Production testing commenced

ASX/MEDIA ANNOUNCEMENT

13 May 2015



- Production testing commenced at Hoffer B1 well
- Testing program to include perforation and testing of multiple zones
- Over 200 ft identified for potential perforation and testing

Hoffer B1 Well (Galilee 35% WI, reducing to 28% after payout)

Galilee Energy Limited (ASX:**GLL**) ("**Galilee**" or the "**Company**") is pleased to announce that testing has commenced at the Hoffer B1 well in Lavaca County, Texas. A total of approximately 200 ft has been identified for potential perforation and testing in a number of different zones. It is anticipated that up to 10 tests may be required to fully evaluate the potential of the well.

As previously indicated, open hole geophysical logs in the upper portion of the well are interpreted to demonstrate the presence of reservoir quality sandstones. These zones have the potential in their own right to deliver gas volumes consistent with pre-drill expectations (subject to successful production testing).

In the lower zones, the cased hole logging suite provides less quantitative information on reservoir quality, but the identified zones have been correlated with mudlog gas shows to define gross sandstones which warrant testing, albeit with a lower level of expectation.

Importantly most of the zones identified for testing have seismic signatures which indicate extension across a broad area, potentially allowing for multiple well development.

Testing of the identified zones has now commenced, starting with the deepest zones in the wellbore. In the event that sufficient production capability for commercial flow is established, testing will be curtailed to enable the well to be tied-in and placed on production to provide early cash flow.

As of the date of this announcement only the deepest interval has been perforated. Testing on this zone has been hampered by a blockage in the production string and this will be cleared in the coming days. This testing process is expected to take a number of weeks and results will be provided at the conclusion of the testing program. Further information will be provided in due course.

For further information contact:

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About Galilee

Galilee's Board and management are focused on building and expanding its asset mix to create a mid-tier exploration and production company. Galilee has a clear plan to grow shareholder value and the capacity to execute.

- Strong Balance sheet
- Proven successful Board and Management
- New strategic direction

Directors

Chairman - David King
Managing Director – Peter Lansom
Executive Director – Paul Bilston
Non-executive Director – Ray Shorrocks

Shares

Shares on issue – 152,140,466 Top 20 holders – 55.32% * Directors and Management – 7.23%

*As at 17 April 2015