

Rig secured for Glenaras drilling programme

2 March 2022

Highlights

- ❖ **Glenaras 16 and 21 wells both back online with average total gas ~50 Mscfd and water pilot production back to ~17,000 BWPD.**
- ❖ **Drilling contract signed and Silver City Rig 23 rig secured.**
- ❖ **Drilling of five new vertical production wells to commence in April.**
- ❖ **Aim is to accelerate depressurisation of the Betts Creek coals and adjacent sands to initiate gas desorption and achieve commercial gas production in support of a material maiden reserves booking.**
- ❖ **All drilling, completion and surface facility long lead items have been ordered.**
- ❖ **Construction of lease pads underway.**
- ❖ **All landowner and environmental approvals secured for drilling programme.**

Galilee Energy Limited (ASX:GLL) (“Galilee”) is pleased to provide the following operations update and announce that a drilling rig has been secured for the upcoming drilling programme at the Glenaras multi-well pilot (“Pilot”).

Following the servicing and replacement of surface equipment at Glenaras 16 and 21, both of these wells are back online with the average gas rate from the Pilot stable at around 50 Mscfd, with total water production of approximately 17,000 BWPD. Reservoir pressure monitoring indicates that there has been significant progress in depressurisation of the Betts Creek coals but not at an acceptable rate to achieve commercial gas production in a sufficient timeframe.

As previously reported, new modelling undertaken by Schlumberger, taking into account the southwestern permeability conduit fault zone, has confirmed that the significant pressure sink already created can be sufficiently enhanced within 6 to 12 months if five new vertical wells (Glenaras 24-28) are drilled around the southwestern flank of the Pilot (Figure 1).

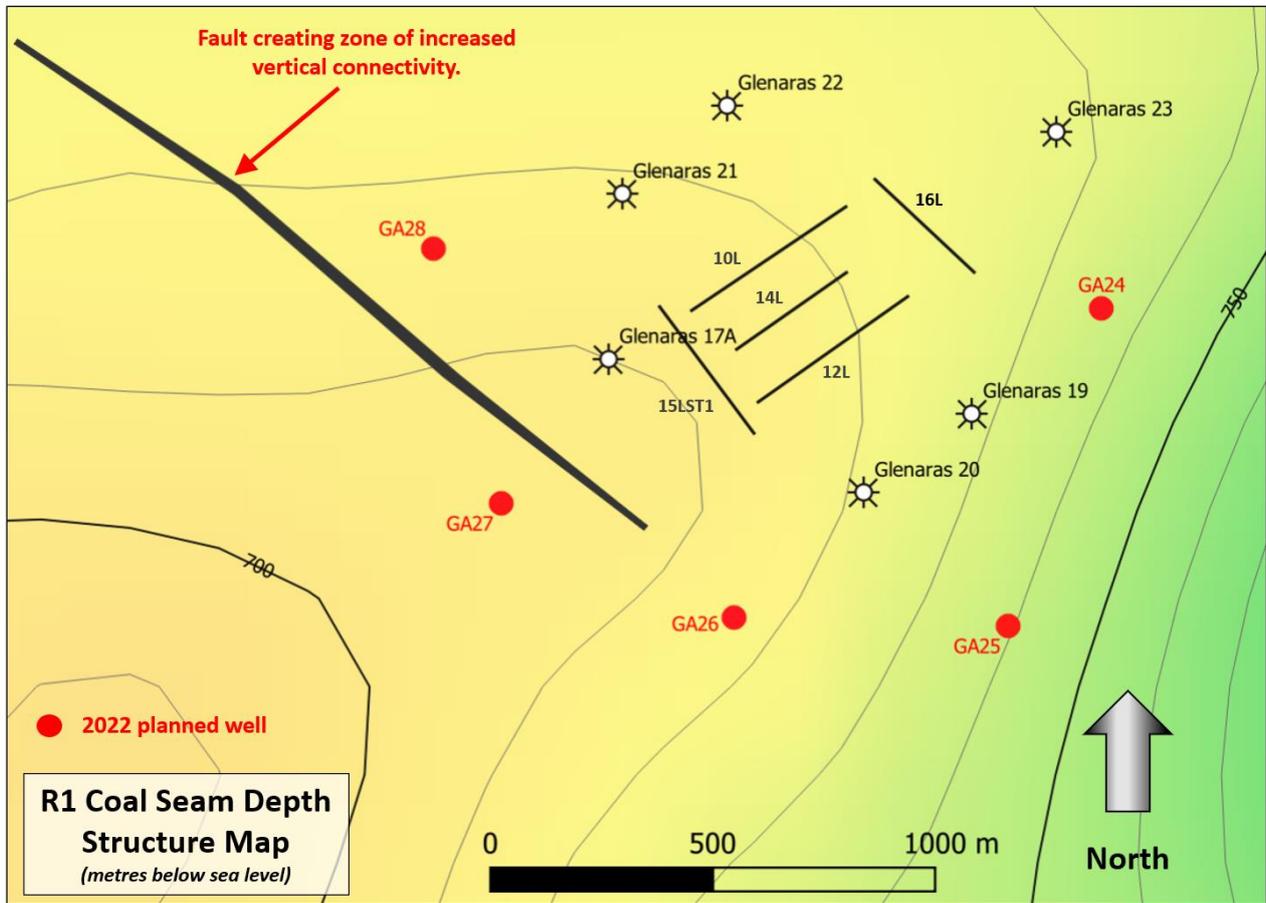


Figure 1. New vertical production well locations.

Following the successful capital raising of \$11.8 million last week, the Company has now signed a drilling rig contract with Silver City for Rig 23. All landowner and environmental approvals have now been received for the new well locations and civil construction works are progressing with lease pads now under construction (see photos below).



Drilling is expected to commence in mid-April and all necessary long lead items have been ordered with several items already in storage on site. Planning is underway to construct the electrical, gas and water gathering systems for the five new production wells. All long lead items have also been ordered for the surface facilities, pipeline and electrical network.



Silver City Rig 23.

Work is well advanced on the design and procurement of a new mobile irrigation system to be constructed and commissioned shortly with the aim of beneficially managing water production. Importantly the water produced is essentially fresh requiring little to no processing and can therefore be used for irrigation, which provides scope for additional direct and indirect revenue streams to Galilee in the future.

Galilee’s Managing Director & CEO, David Casey said *“This is an exciting time for Galilee as we prepare to drill these new wells and unlock the significant TCF potential of the Glenaras gas resource. Success at Glenaras will be transformational for Galilee as it seeks to become a material gas producer in the attractively priced east coast gas markets, creating jobs and investment in regional areas and in meeting the increasing demand for gas as the world transitions to low carbon footprint energy alternatives.”*

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About Galilee

Galilee Energy is focused on creating a high value exploration and production company building on its core strengths in coal seam gas appraisal and development. Its primary area of focus is Queensland where it is appraising its 100% owned Glenaras Gas Project in the Galilee Basin and exploring in the Surat and Bowen Basins, whilst looking to add further high quality acreage to its portfolio.

This announcement was released with the authority of the Board.

Directors

Chairman – Ray Shorrocks

Managing Director – David Casey

Non-Executive Director – Stephen Kelemen

Non-Executive Director – Gordon Grieve

Non-Executive Director – Greg Columbus