

Symposium
21 - 22 April 2015

On the cusp of cash flow

Paul Bilston – Executive Director



GALILEE
ENERGY LIMITED

Focussed on near term cash flow and long term growth

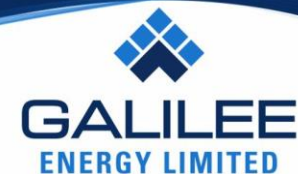


- Board and management, as major shareholders, reset corporate strategy 12 months ago
- Portfolio selection focused on high margin / high return projects with either near term cash flow or low cost with scale potential
- Strategy has positioned the company well for the recent commodity squeeze, given focus on high margin conventional oil and gas projects
- Recent success in Lavaca County is expected to deliver material cash flows (subject to production testing results)
- Company remains fully funded with cash of \$19.6m¹

Significant catalysts expected in the next few months with well testing to commence shortly followed by commercial production if successful

¹ . (as of Dec 31)

Company overview

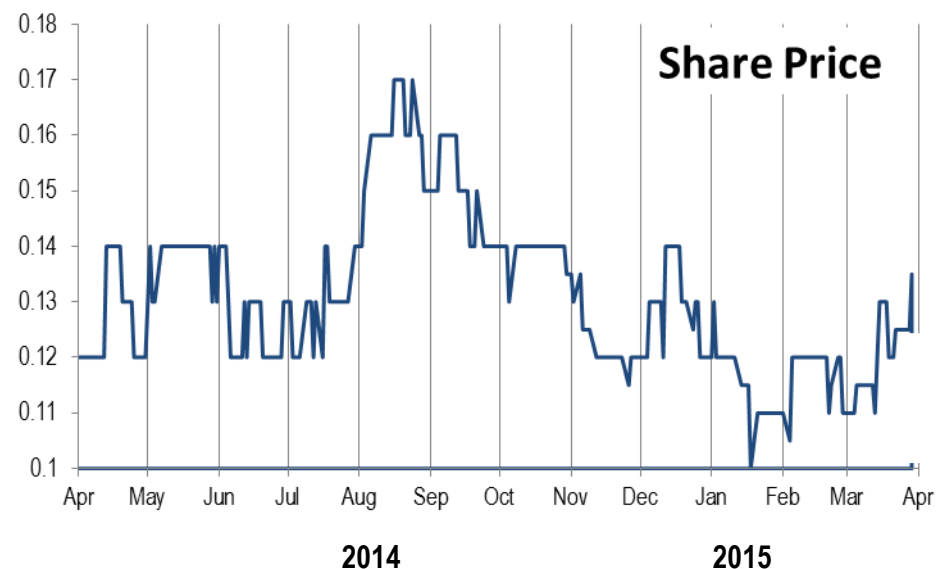


Market overview (20 April 2015)

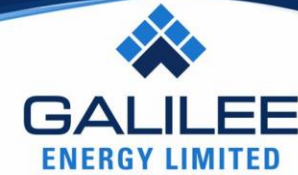
ASX code	GLL
Market capitalisation	\$20.5m
Shares on issue	152.1m
Closing share price	\$0.135
Average daily trading vol. (3mth)	93k
Cash (at 30 December 2014)	\$19.6m
Debt	Nil
No of shareholders	1,437

Substantial Shareholders

	No of shares	%
Top 20 holders	84,160,527	55.32%
Directors & Management	10,997,234	7.23%



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 director of Cellmid 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.

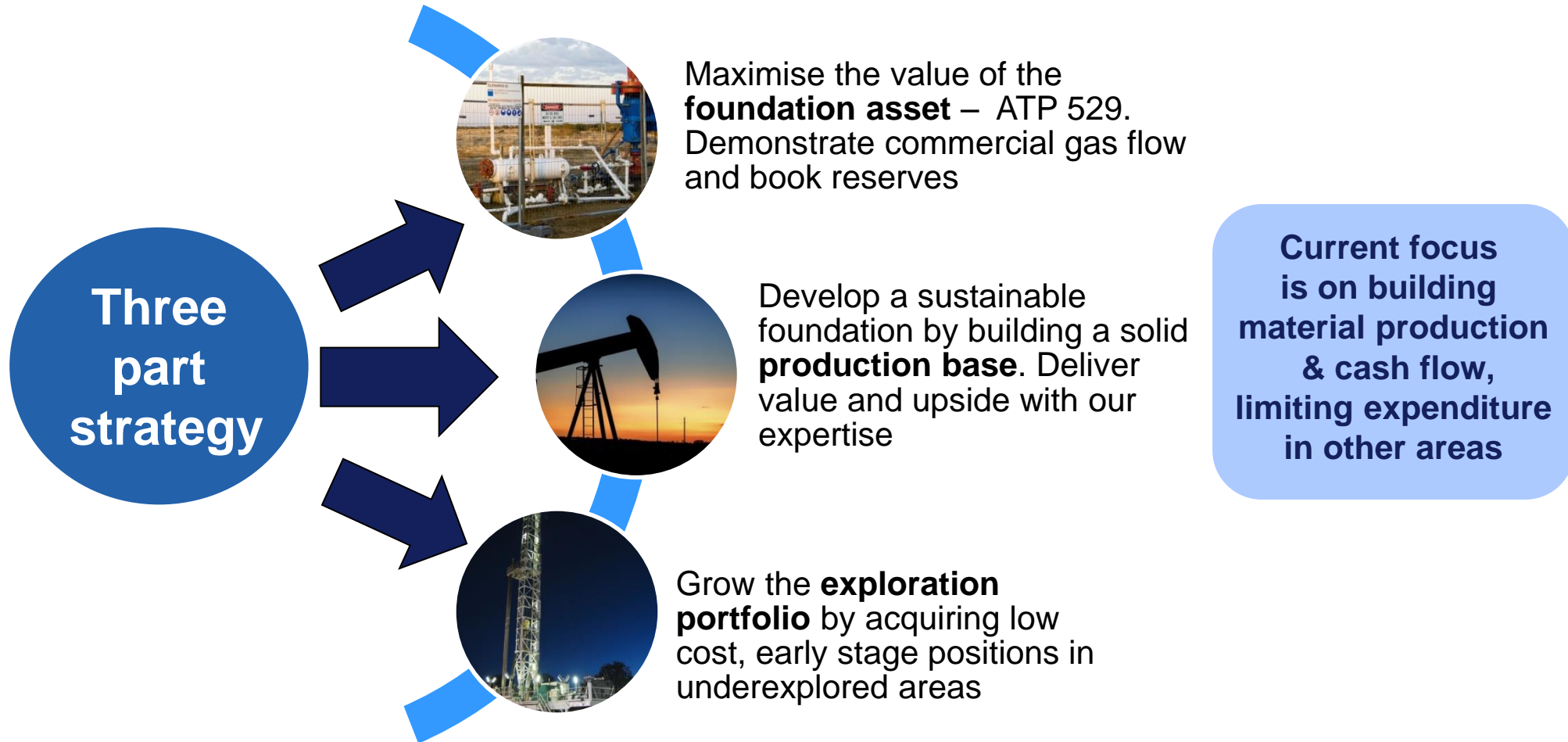
Paul Bilston

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



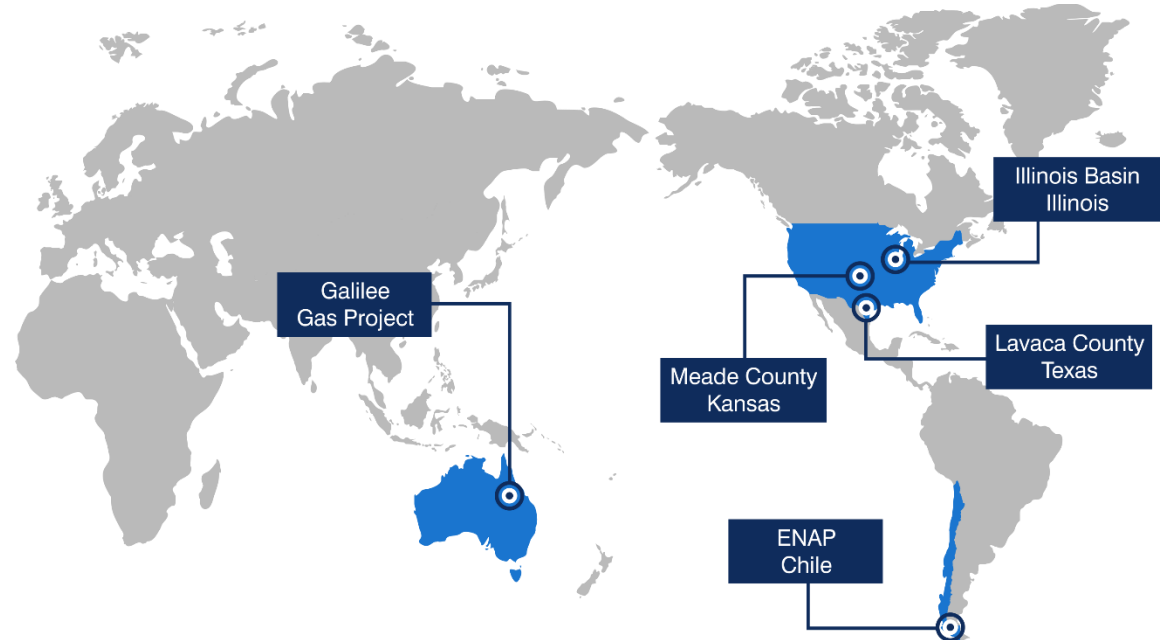
Galilee is building a diversified global portfolio

Building a production base:

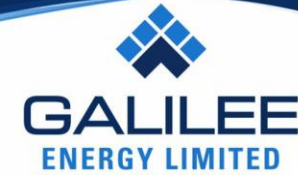
- Primary focus now on our significant interest in Lavaca County, Texas
- Shallow oil in Illinois
- Shallow oil and gas in Kansas

Building a broader exploration portfolio:

- CSG exploration with ENAP in Chile
- Executive team bring substantial frontier O&G expertise



Texas: onshore Gulf Coast

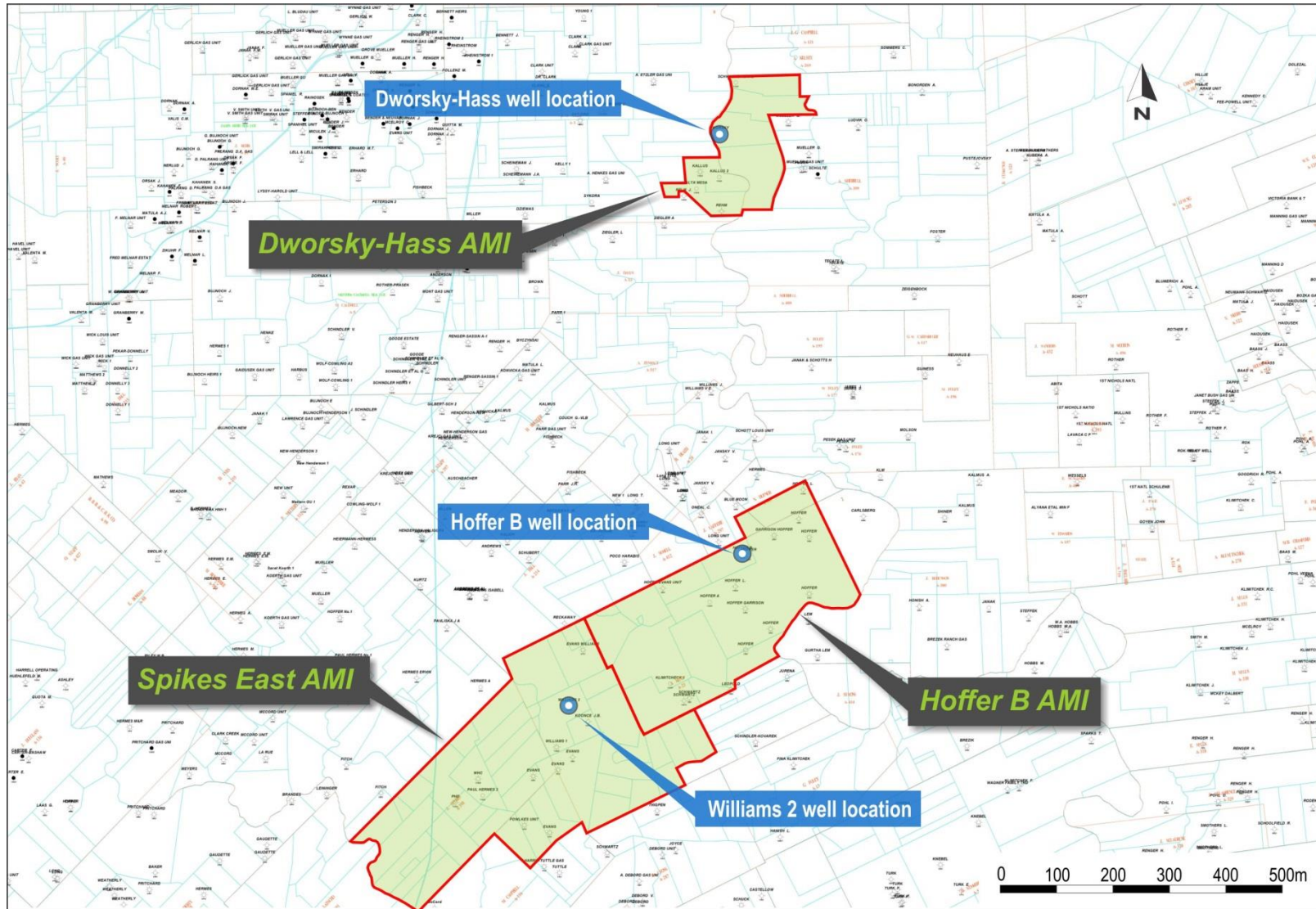


Texas

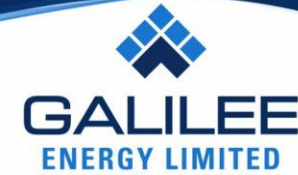
- Participation agreement covering ~65,000 acres in Lavaca County, onshore Texas Gulf Coast
- Primarily focused around two existing large 3D seismic datasets
- Partnered with highly regarded Calnex Resources Inc and Gruy LLC
 - Extensive history with Lavaca County
 - Multiple successful projects within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



Lavaca County – Interest Map

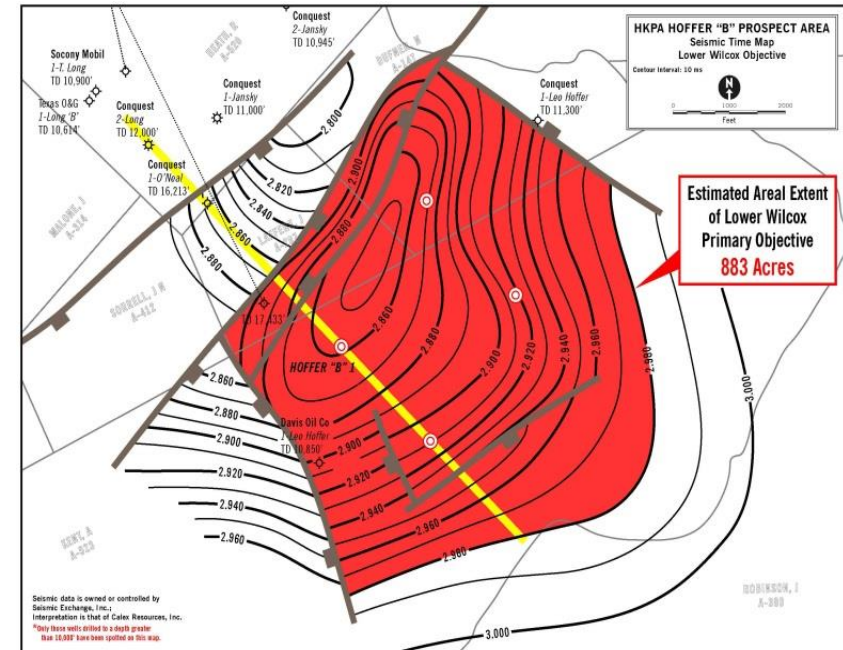


Hoffer B – Lavaca County



Hoffer B1

- **Confirmed gas discovery**
- High impact exploration well with multiple follow ups
 - 35% WI before payout (28% after payout) in Hoffer B
 - Equal terms with all other JV partners in drilling costs
- Large ~ 900 acre 3D defined “umbrella structure” with multiple potentially productive zones identified
 - Proposed TD 14,500 ft
 - Drilling ceased at 14,150 ft as a result of strong gas influx and high pressures in primary target
 - Decision made to case to protect the wellbore
 - Additional potential zones below current TD
- Production casing run in mid March to 14,150 ft
- Operator currently planning for production testing



Seismic Time Map – Hoffer Prospect

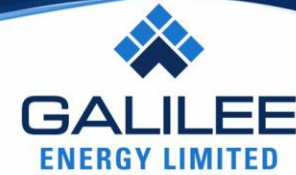
Hoffer B – Lavaca County



Drilling results

- Total of thirteen documented shows 11,230 – 14,150 ft.
- Open hole log results
 - 40 ft potential pay in shallow Yegua formation
 - 43 ft of net pay identified in the Middle Midcox, on intermediate OH logs, however hole conditions prevented open hole logging deeper than 11,600 ft.
- Cased hole log results
 - Cannot directly determine net pay from cased hole logs
 - Interpretation generally consistent with mud log, with multiple gross sandstone targets identified:
 - 30 ft of gross sandstones in secondary target zones (in addition to 40 ft net pay identified in OH logs)
 - A significant 90 ft gross sandstone in the primary target
- In total combined zones of interest of approximately 200 ft
- Lower reservoir zones are significantly over pressured, with the primary target much higher than previously observed in the area. Provides much better reservoir drive, and materially increases the resource concentration

Hoffer B – Lavaca County

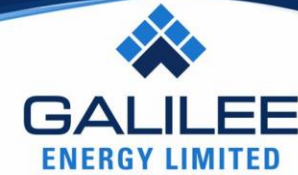


Development Plan

- Subject to successful well testing at Hoffer B1, appraisal and development is expected to include multiple wells completing different targets. Potentially 6+ wells could be required across the Hoffer B structure targeting the different zones
- Two different commercial gathering pipelines exist within the Hoffer Lease area
 - Closest ~ 1400 ft from the Hoffer B1 well
- Timing will be confirmed once production testing is complete
- Indicative economics based on acquisition assumptions for IP & EUR remain incredibly attractive
 - At current strip commodity pricing
 - Individual wells have
 - IRR's > 100%
 - Payout in ~ 7 months
 - ROI of ~ 9.5
- Development will be significantly self funding from cash flows generated by the wells

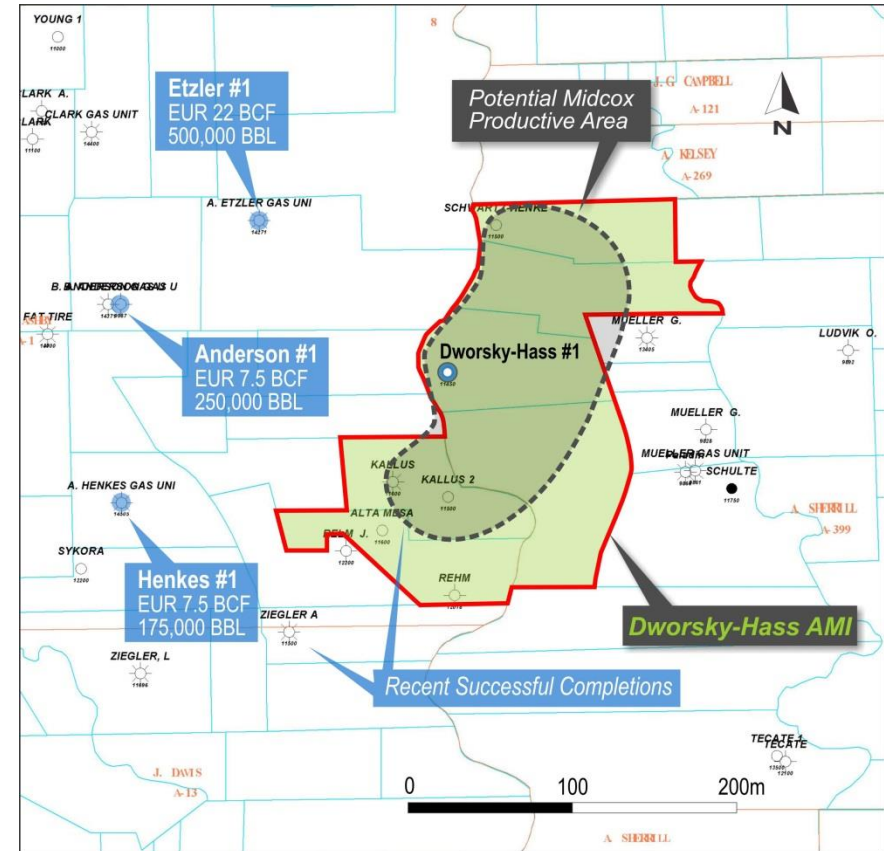
Commercial success here will be transformational for Galilee given the significant follow up potential on the Hoffer prospect, and the surrounding look-alike structures in the Hoffer extension areas already under lease by the group

Dworsky Prospect – Lavaca County



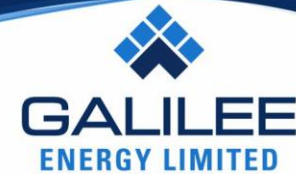
Dworsky Hass 1

- 32% WI to casing point (24% after casing point)
- Drilled Feb/March 2015
 - Drilled without incident and under budget
 - Intersected sands as prognosed on seismic
 - Shows were encountered in the lower part of the hole, however none proved to have sufficient reservoir quality for commercial production
 - Shallow zone identified as potentially productive
 - Perforation and testing of this zone to be completed in coming months following the core Hoffer activities.



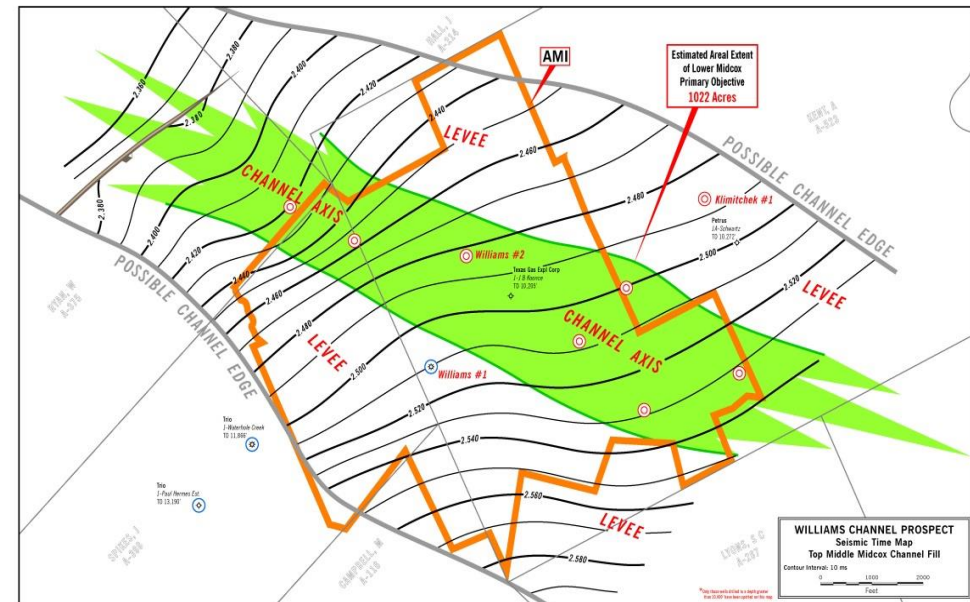
Dworsky Hass AMI

Spikes East Prospect – Lavaca County

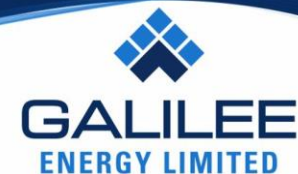


Spikes East Prospect

- 40% WI to payout (32% after payout)
- Williams channel
 - Large 2,000 – 2,500 acre channel complex
 - Multiple individual sand build ups (50 – 100 acres)
- Primary Targets – Midcox section
 - Middle Wilcox, 15 – 65 ft thick
 - Porosities 18-22% with permeability 20 – 80 md
 - Discrete point bar and channel sandstones
 - Multiple highly productive wells to the north
- First well – Williams 2
 - Due to spud Q3 2015
 - Turn key contract, with visibility of significant reduction in costs
 - 2500 ft NE of Williams 1. Well drilled on the flank of the channel (with poorly developed but multiple gas charged sands)
 - 3D seismic indicates up to 200 ft thickening of section at current location

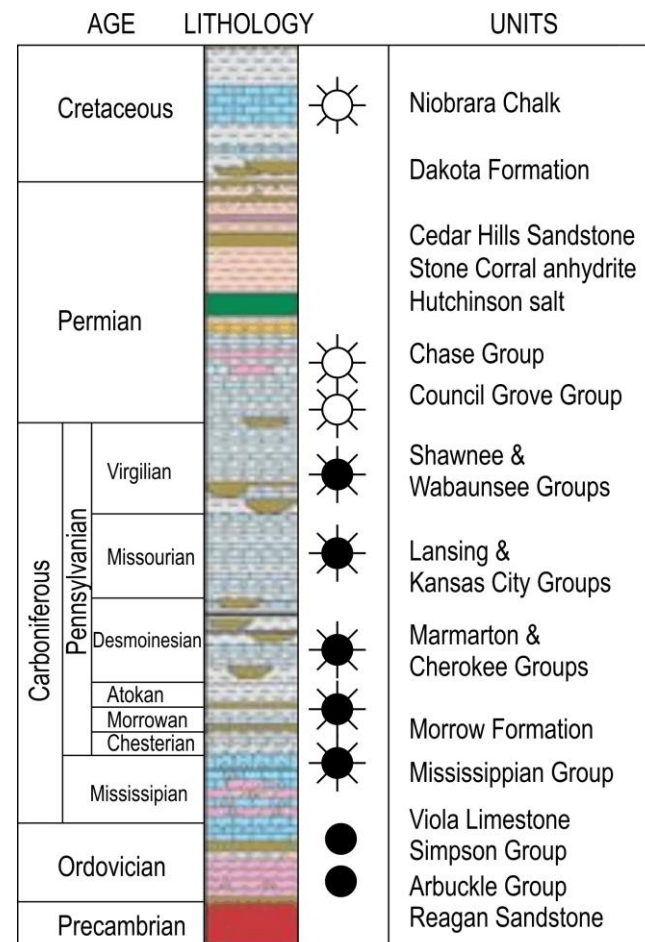


Southern Kansas



Southern Kansas

- Progressively earn up to 75% WI in select leases from within existing 110,000 acre lease position
- Multiple reservoir targets in Carboniferous:
 - Lansing & Kansas City groups, Marmaton, Cherokee, Morrow and Mississippi
- 40 sq mile 3D seismic completed, processed
- Excellent seismic quality with a number of attractive opportunities identified
- Detailed prospect generation being completed and will be announced in due course

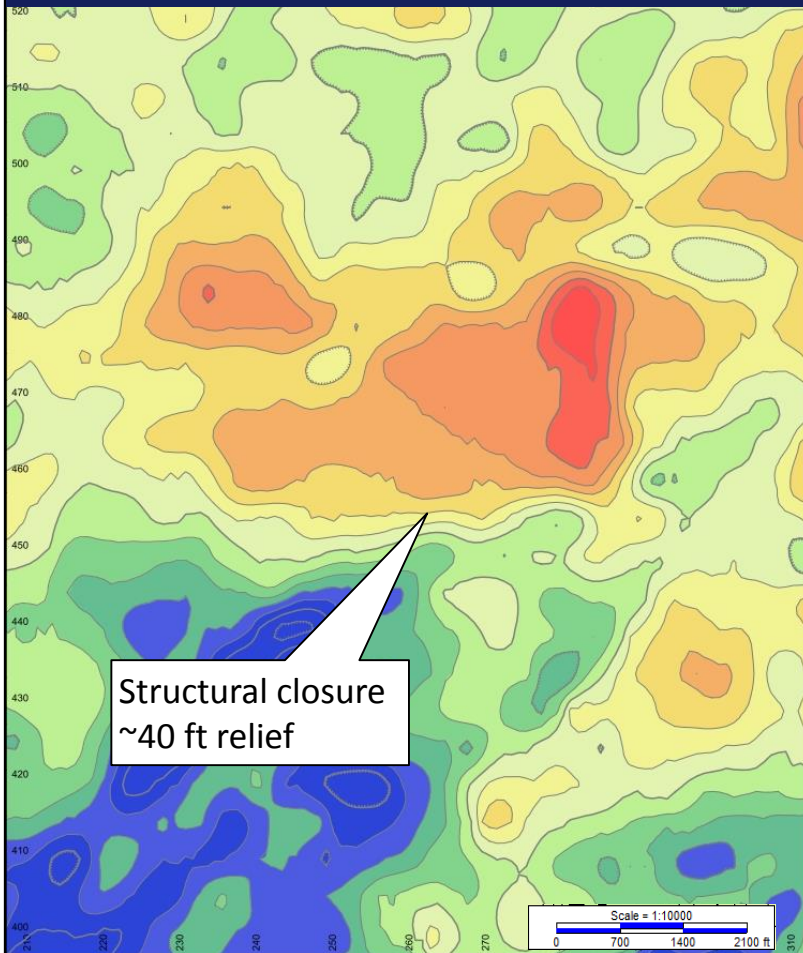


Major Type of Production

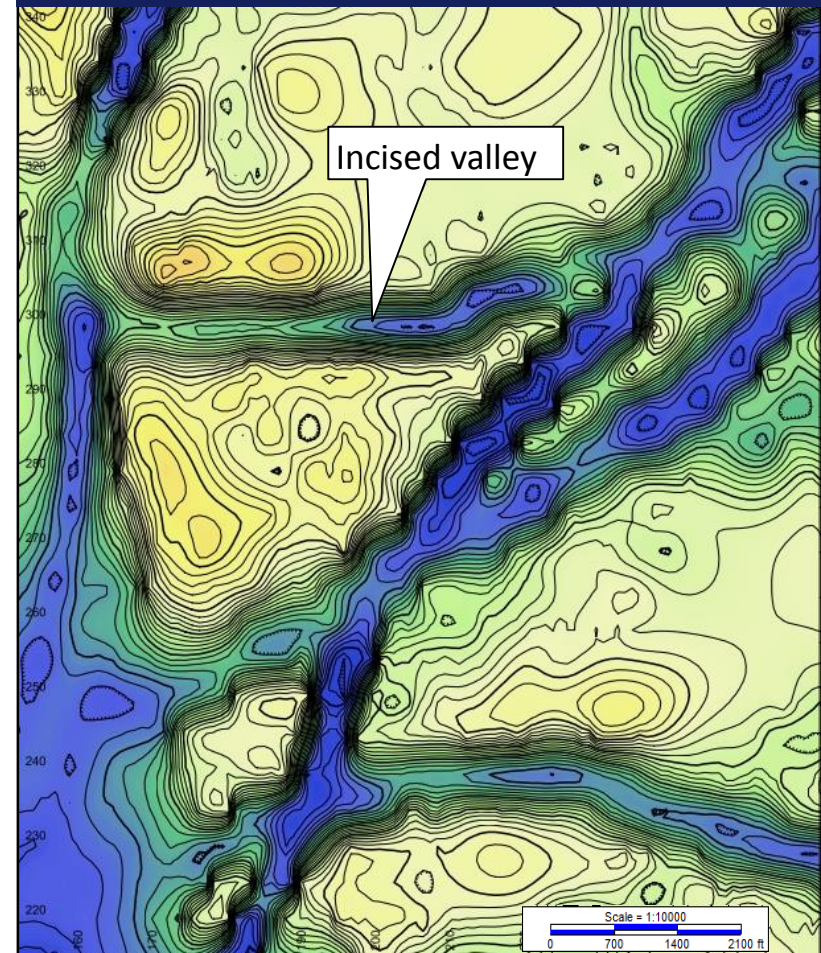
- Gas
 Oil & Gas
 Oil

Southern Kansas – Examples of opportunities identified

Robust undrilled structural closure at Marmaton Level



Morrow channels incised into Mississippian

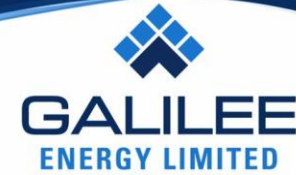


Chile

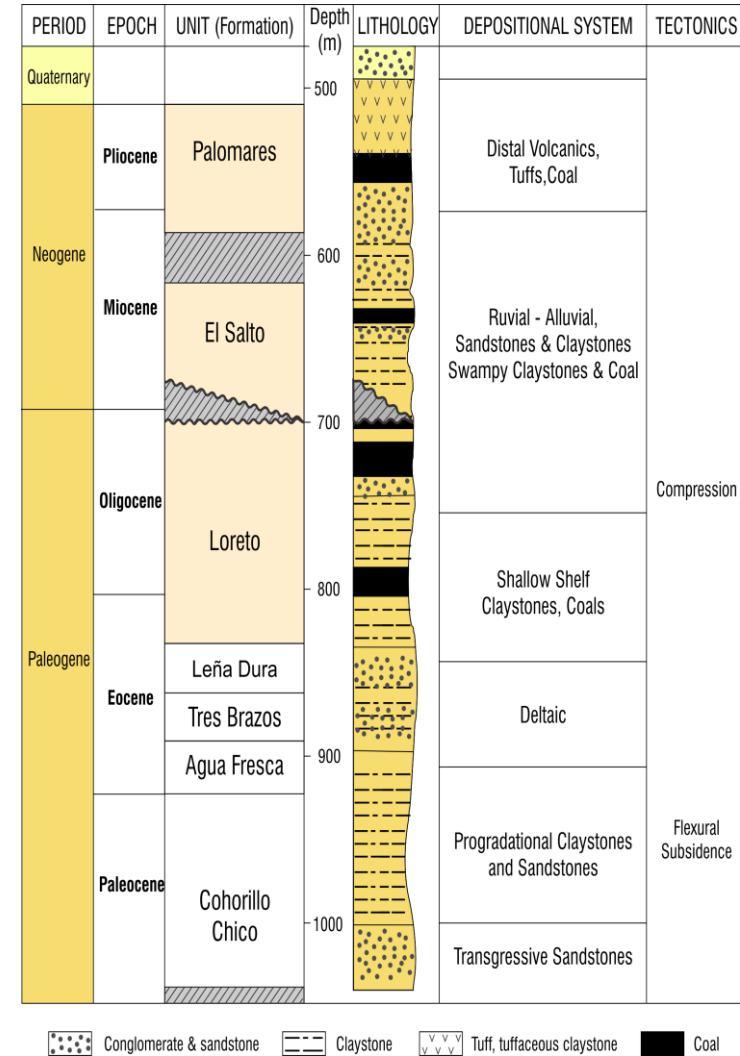
- Partnered with ENAP – Chile’s state owned oil and gas company
- Initial MOU to carry out a study (1.8 Million acres) into coal seam gas potential in Magallanes Basin
- The Magallanes opportunity represents company-making potential
 - Significant area
 - Proven coal thickness and extent
 - Demonstrated gas contents
 - Very large gas in place (OGIP)
- CSG a core strength of the board and management
- Galilee CSG study work completed with joint ENAP workshop held in early December 2014 and now working on CEOP application which it expects to submit before end June
- Advice is gas price in the area ~ US \$8.00/mmbtu



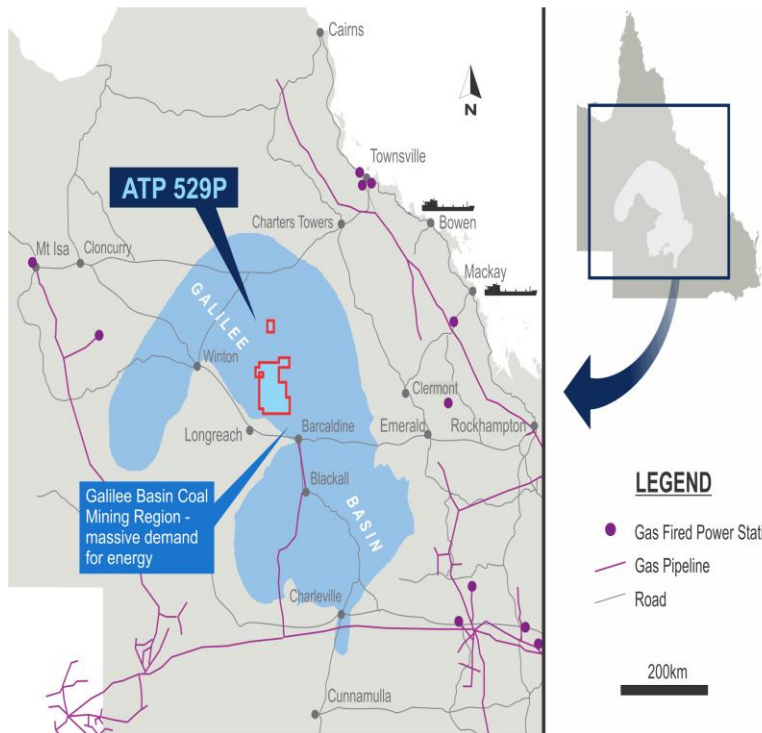
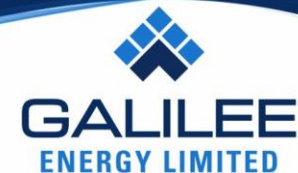
Coal seam gas in Magallanes Basin



- Close to existing markets and extensive pipeline and other infrastructure in a well established hydrocarbons province
- Eocene-Oligocene Loreto formation with extensive coals from outcrop to more than 1,200 m depth, secondary targets in the overlying Miocene El Salto Formation
- 3 wells drilled 1994 to 2008 in the Manzano area
 - Drilled targeted coals at 800 – 1,150m
 - Demonstrated good gas content
 - 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 (~500,000 acres)

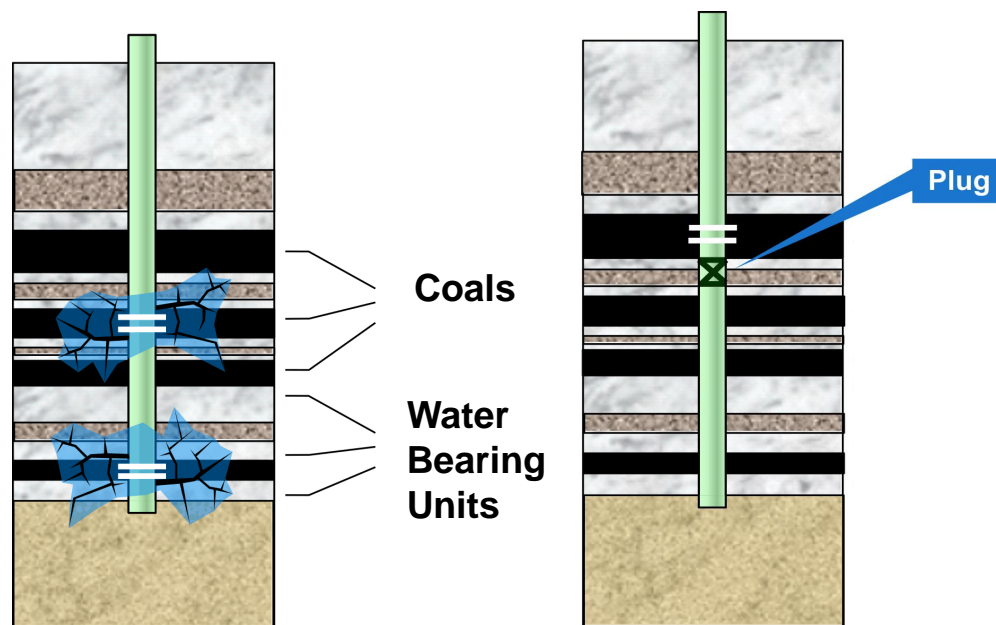


Galilee Basin CSG – ATP529P an east coast gas story

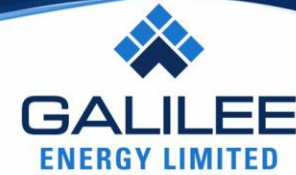


- Long history with more than \$100 M spent
- GLL technical review identified most water production to date not sourced from coals
- Proposed new completion designed to test ability to draw down pressure in the coal
- AGL currently completing review of Upstream Gas. Optimistic this will allow the project to move forward

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



A well funded growth story... on the cusp of cash flow



Strong Balance Sheet

- ~\$19.6m* of cash and fully funded
- Prudent deployment of cash
- Reduced office and non technical G&A costs

Clear catalysts

- Hoffer B potentially transformational for the company
- Subject to successful production testing, the company has the potential to move to being materially cash flow positive across the next 18-24 months

Delivering on Strategy

- Continuing to position the company to meet the market conditions
- Near term catalyst with production testing Hoffer B 1
- Long term growth in Chile and Galilee Basin

* As at Dec 30 2014

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