

Drilling on Hoffer A commences

ASX/MEDIA ANNOUNCEMENT

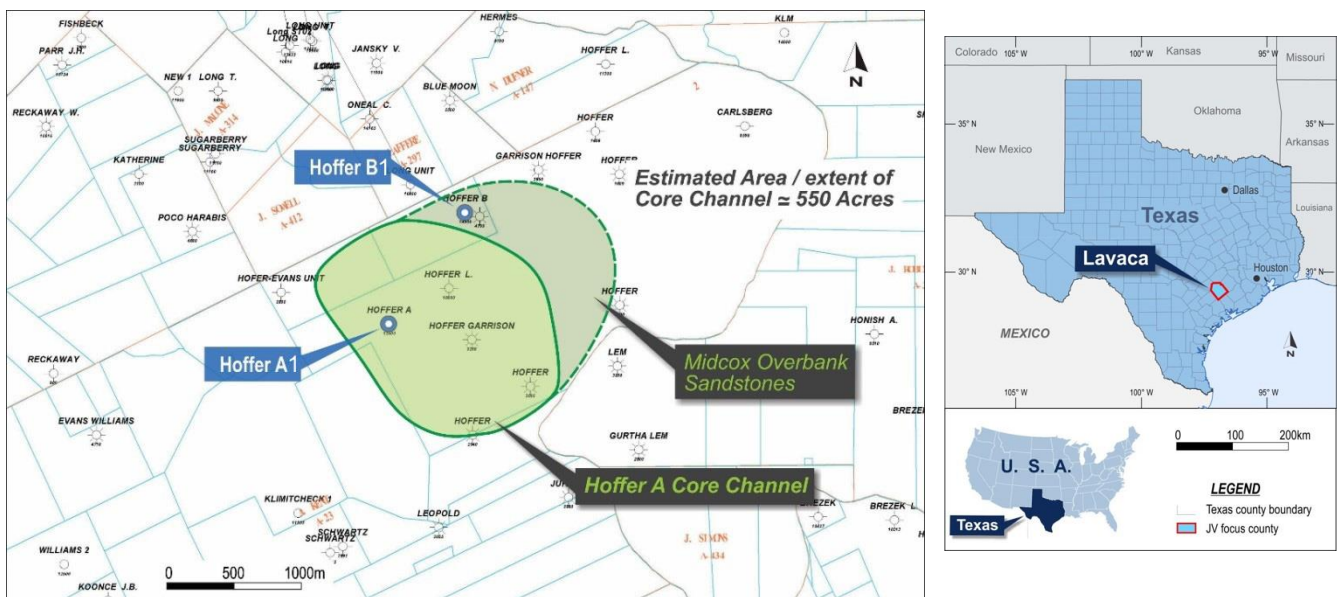
11 November 2015



Galilee Energy Limited (ASX: GLL) ("Galilee" or the "Company") is pleased to announce that the Hoffer A1 well was spudded on 8 November 2015. Galilee is participating on equal terms with the other Joint Venture partners, and is pleased to be able to increase its working interest ("WI") to 43.5% in the Hoffer A prospect. The well is expected to take between 30 – 40 days to reach total depth.

The Hoffer A1 well is being drilled as an offset to the Hoffer B1 well drilled earlier this year. This well intersected 43 ft of net pay in the Middle Midcox, which flowed approximately 6 million standard cubic feet of gas per day (MMscfd) in aggregate, with demonstrated liquids content ranging as high as 50 barrels of condensate per million cubic feet of gas produced (bbls/MMscf). Due to issues with the well bore, the Hoffer B1 well was unable to be completed as a producer.

The Hoffer A1 well is located approximately 1,000 m southwest from the Hoffer B1 well and will be drilled to an anticipated total depth of 12,250 ft (3,735m).



The location of this well has been optimised to maximise the potential of the middle Midcox sands. The 3D seismic data over the area suggests Hoffer B1 intersected overbank sandstones on the edge of a thick channel (see figure below). The Hoffer A1 well will be located in the centre of the main channel development. The well will be drilled as a turnkey project and the dry hole cost is expected to be ~US\$1.9 million (100% JV). A successful well in the Hoffer prospect could deliver flow rates up to 7.5mmcf with 50bbl/mmc and this could generate c. US\$2.0m revenue net to Galilee in the first 12 months at current prices. The prospect contains multiple follow up wells if successful.

Galilee is participating on equal terms with the other Joint Venture partners for a 43.5% working interest (WI) (reducing to 34.8% after payout) in the Hoffer A Prospect in Lavaca County, Texas.

Trio Consulting and Management LLC, are the Operator and have extensive experience in drilling and field operations in the area.

Further information will be provided in due course.

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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 – 55.2% *
Directors and Management – 10.6%

*As at 30 September 2015