

Investor Presentation
August 2014

Delivering on Strategy

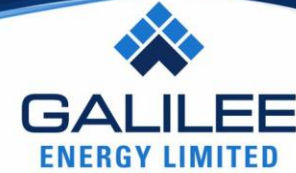
Peter Lansom - Managing Director

Paul Bilston - Executive Director



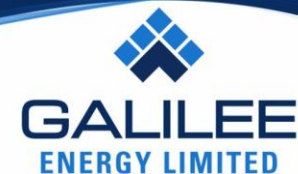
GALILEE
ENERGY LIMITED

A well funded growth story



- Near term drilling on a targeted portfolio of assets
- A proven team delivering in-house expertise, strongly aligned to shareholders
- Project pipeline and all current activities fully funded – cash of **\$25.7m**
- Share price offers a discount to cash backing with significant upside from near-term projects without dilution risks
- As major shareholders, Board and Management are committed to investing in low-cost, high-return projects with either near-term production or scale potential
- Substantial activity in place for Q4 2014:
 - Illinois – up to 5 wells targeting shallow oil in multiple horizons
 - Texas – participation in high impact well to test an 883 acre structure
 - Kansas - 50 square mile 3D Seismic with follow up wells in a proven hydrocarbon province
 - Chile – technical studies to assess potential for multi-Tcf coal seam gas resources in conjunction with the state owned oil and gas company ENAP

Company overview

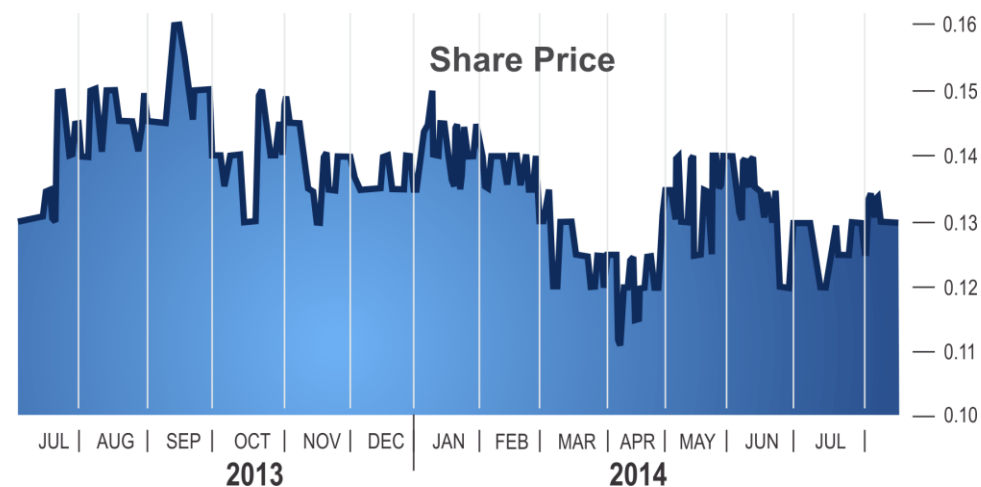


Market overview (15 August 2014)

ASX code	GLL
Market capitalisation	\$20.5m
Shares on issue	152.1m
Unlisted options	1.6m
Closing share price	\$0.135
Average daily trading volume (3 month)	47.5k
Cash (at 30 June 2014)	\$25.7m
Debt	Nil
No of shareholders	~1,550

Substantial Shareholders (15 August 2014)

	No of shares	%
Top 20 holders	83,146,335	54.65%
Directors & Management	9,468,663	6.22%



Experienced oil and gas team



Board and Management

Dr. David King

Non-Executive Chairman
PhD, MSc,
FAusIMM, FAICD.



40+ years experience in natural resources. Founder and NED of Sapex Ltd, Gas2Grid and Eastern Star Gas. Previously, MD of North Flinders Mines and CEO of Beach Petroleum and Claremont Petroleum. Currently non-executive chairman of Robust Resources, and NED of Cellmid, Republic Gold and African Petroleum Corporation.

Peter Lansom

Managing Director
B.E. Petroleum (Hons)



25+ years experience in conventional and unconventional exploration and development, with significant expertise in subsurface engineering, asset valuation, field development planning and commercial and corporate finance. Previous roles included subsurface engineering at Santos, Chief Petroleum Engineer at Origin Energy and Executive Director at Eastern Star Gas.

Ray Shorrocks

Non-Executive Director



20+ years experience investment banking industry, including a significant track record of transactions in the metals and mining, industrials and property sectors. Director: Patersons Securities, heads the corporate finance department in Sydney, and is chairman of Republic Gold.

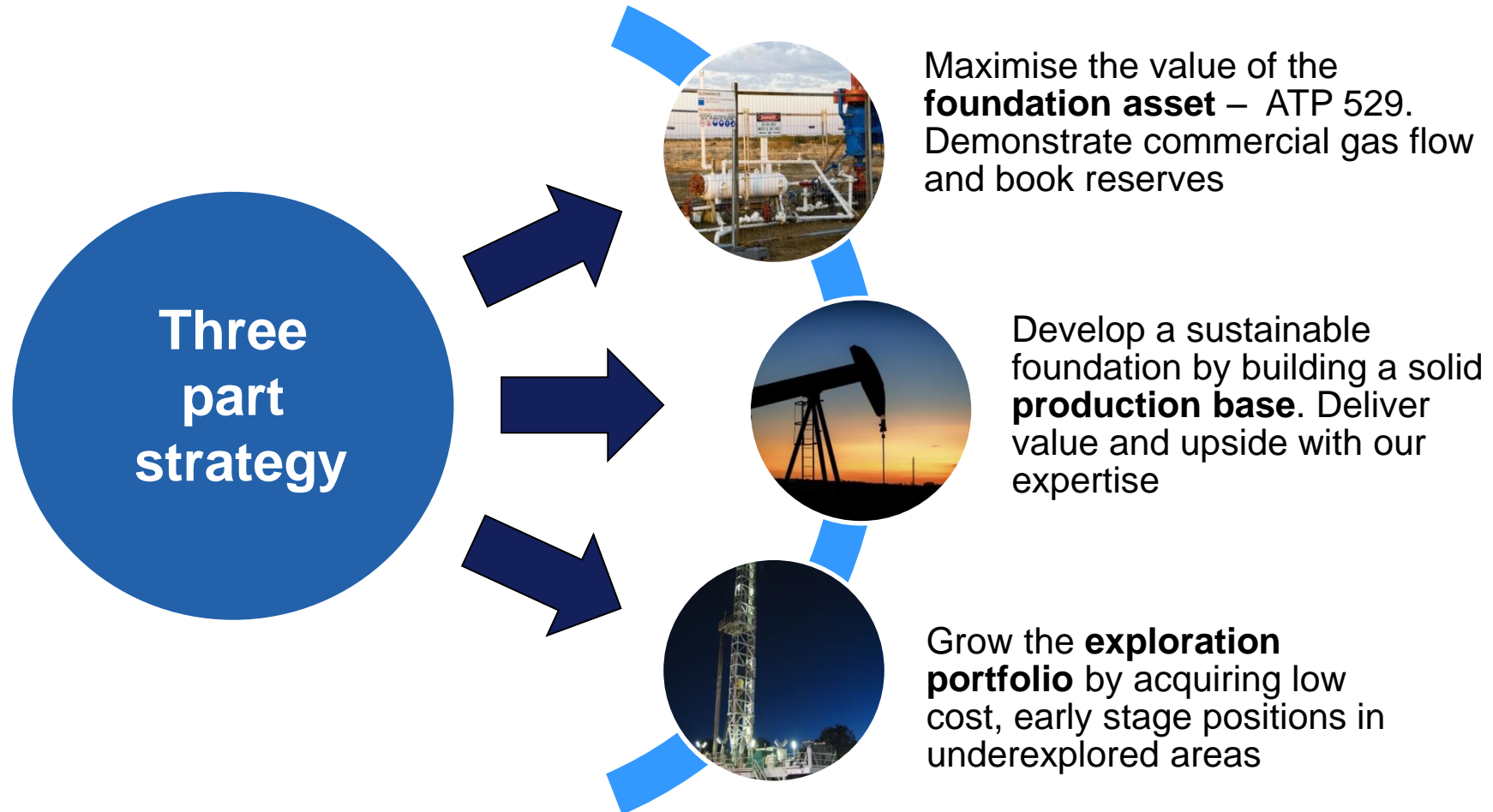
Paul Bilston

Executive Director
B.E. (Mech), PhD



18+ years experience in the Oil and Gas sector in a number of senior technical, commercial and management roles domestically and overseas. Worked in engineering Worley and GHD with senior management roles with AGL Energy, head of CSG for AJ Lucas and recently as managing director of ASX listed Challenger Energy.

Clear strategy to grow shareholder value and the capacity to execute



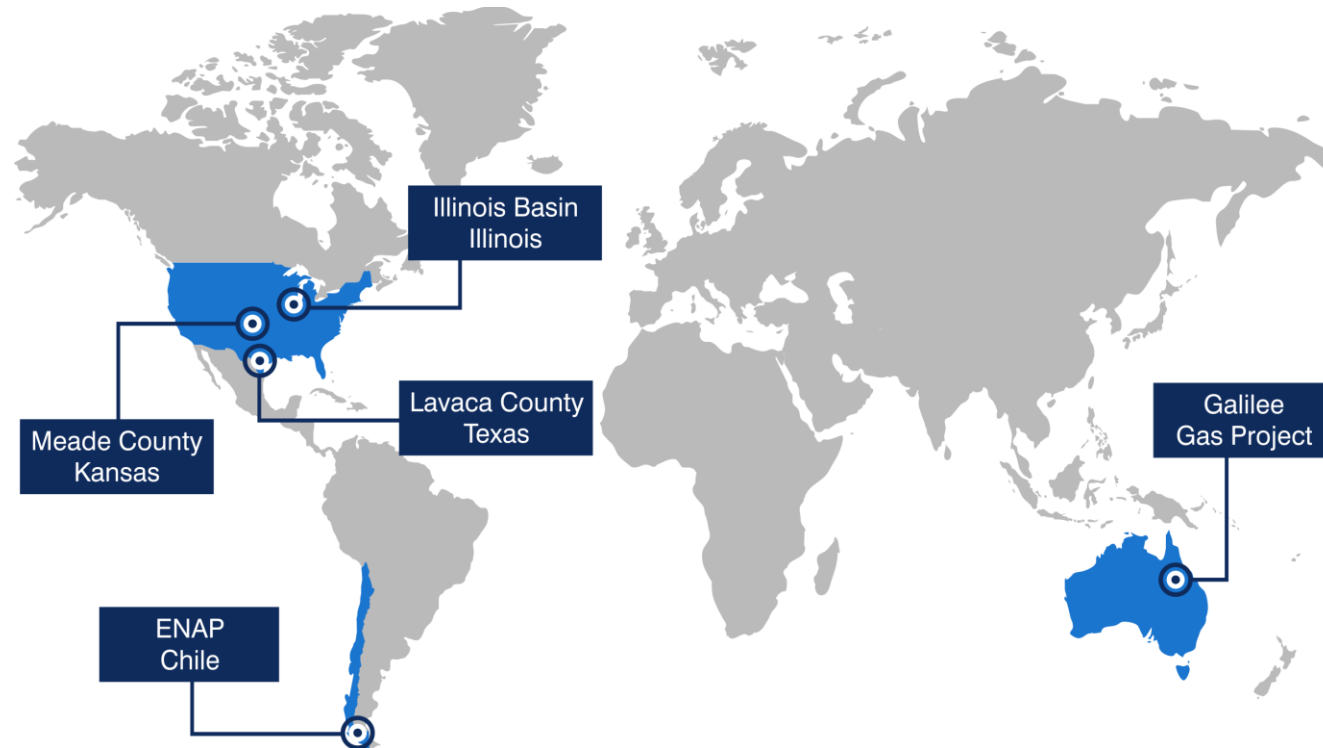
Galilee is building a diversified global portfolio

Building a production base:

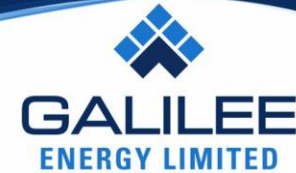
- Shallow oil in Illinois
- Significant interest in a high impact onshore gulf coast well, Texas
- Shallow oil and gas in Kansas

Building a broader exploration portfolio:

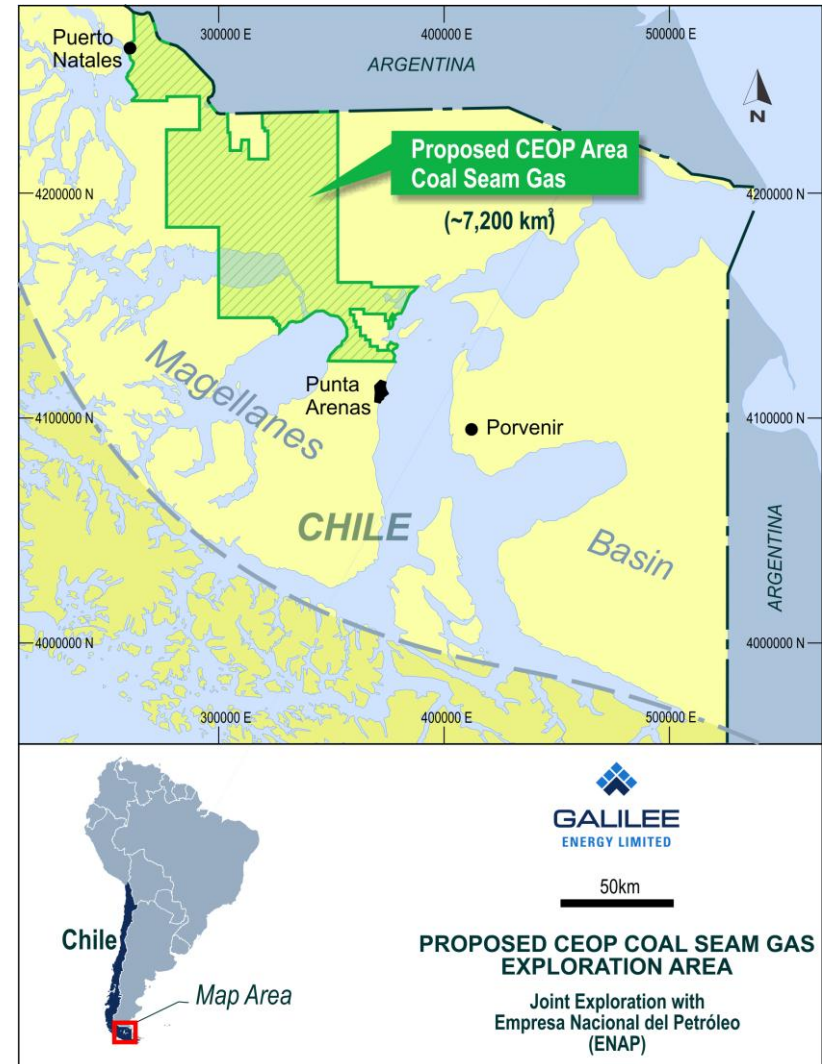
- CSG exploration with ENAP in Chile
- Ongoing evaluation of other prospective basins with a South American focus
- Executive team and consultants bring substantial frontier O&G expertise



Chile



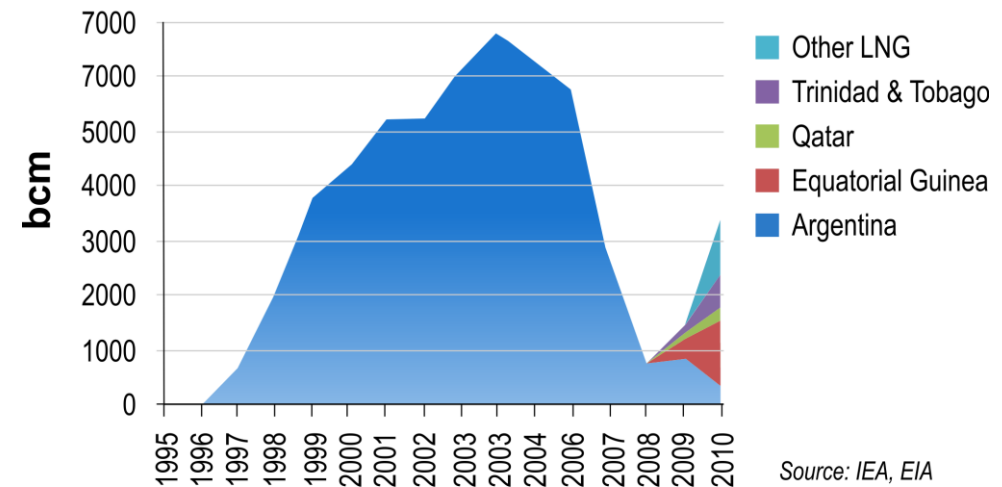
- Partnered with ENAP – Chile’s state owned oil and gas company
- Initial MOU to carry out a study into coal seam gas potential in Magallanes Basin
- Study area of approximately 1.8 Million acres
- *Conoco Phillips recently announced they will partner with ENAP to look at unconventional hydrocarbons in other areas of the Magallanes Basin*
- Chile presents an extremely attractive gas market
- The Magallanes opportunity represents company-making potential
 - Significant area
 - Proven coal thickness and extent
 - Demonstrated gas contents
 - Very large gas in place (OGIP)
- CSG a core strength of the board and management



The Chilean gas equation

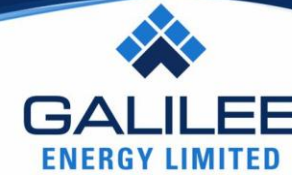
- Argentina significantly curtailed gas supplies in 2004
- Chile now imports ~ 80% of its natural gas and has been forced to substitute with more expensive fuel
- Chile has already built two pacific coast LNG import terminals, and has announced a third
- Methanex has been forced to relocate two of four original methanol trains from its site in Chile to the USA, and the remaining trains are running at a reduced capacity due to gas constraints, with serious regional economic impacts
- Energy exploration and development in Chile, particularly southern Chile, is a national imperative and enjoys strong political support

Chile - Gas Import Source

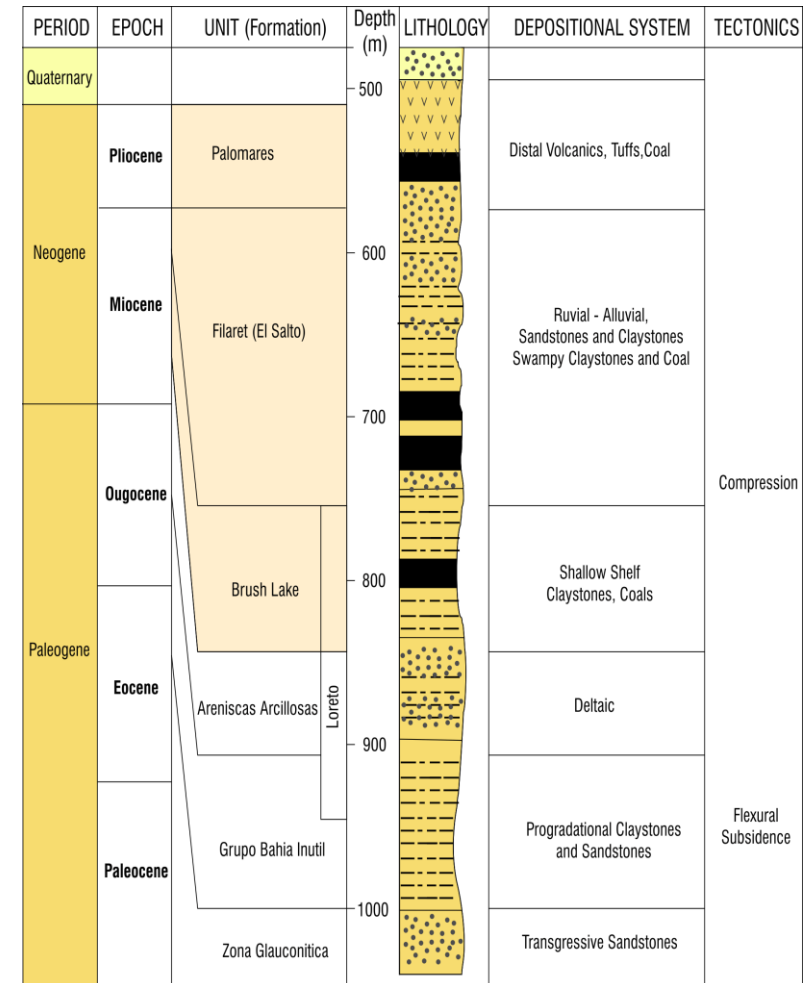


Cabo Negro in Chile – Source Methanex

Coal seam gas in Magallanes Basin

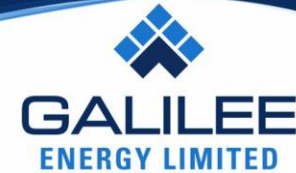


- Close to existing markets and extensive pipeline and other infrastructure
- Well established hydrocarbons province with activity including international majors and mid-tiers e.g. Geopark
- Eocene-Oligocene Loreto formation with extensive coals from outcrop to more than 1,200 m depth
- 3 wells drilled in the Manzano area
 - Drilled 1994 to 2008
 - Demonstrated gas content at depths between 800 – 1,150m
 - Limited permeability measured due to depth
- Galilee believe the young Eocene age coals are analogous to the Walloon coals in Queensland which have much higher permeability at target depths in the 200 – 600 m range
- The prospective area is large at ~2,000 sq. km or almost half a million acres

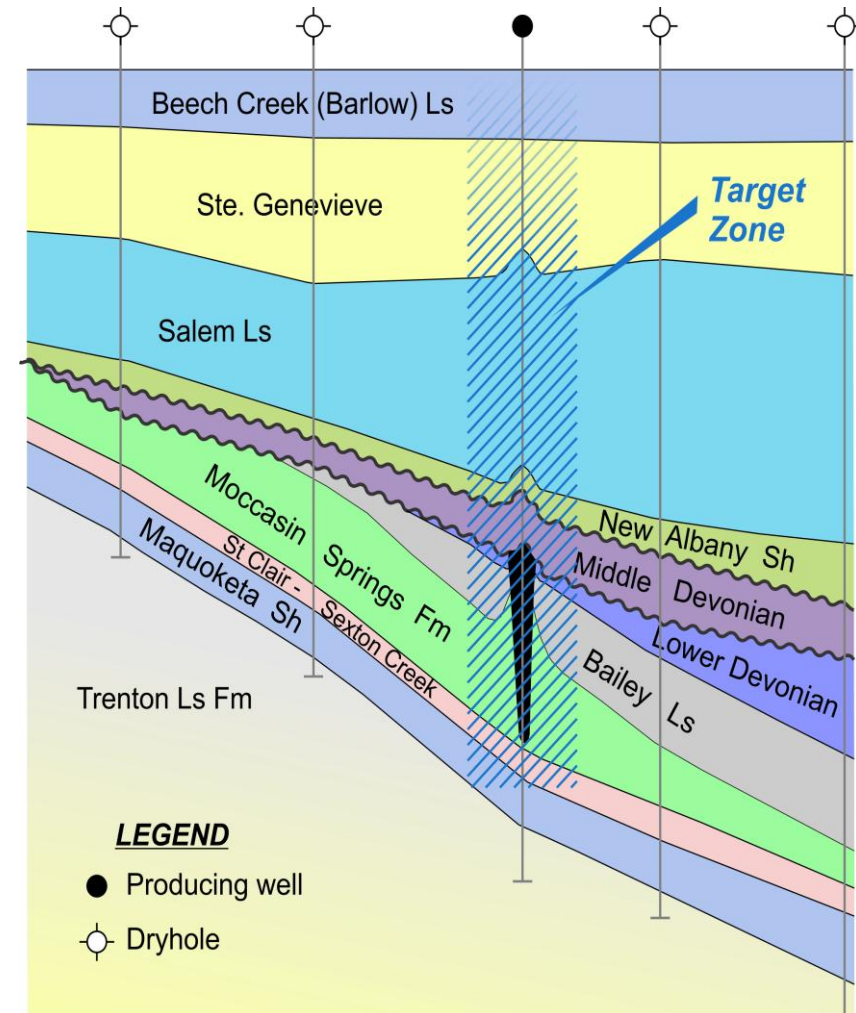


Conglomerate & sandstone
 Claystone
 Tuff, tuffaceous claystone
 Coal

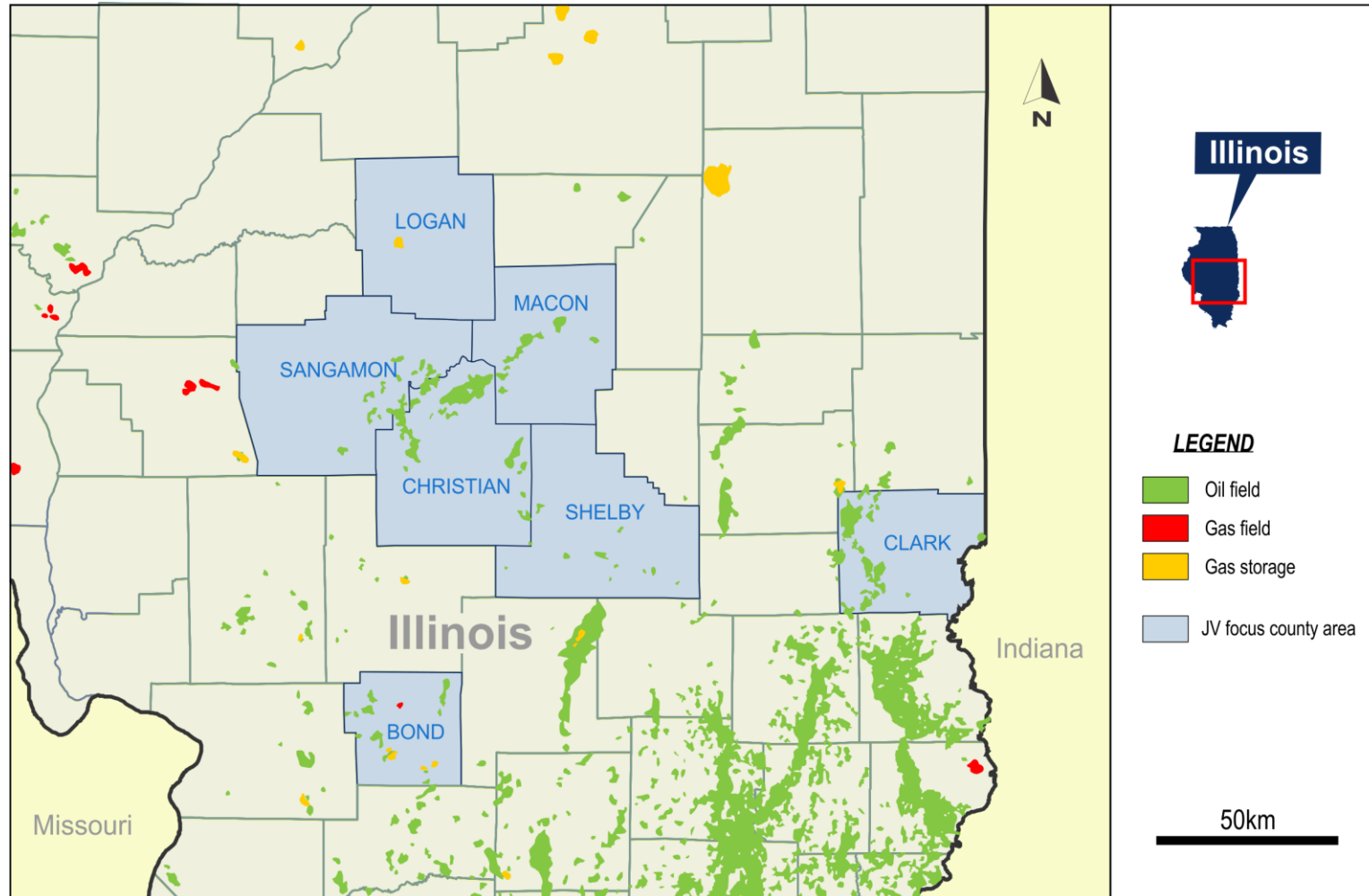
Shallow oil in Illinois



- JV with proven US oil and gas professionals (Gruy LLC)
- Multi-horizon - high return, shallow oil prospects
- Shallow targets
 - Low cost wells with average dry hole costs of US \$200,000
- Illinois Basin
 - Shallow, intracratonic basin
 - Already yielded more than 4 billion barrels of oil
 - Recent success has seen a sharp ramp up in activity across the state
- Near term activity
 - JV currently leased ~ 3,000 acres
 - Two drilling permits approved, further three ready to lodge
 - Up to 5 wells drilled in Q4, 2014
- Proven hydrocarbon system,
 - Current production from a range of zones close to most prospects
 - Prospect development based on identification of analog characteristics from nearby multi million barrel fields



Shallow oil in Illinois



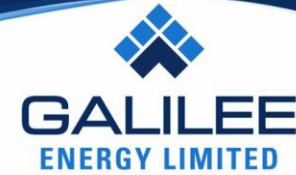
Texas: onshore Gulf Coast



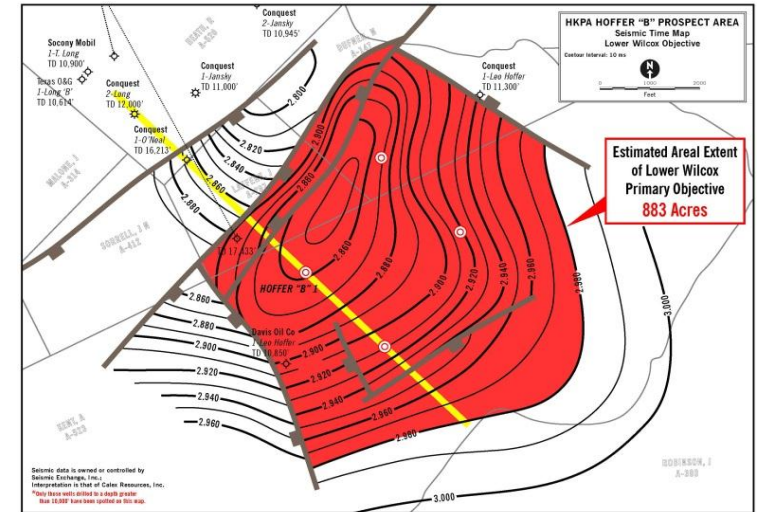
- Participation agreement covering ~65,000 acres in Lavaca County, onshore Texas Gulf Coast
- Primarily focused around two existing large 3D seismic datasets
- Partnered with highly regarded Calex Resources Inc and Gruy LLC
 - Extensive history with Lavaca County
 - Multiple successful projects within the area
- Potential for Galilee to participate (generally 25 – 40% WI) in selected future projects
- Large conventional prospects defined by 3D seismic
- Lower cost of onshore drilling and extensive infrastructure allows rapid commercialisation



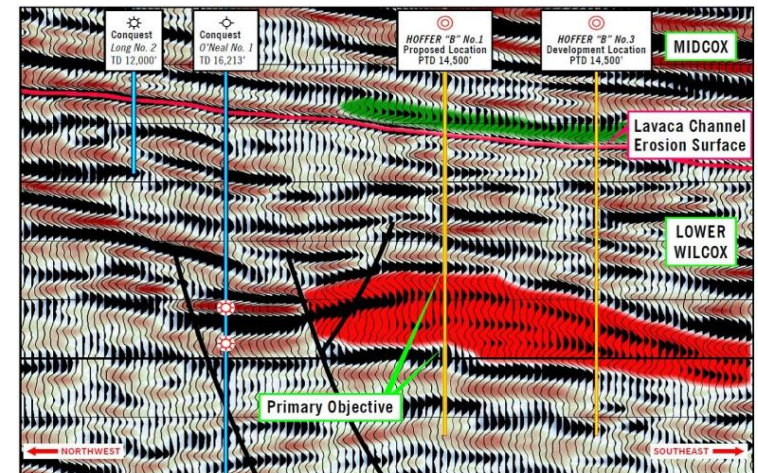
Hoffer B – Lavaca County



- Significant participation in a high impact exploration play
 - 35% WI before payout (28% after payout)
 - Equal terms with all other JV partners in drilling costs
- Large ~ 900 acre 3D defined “umbrella structure” in Lower Wilcox, structural closure, with secondary targets in upper Midcox
- 200m of prognosed gross sand development in primary target
- Gas charged sands intersected off structure in Conquest O’Neil No. 1 Well (see figure)
- Analog Wells IP > 10 MMscfd, EUR’s >10 Bcf/well with associated liquids 15-35 bbl/mmscf
- Pipeline infrastructure within 500 m of the well
- Multiple follow up wells on structure and on trend
- JV partner has publically disclosed the following estimate of prospect size: 70 Bcf of gas + 1.8 million bbls of oil¹



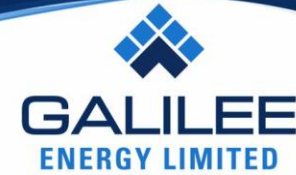
Seismic Time Map – Hoffer Prospect



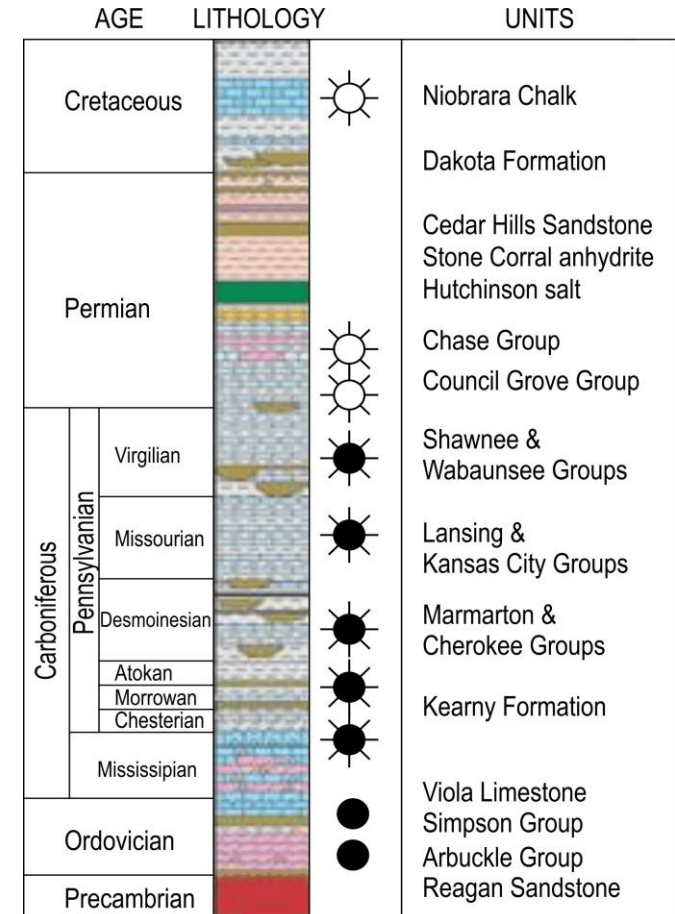
Selected Seismic showing exploration target

1. Hoffer B Prospect Estimate was disclosed in presentation material at PLS Houston May 2014. These estimates have not been prepared or certified as resource or reserve under PRMS.

Southern Kansas

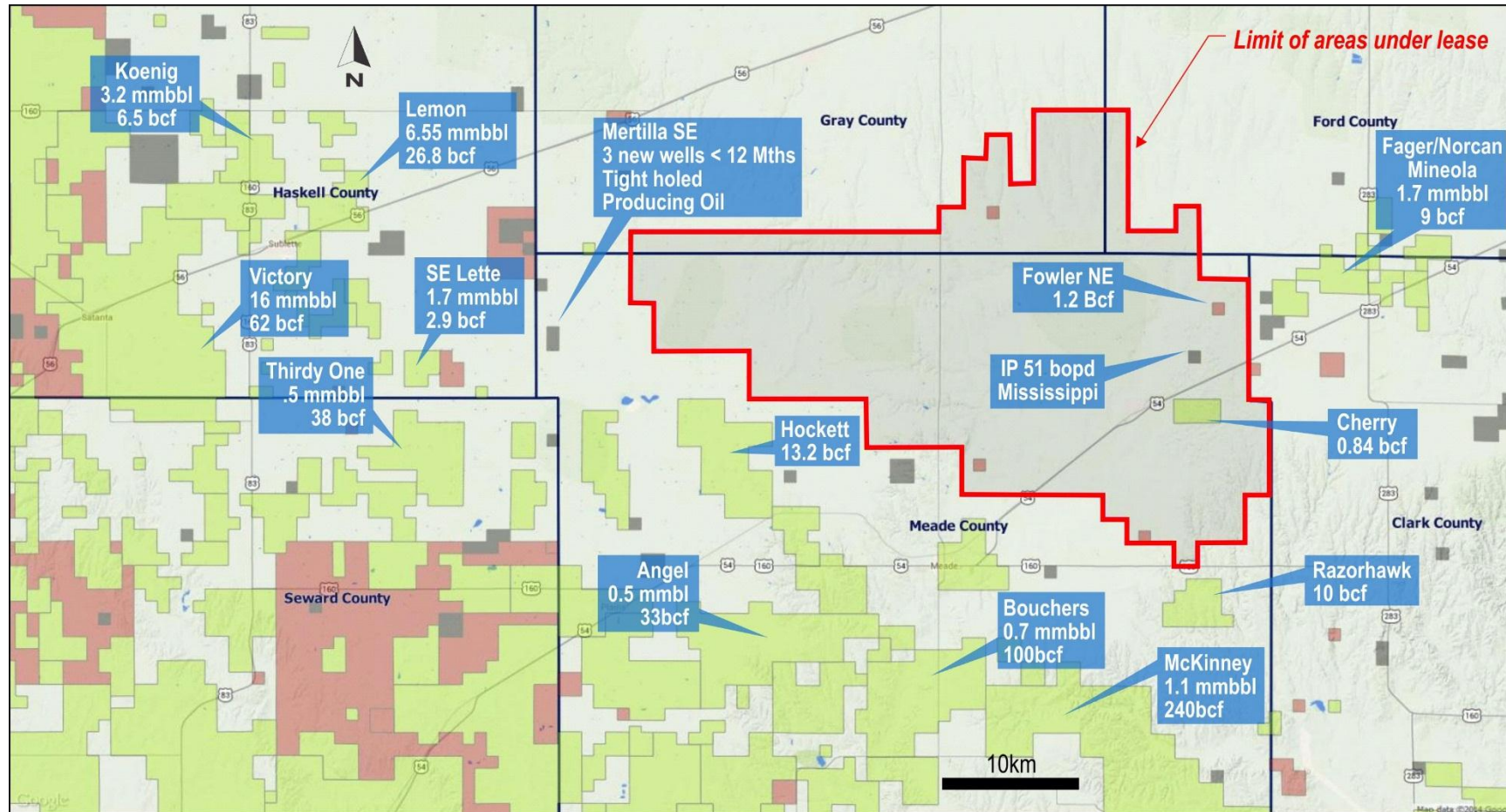


- 345,000 acre AMI in lightly explored area
- Galilee to progressively earn up to 75% WI in select leases from within existing 110,000 acre position
- Growing play in Kansas utilising 3D seismic to map subtle structures, stratigraphic anomalies and faults missed on older 2D datasets
- Multiple reservoir targets in Carboniferous:
 - Lansing & Kansas City groups, Marmaton, Cherokee, Morrow and Mississippi
- Also targets in Ordovician
 - Viola and Arbuckle group
- Previous exploration largely pre-1985
 - Demonstrated hydrocarbon charge
 - Demonstrated reservoir quality
- Galilee to operate
- Initial 50 square mile 3D seismic in Q4 2014 with follow up drilling aimed before year end



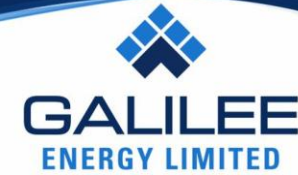
Major Type of Production





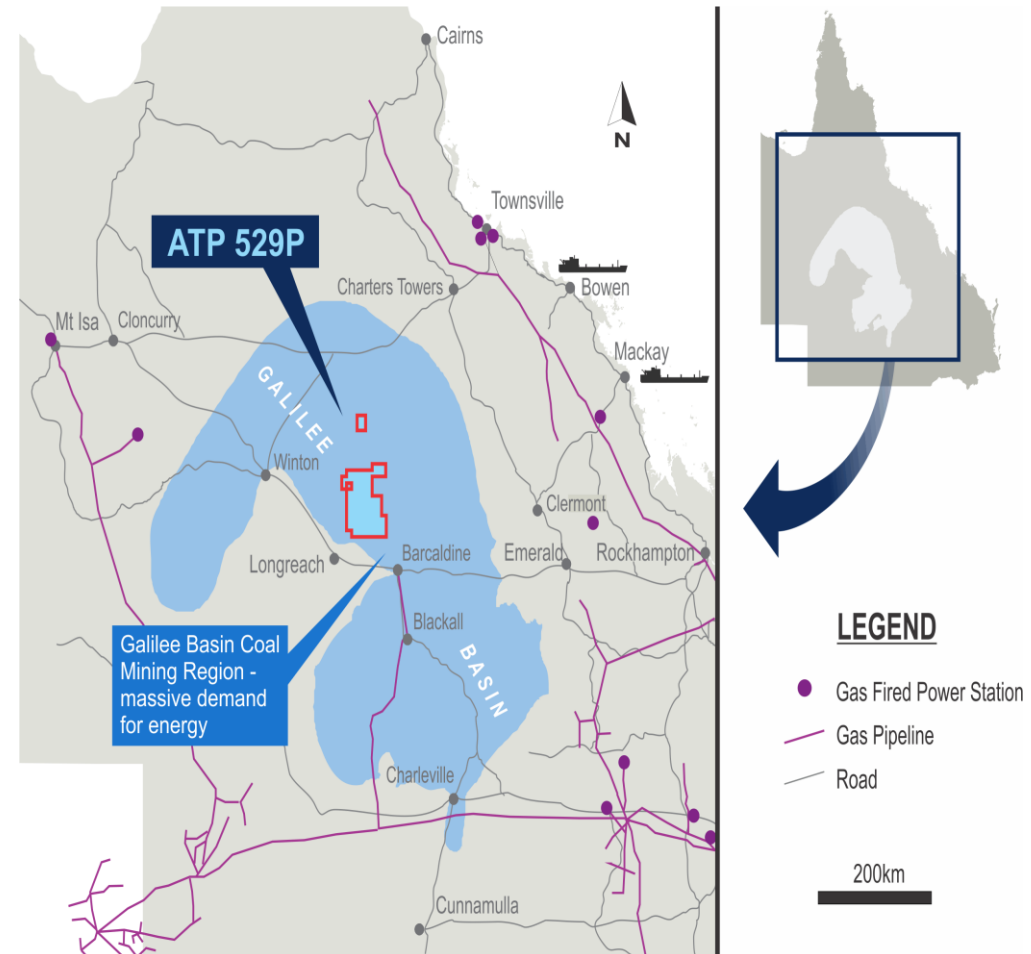
AMI area is surrounded by strong production. Meade and adjacent counties have produced 185 MMBbl of oil and 5.5 Tcf of gas. Fields have production from multiple zones.

Galilee Basin CSG – ATP529P



- Galilee has evaluated and developed a revised completion methodology which it believes presents a strong possibility of finally proving commerciality of coal seam gas in the Galilee Basin
- Discussions with the joint venture partner, AGL, are ongoing regarding the R1 coal testing proposal.

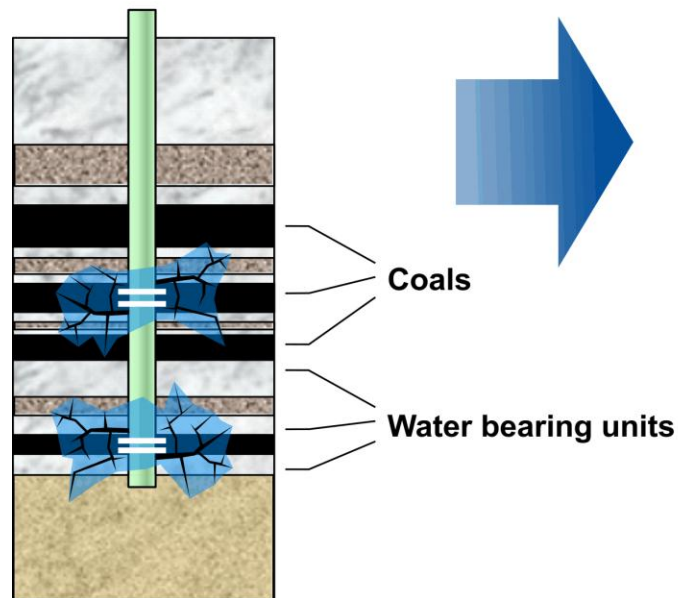
Resource	1C of	11.8 Bcf (100%)
Estimate	2C of	247.8 Bcf (100%)
	3C of	1,042.9 Bcf (100%)



Glenaras pilot – completion design

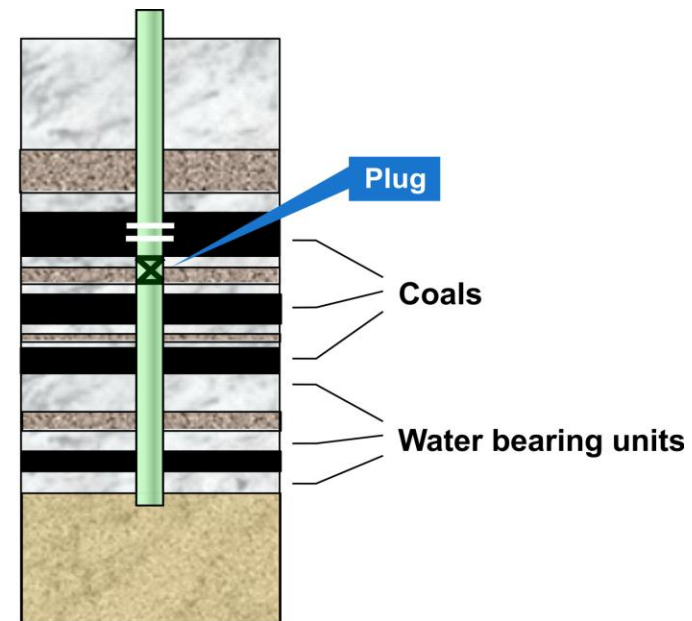
Current

- Existing pilots have consistently applied multi-stage fracture stimulations
- These have been considered necessary for productivity – but resulted in high permeability water zones becoming connected to the coals
- *Most production has thus come from the water zones with little drawdown of the coals*

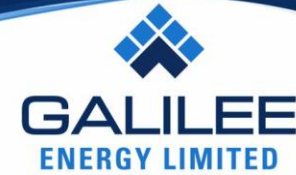


Planned

- Proposing a completion of the coal only
- Simple design and significant reduction in cost
- Coal permeability should be sufficient to achieve commercial flow rates.
- *Production will be from the coal beds only allowing pressure drawdown and gas production*



In summary...



Strong Balance Sheet

- Galilee has ~\$25.7m* of cash at hand and is fully funded across all upcoming exploration activity
- As a well funded junior with in-house technical and evaluation expertise, Galilee continues to enjoy access to excellent deal flow and has been able to be highly selective

Proven Board and Management

- Galilee board and management are significant investors in the Company fostering alignment to shareholders
- Galilee board and management deliver recognised expertise and a strong track record of value-creation in the upstream O&G sector

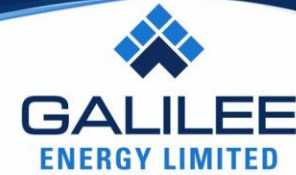
Delivering on Strategy

- Galilee is expanding and diversifying its exploration portfolio, while advancing the reserve potential of its Galilee Basin asset
- Galilee has acquired a core portfolio of exploration projects with a near term production focus
- Building a portfolio of high impact projects with an initial focus in South America

* As at June 30 2014



Disclaimer



- 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.