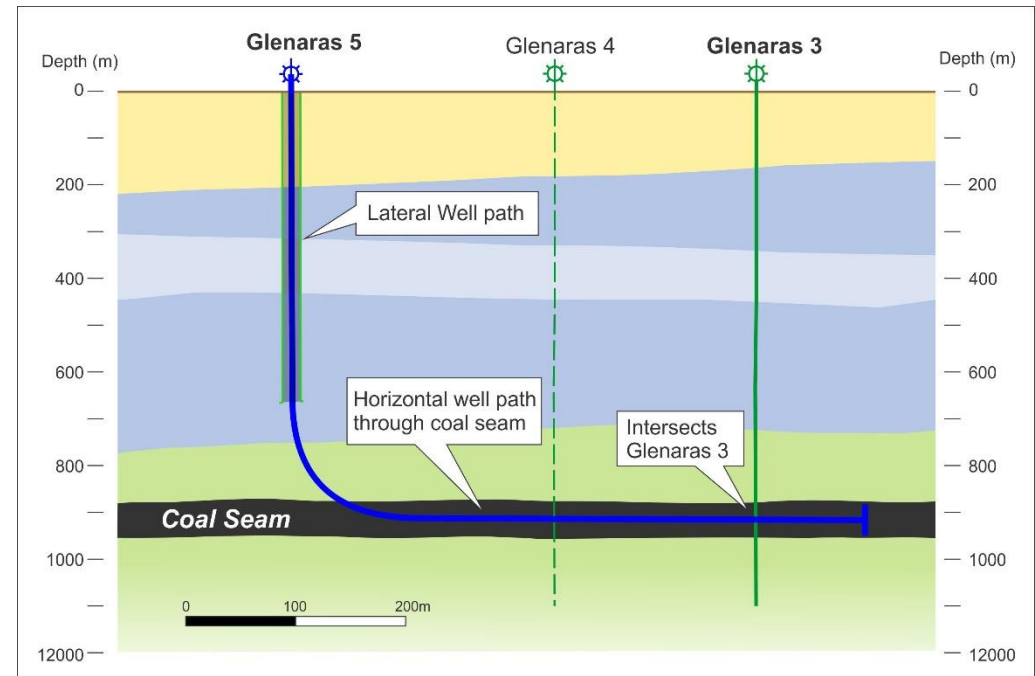
THE R1 SEAM TEST WAS THE LOWEST COST OPTION TO APPRAISE THE SIGNIFICANT RESOURCE

- R1 seam is the thickest seam, never completed in initial pilot testing at Glenaras. Not affected by previous fracture stimulations.
- All five vertical wells recompleted to the R1 seam in late 2015.
- Pilot was successful at producing water from the coal only – a first for the Permit
 - excellent new pump design performance
 - with gas desorption achieved at all wells.
 - minor gas production achieved at Glenaras 4.
- Due to low permeability in this area, water rates were not sufficient to achieve large areal desorption in the coal.
- Additional drawdown required.



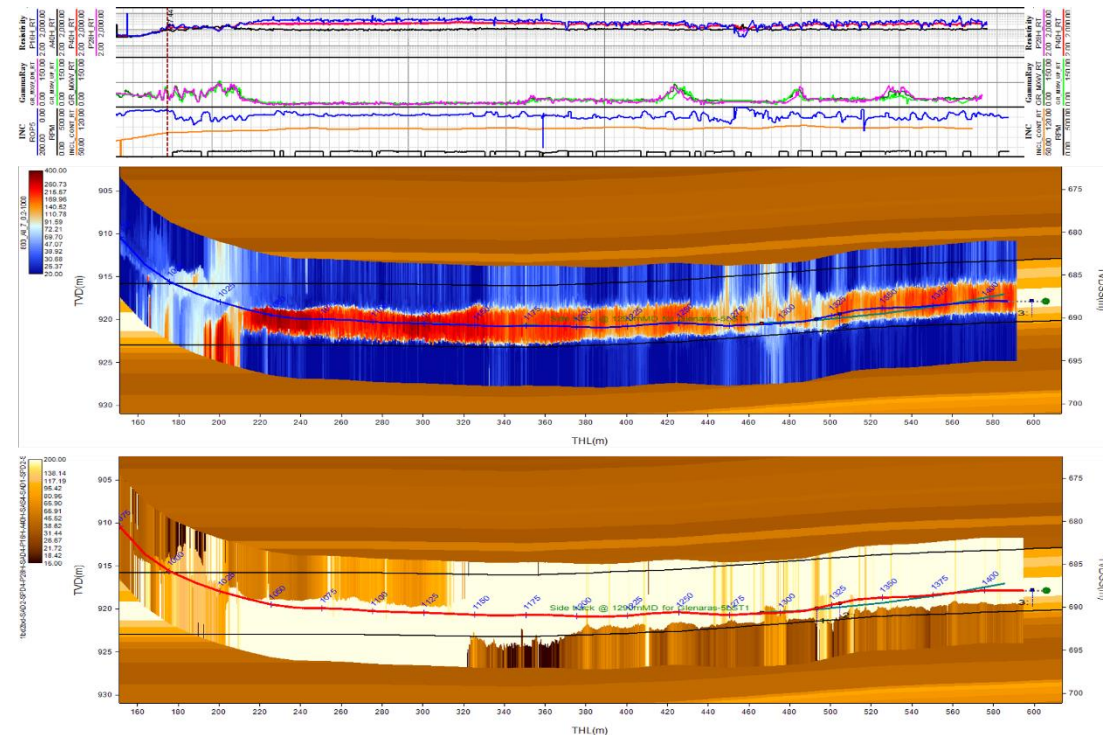
ADDITIONAL OFFTAKE NEEDED TO ACHIEVE GAS DESORPTION OVER A LARGER AREA

- Modelling of the vertical well pilot showed additional production offtake was needed in order to expedite pilot results.
 - combination of lower permeability in R1 seam in this area and undersaturation.
- Modelling and technical review indicated that a lateral well should achieve this goal.
- Lateral well drilled in October 2016.
 - 400m in-seam section from Glenaras 5 to Glenaras 3 through middle of pilot.
- Pilot currently underway with production from the Glenaras 3 vertical well.



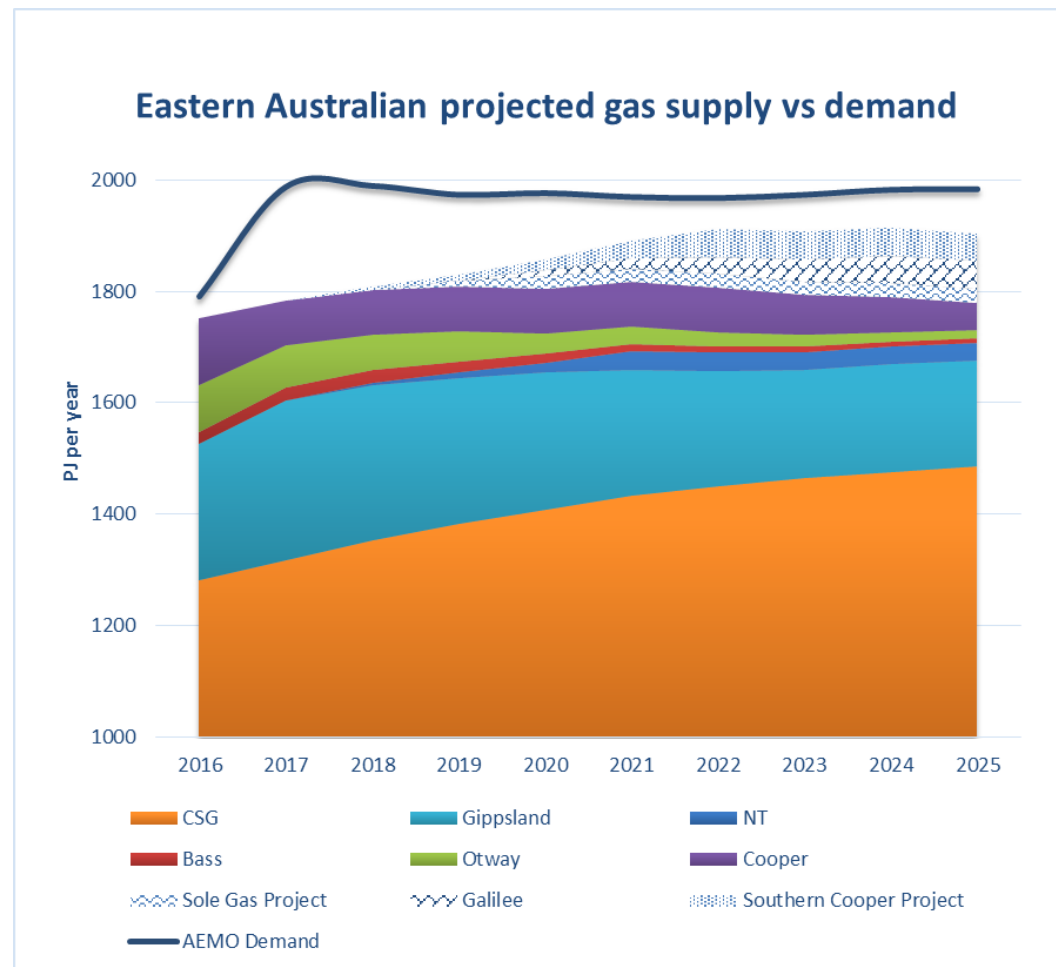
EARLY RESULTS ENCOURAGING WITH STRONG WATER RATES AND WELL INTERFERENCE

- Early production testing results has indicated excellent results from the Glenaras lateral.
- Production offtake is significantly increased with the lateral well producing at over 4 times the aggregate of the 5 vertical wells.
- Strong pressure communication has been seen at the surrounding vertical wells indicating excellent coal connectivity. Confirms coal-only production from the lateral.
- Well now producing below critical desorption pressure and flowing water and gas through the surface separator.
- Production testing will continue through early 2017 in order to continue areal pressure drawdown and increase gas rates.



REAL POTENTIAL FOR GALILEE BASIN TO BE A SIGNIFICANT NEW GAS SUPPLY SOURCE

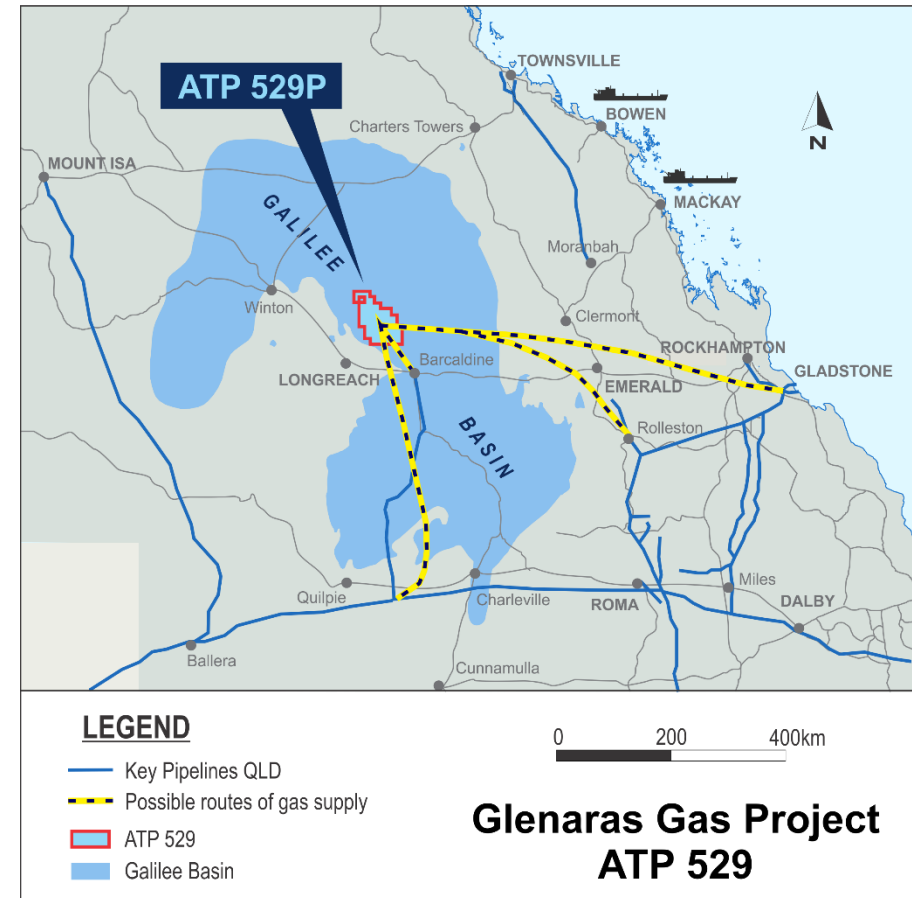
- Recent analysis indicates the combined domestic and export market can take more gas than available
 - AGL evaluating LNG import options
- Limited ability of existing supply sources to increase output
- Known appraisal and development projects are insufficient to meet the potential market
- NSW, VIC AND NT Govt all have various regulatory restrictions limiting exploration activities



Source: Energyquest, AEMO, company analysis

CONNECTION TO THE MARKET WILL DEPEND ON THE PRIMARY MARKET

- Galilee are in discussion with a number of buyers, both domestic and export focussed.
- Ultimate primary market will drive pipeline route
- Early stage commercialisation option to Barcaldine Power Station and flowline to SWQ pipeline



GALILEE HAS SEVERAL OPERATIONAL AND MACRO CATALYSTS UPCOMING IN THE NEXT 6 MONTHS

GLENARAS *Commercial flow results*

- R1 coal seam production testing currently underway
- Program expected to continue through early 2017
- Success would be critical in converting 2C resources to 2P reserves

MACRO *Oil price and QLD gas market*

- Sector trading has been driven largely by moves in global oil prices
- Clear shortages in the Australian east coast gas market dramatically improve the Glenaras Gas Project's attractiveness

AWARENESS *Institutional grade*

- The awareness of Galilee's investment case within the investment community continues to develop as operational and corporate milestones are reached

Competent Persons Statement & Listing Rule 5 Reporting on Oil & Gas Activities

The estimate of Contingent Resources for the ATP 529 as appears on page 7 of this presentation, is based on, and fairly represents, information and supporting documentation determined by Mr Timothy L. Hower of MHA Petroleum Consultants LLC Inc Denver, Colorado, USA, an independent petroleum reserve and resource evaluation company, in accordance with Petroleum Resource Management System guidelines. Mr Hower is a full-time employee of MHA, and is a qualified person as defined under the ASX Listing Rule 5.41. His career spans over 30 years petroleum engineering evaluations experience including field development planning, unconventional reservoir assessment and reserves, reservoir simulation, enhanced recovery, and industry training courses. His qualifications and experience meet the requirements to act as a Competent Person to report petroleum reserves in accordance with the Society of Petroleum Engineers (“SPE”) 2007 Petroleum Resource Management System (“PRMS”) Guidelines as well as the 2011 Guidelines for Application of the PRMS approved by the SPE.

Mr Hower has consented to the publication of the Contingent Resource estimates for Galilee Energy 100% interest in ATP529 in the form and context in which they appear in this presentation. The Contingent gas resource estimates for ATP 529 provided in this presentation were originally released to the market in the Company’s announcement of 1 September 2015, and were estimated using the deterministic method with the estimate of contingent resources for ATP 529 not having been adjusted for commercial risk.

Galilee Energy confirms that it is not aware of any new information or data that materially affects the information included in the announcement of the 1st of September 2015 and that all of the material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

This presentation may contain forward looking statements that are subject to risk factors associated with oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

Investors should undertake their own analysis and obtain independent advice before investing in GLL shares.

All references to dollars, cents or \$ in this presentation are to Australian currency, unless otherwise stated.

REGISTERED OFFICE

Level 4,
235 Edward Street,
Brisbane QLD 4000

GPO Box 1944
Brisbane QLD 4006

Phone: +61 7 3177 9970

Email: admin@galilee-energy.com.au