

19 NOVEMBER 2015

AGM PRESENTATION
ASX: GLL

Peter Lansom
Managing Director



GALILEE
ENERGY LIMITED

- Well funded, diversified oil and gas explorer trading near cash backing
- Experienced leadership team with a demonstrated track record of top tier Australian CSG and conventional exploration success
- Strong shareholder alignment with the directors and management who are well invested with c.11% ownership
- The 100% owned Glenaras Gas Project is a highly strategic asset in the Galilee Basin with an opportunity to supply cheap gas into the structurally undersupplied east coast gas market
- Onshore US assets have potential to generate near term US\$ cash flows with Hoffer A1 well currently being drilled
- Galilee continues to focus its funds on high impact exploration and has significantly reduced its corporate expenditure over the last two years
- Strong and consistent execution of our strategy first outlined in April 2014

**WELL FUNDED OIL AND GAS EXPLORER EXECUTING
ON A CLEAR CORPORATE STRATEGY**

Financial information

Share price (17-Nov-15) A\$0.115

Number of shares¹ 152.1M

Market capitalisation A\$17.5M

Cash (30-Sep-15) A\$14.9M

Debt (30-Sep-15) No debt

Enterprise Value A\$2.6M

> Production testing at Galilee over next 6 months (2,508 PJ 2C Resources)

> Drilling underway in Texas

Source: IRESS

Note:

1 Excludes 3.45m unlisted performance rights on issue (exercise price A\$0.25-0.35; expiry date Dec-15-Dec-17)

2 Please refer to the Competent Person's Statement on page 23 of this presentation

Top shareholders

Ecarlate 12.1%

AMP Capital Investors 5.5%

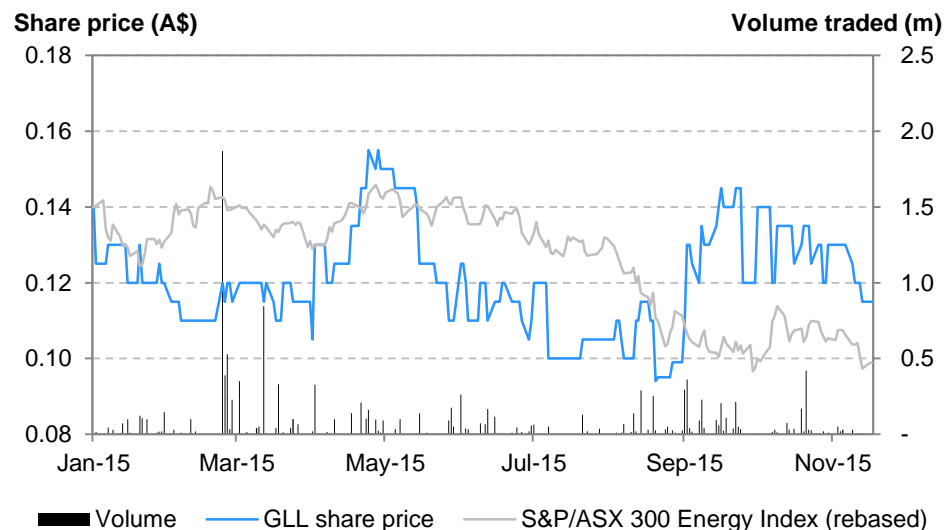
Ekco Investments 4.6%

Nero Resource Fund 4.2%

Directors and management¹ 10.6%

Note:

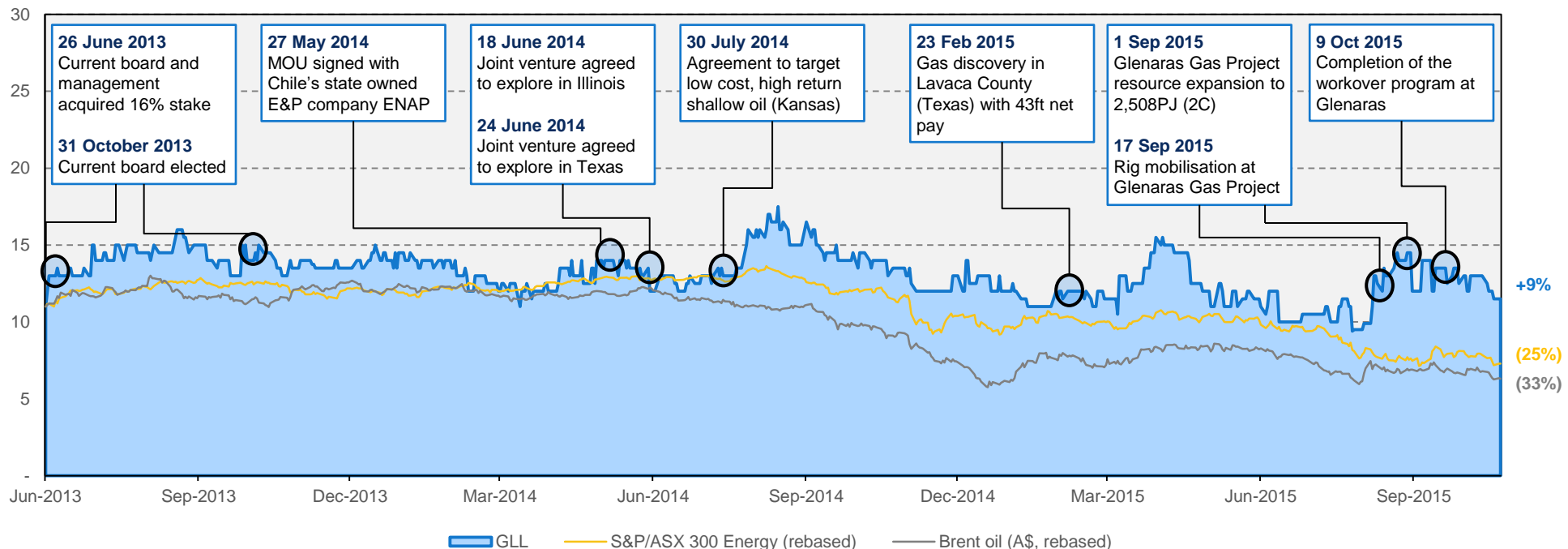
1 Directors and management acquired shareholdings from 2013 at an average cash consideration per share of A\$0.125



SUSTAINED OPERATIONAL PERFORMANCE SINCE THE ELECTION OF THE NEW BOARD IN OCTOBER 2013

- Galilee has outperformed the S&P/ASX300 Energy Index and oil price, in a period of oil price collapse and despite significant capital markets headwinds

Share price performance since October 2013 (Acps)



Source: IRESS

STRONG AND CONSISTENT EXECUTION OF OUR STRATEGY FIRST OUTLINED IN APRIL 2014

Strategy outlined
April 2014

Maximise the value of the Glenaras Gas Project



2014

- Technical review of historical exploration
- Proposed alternative completion

2015

- Acquired 100%
- Upgraded 2C resources by 868% to 2,508PJ
- Completed workover and commenced flow tests

2016

- Pilot testing
- Demonstrate commerciality
- Upgrade resource to reserve

Build a strong production base



- JVs agreed in Illinois, Texas and Kansas
- 3D seismic in Kansas

- Gas discovery Texas
- 43 ft net pay
- Hoffer A1 being drilled offset from discovery well

- Production from Hoffer A1
- Development drilling at Hoffer A (if successful)

Grow the exploration portfolio



- MOU signed with ENAP in Chile
- Technical Study

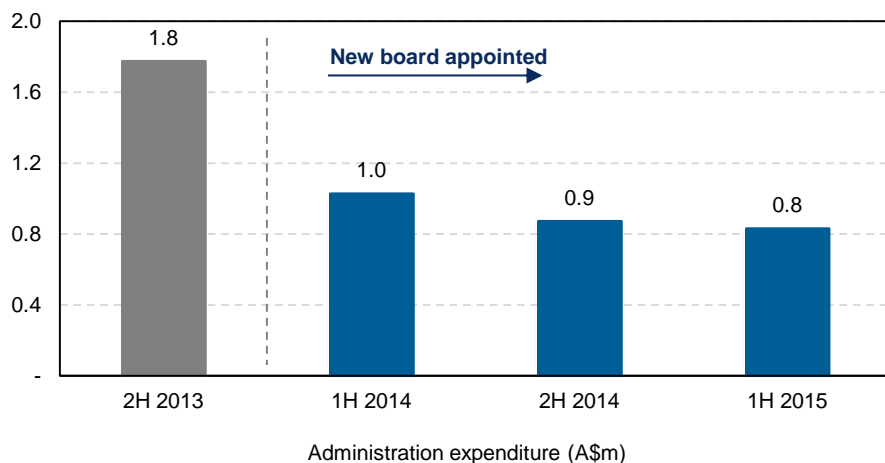
- Complete technical evaluation
- Prepare & submit application for CEOP

- Ongoing negotiation of CEOP

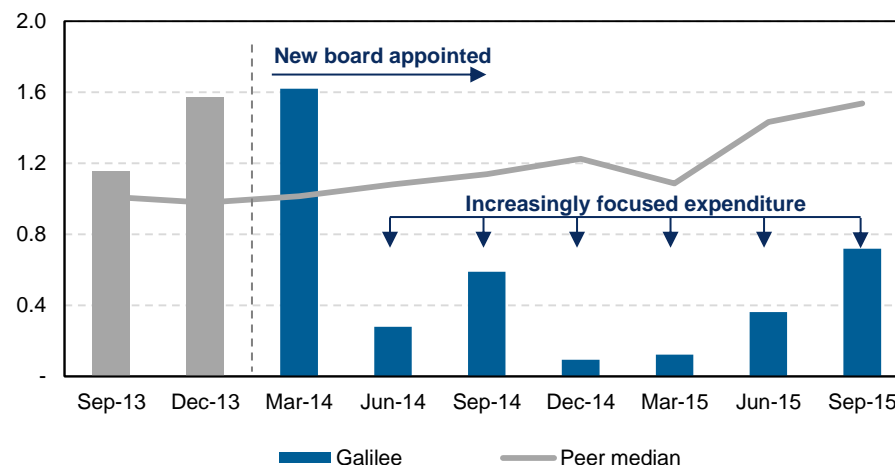
GALILEE'S NEW STRATEGY HAS REDUCED CORPORATE EXPENDITURE AND FOCUSED FUNDS ON EXPLORATION

- Since its election in October 2013, Galilee's Board and management has been executing on a **clear strategy of focused investment and reduced corporate expenditure**
 - Galilee has continued to reduce corporate expenditure consistently over the last 18 months
- Galilee has no debt outstanding and is fully funded for our upcoming exploration program

Galilee half yearly admin expenditure (A\$m)



Quarterly admin to exploration ratio (x)¹



Source: IRESS

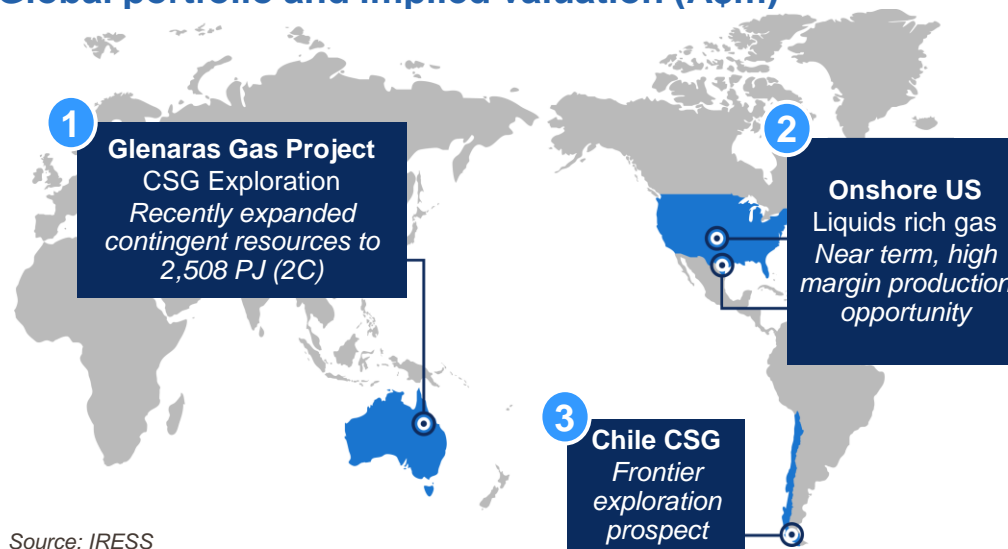
Notes:

¹ Constellation of 209 ASX-listed GICS Energy companies with positive exploration expenditure and a market capitalisation <A\$50m as per September quarterly results

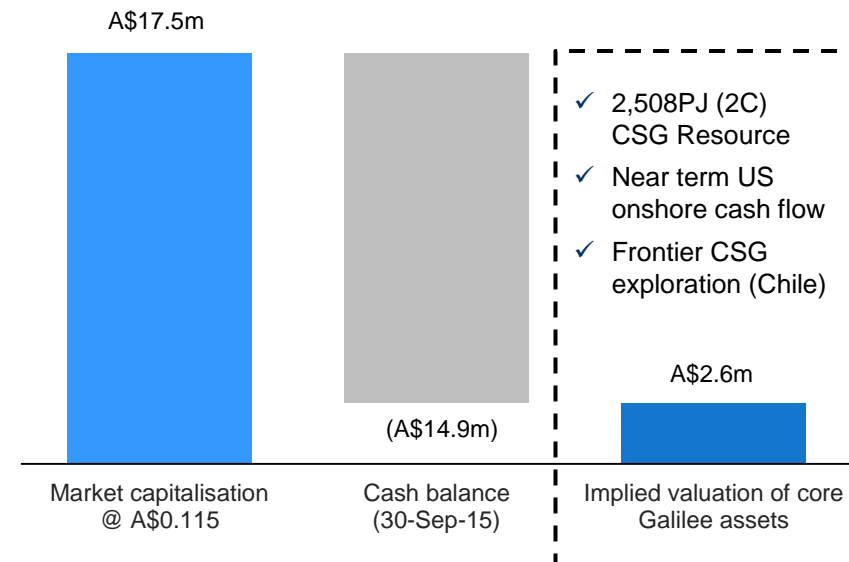
NEGLIGIBLE VALUE ASCRIBED BY THE MARKET TO GALILEE'S PORTFOLIO OF HIGHLY STRATEGIC ASSETS

- Galilee has **constructed a portfolio consistent with its corporate strategy**
- A key focus in building the portfolio has been to maintain and acquire assets with **significant strategic value**
 - Glenaras Gas Project is the most advanced project in the Galilee Basin and has potential to unlock a significant new CSG supply source
 - Acquired onshore US shallow oil targets for near term cash flow, capitalise on depressed drilling costs and rich gas targets with strong economic returns – even in the current depressed commodity environment

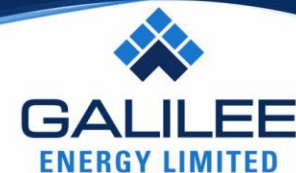
Global portfolio and implied valuation (A\$m)



Source: IRESS



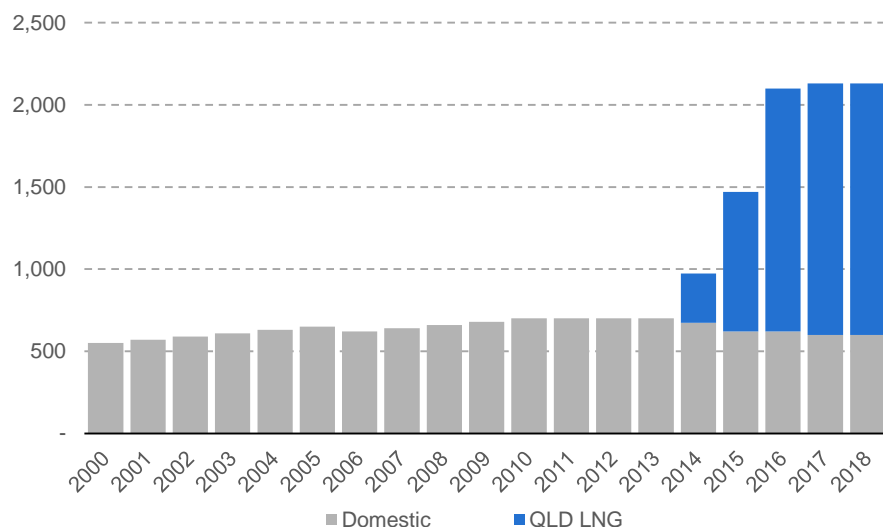
East coast gas market is structurally short



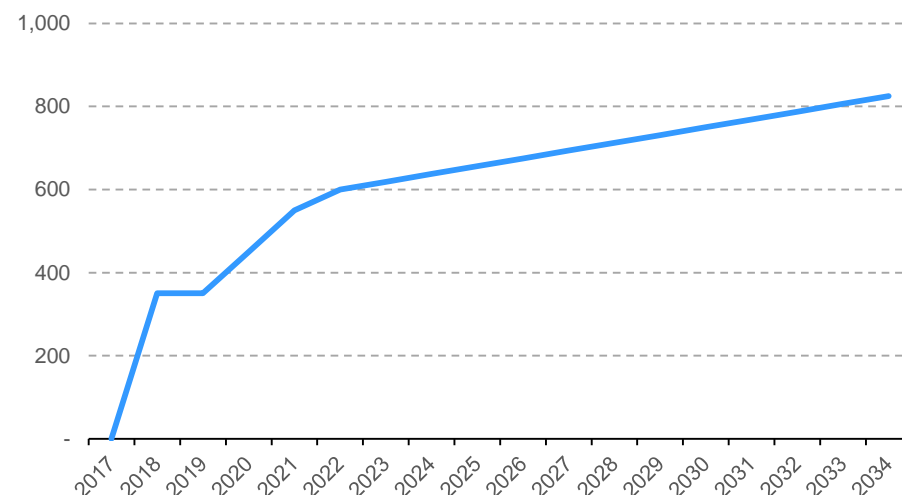
EAST COAST GAS IS IN LIMITED SUPPLY – NEW GAS SUPPLY VITAL TO MEET SURGING DEMAND

- Demand for QLD gas supply will more than triple with GLNG, APLNG and QCLNG online
- Gas supply market is structurally short – supply needed to service domestic and export demand
- Competitive new gas supply will be highly attractive

East Coast aggregate demand (PJ/a)



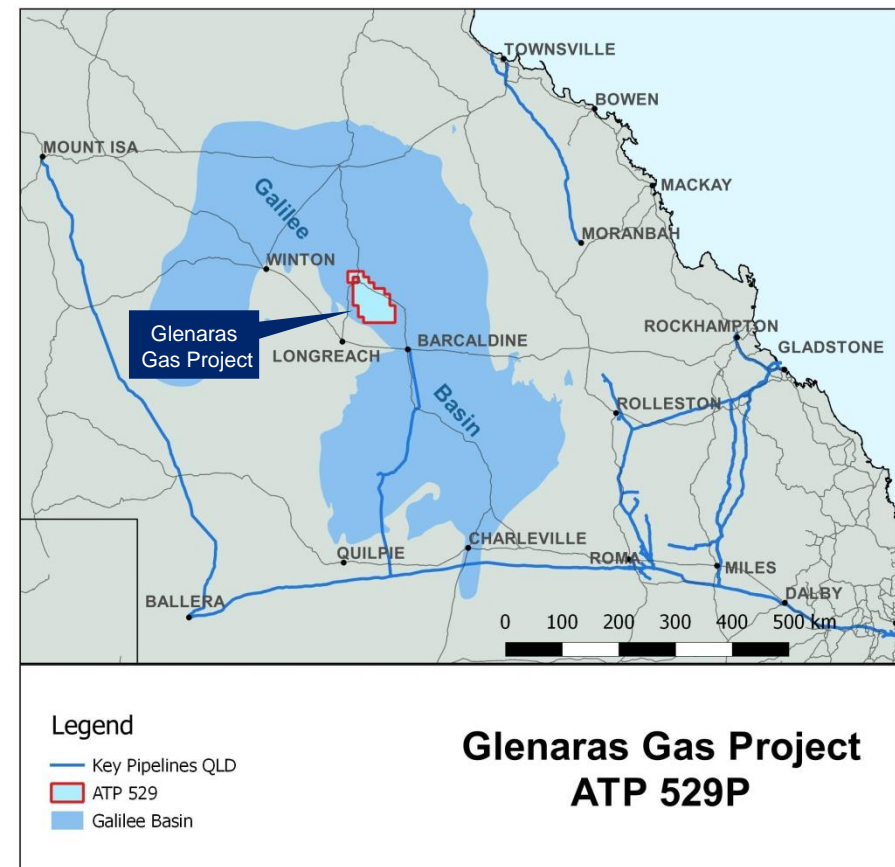
Forecast supply gap (PJ)



Source: company presentations (Santos, AGL)

GLENARAS GAS PROJECT IS GALILEE'S FOUNDATION ASSET AND REMAINS A KEY EXPLORATION FOCUS

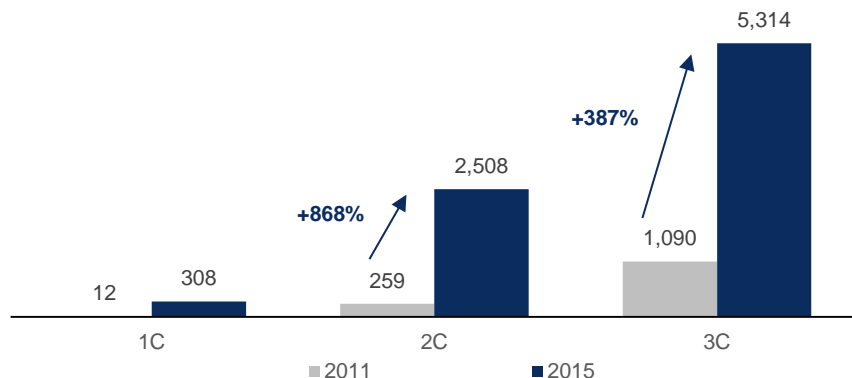
- Glenaras Gas Project (GGP) has the potential to become a key supplier to the structurally undersupplied east coast gas market
 - ✓ Very large, yet to be contracted, resource
 - ✓ High resource concentration (equivalent to Fairview/Spring Gully)
 - ✓ Minimal water treatment with high probability of being able to re-inject produced water
 - ✓ Positive stakeholder relationship
 - ✓ Very low well costs
- Multiple market options exist for GGP
 - South or west to Wallumbilla and Mt Isa
 - East to connect to Brisbane or Gladstone
- The distance to market is comparable to the length of the recently constructed CSG-LNG pipelines



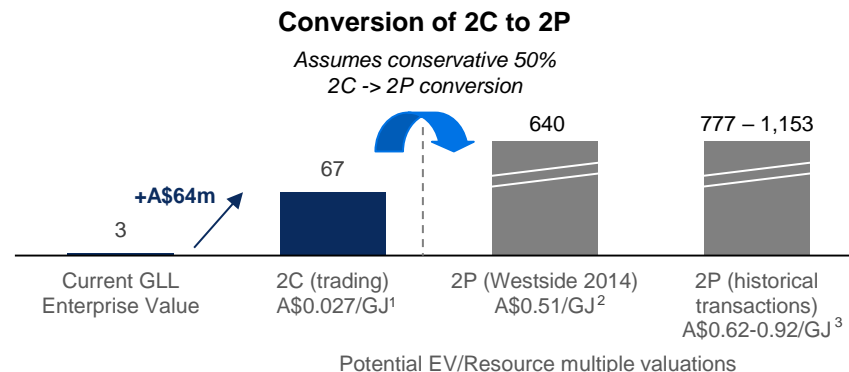
2015 ASSESSMENT SIGNIFICANTLY INCREASED THE GGP RESOURCES AND HIGHLIGHTS ITS POTENTIAL VALUE

- 2015 MHA Resource Assessment **significantly upgraded the contingent resources at the GGP**
 - Highlights the strong opportunity for GGP to supply gas into the structurally short east coast market
- Converting the 2C resources to 2P reserves is the key immediate focus for Galilee**
 - The R1 coal seam gas is critical in testing the commercial potential of the GGP and converting the contingent resources into reserves

Glenaras Gas Project estimated resources (PJ)



Implied valuation of Glenaras Gas Project based on resource multiple valuations (A\$m)



Source: MHA Petroleum Consultants LLC (2015), SRK Consulting (2011), Company filings

Notes:

1 2C trading valuation based on EV/2C multiples for Blue Energy (ASX: BUL), Real Energy (ASX: RLE) and Icon Energy (ASX: ICN) as at 17 November 2015

2 Westside 2P transaction multiple based on 347PJ (2P) reserves and transaction value of A\$178m at the final bid price of A\$0.40/sh

3 2P transaction multiple range based on precedent Galilee management transactions including sale of Gloucester to AGL Energy (400-500PJ 2P target range and transaction value of A\$370m) and the sale of Eastern Star Gas to Santos (1,520PJ 2P and transaction value of A\$942m)

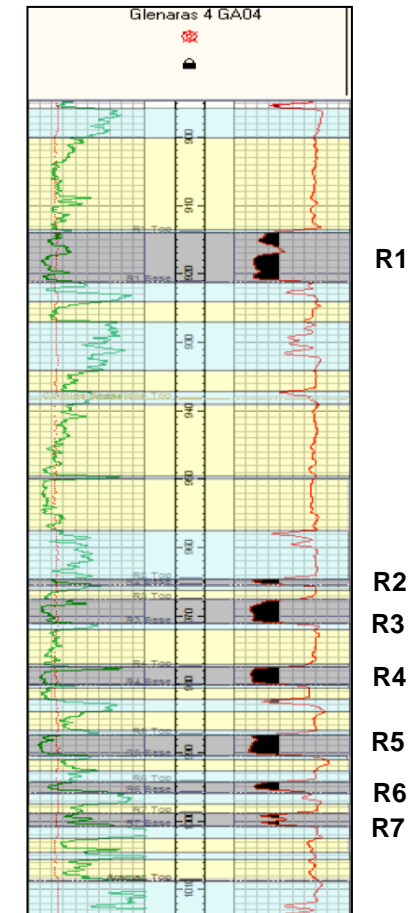
BETTS CREEK COAL EXHIBITS EXCELLENT CSG PROPERTIES

- Successful CSG projects require three key parameters:
 - Resource Concentration (*thickness, gas content*)
 - Productivity (*thickness, permeability*)
 - Pressure drawdown in the coal (*well design*)
- Resource concentration and coal productivity have been proven across the permit
- Comparable to world class projects such as Spring Gully and Fairview



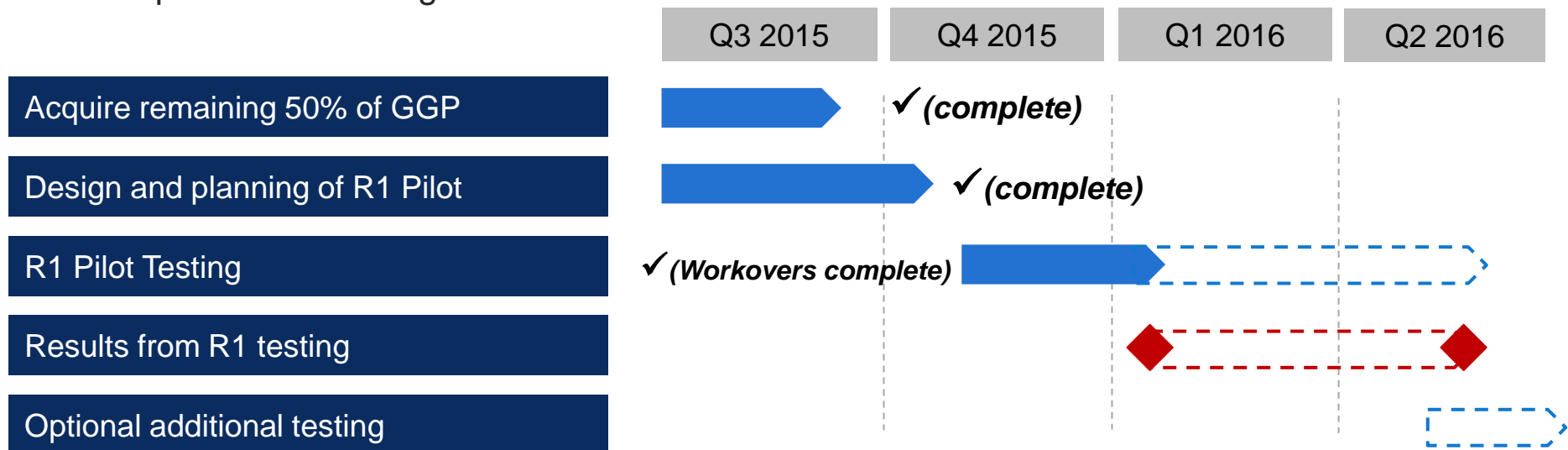
Betts Creek Coal – Core area properties

Coal depth (m)	900 - 1,000
Net coal (m)	19
Gas content (m ³ /t)	5.3
Permeability (md)	45
Resource concentration (bcf/km ²)	5.2



ASSESSMENT OF R1 SEAM COMMERCIAL PRODUCTION POTENTIAL **EXPECTED TO BE COMPLETED IN 1H 2016**

- Testing of the uppermost R1 coal seam is underway
- Cash expenditure will be prudently managed over the next 3 quarters with clear focus on the current R1 pilot test
- The initial phase of the R1 pilot test will be in the order of A\$2.0M
- Additional testing completely at the option of Galilee management in the event of successful initial production testing



US ONSHORE ASSETS PROVIDE GALILEE WITH POTENTIAL FOR NEAR TERM CASH FLOW

Texas – Lavaca County (generally 25-40% WI)

- Participation agreement covering 65,000 acres primarily focused around two existing large 3D seismic datasets in Lavaca County, onshore Texas Gulf Coast
- Partnered with highly regarded Calx Resources Inc. and Gruy LLC
 - Extensive history in Lavaca County
 - Multiple successful projects within the area
- Lower cost of onshore drilling and extensive infrastructure allows rapid commercialisation

Kansas – Meade County (25%, earning up to 75%)

- 40 sq mile 3D seismic completed and processed with excellent quality observed and a number of prospects identified
- Detailed prospect generation being completed and to be announced in due course

Location of USA assets



GALILEE HAS SEVERAL OPERATIONAL AND MACRO CATALYSTS UPCOMING IN THE NEXT 6 MONTHS

GLENARAS *Commercial flow results*

- R1 coal seam production testing currently underway
- Program expected to complete in 1H 2016
- Success would be critical in converting 2C resources to 2P reserves

HOFFER A1 *Drilling results and development*

- Hoffer A1 (Texas) well spudded on 8 November 2015
- Well is expected to take between 30-40 days to reach total depth
- Successful well could deliver material cash flow to the company

MACRO *Oil price and QLD gas market*

- Sector trading has been driven largely by moves in global oil prices
- Evidence of the tightening in the Australian east coast gas market will improve Glenaras attractiveness

AWARENESS *Institutional grade*

- The awareness of Galilee's investment case within the investment community continues to develop as operational and corporate milestone are reached

Appendix

BACKGROUND ON GALILEE MANAGEMENT AND THE GLENARAS PROJECT

EXPERIENCED LEADERSHIP TEAM WITH A HISTORY OF AUSTRALIAN CSG EXPLORATION SUCCESS

Coal seam gas experience of Galilee Board and management team

- Core Galilee exploration team is ex-Origin Energy
 - Key members of the team that **built Origin Energy's portfolio of upstream CSG assets, the largest CSG resource in Queensland** which now underpins the A\$25bn APLNG project
- Board and management have a **track record of successfully increasing reserves and creating asset value**
 - Expanded Gloucester (AJ Lucas) 3P Reserves from zero to > 700PJ¹ before being sold to AGL Energy for A\$370m
 - Increased Narrabri (Eastern Star Gas) 3P Reserves from zero to 2,797PJ before being acquired by Santos for A\$942m

Peter Lansom – *Managing Director*

KEY MANAGEMENT

- 25+ years experience in conventional and unconventional exploration and development
- Former Chief Petroleum Engineer at Origin Energy
- Previous Executive Director at Eastern Star Gas

Paul Bilston – *Executive Director*

- Senior executive roles at AGL Energy, AJ Lucas
- Former Managing Director of Challenger Energy

Ashley Edgar – *Geoscience consultant*

- 25+ years experience in conventional and unconventional exploration
- Instrumental in building Origin Energy's CSG portfolio
- Former Executive GM Exploration at Eastern Star Gas

David King – *Non-Executive Chairman*

BOARD

- Currently Non-Executive Chairman of Cellmid
- Former Non-Executive Director of Sapex, Gas2Grid and Eastern Star Gas
- Former CEO of Beach Petroleum

Ray Shorrocks – *Non-Executive Director*

- Director at Patersons Securities (Head of Corporate Finance, Sydney)
- Currently Non-Executive Director of Estrella Resources

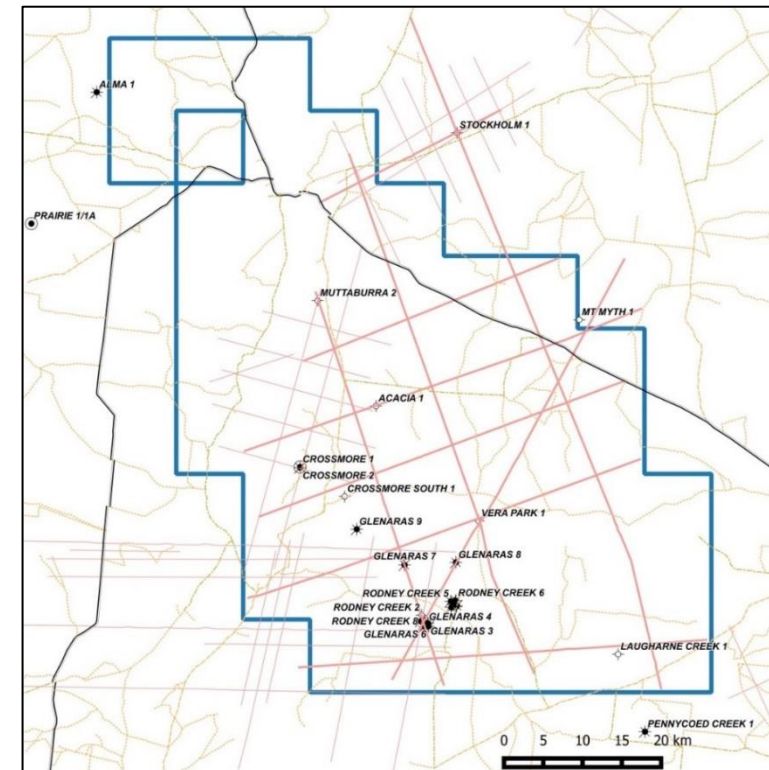
Note:

1 Internal estimates prior to sale

SUPERIOR GEOLOGICAL UNDERSTANDING BUILT ON COMPREHENSIVE HISTORIC DATABASE

- Significant historic exploration activity
 - Commenced in 1992
- Historic works provided an excellent geological database across the entire permit
 - Database focuses on structure, coal thickness and CSG properties
- 2 production pilots have provided excellent data on permeability, desorption, well interference and appropriate pump design
- Grand total of 12 coreholes, 2 of 5-spot production pilots and 4 step-out production wells and over 700 km of seismic data has been acquired over the permit to date

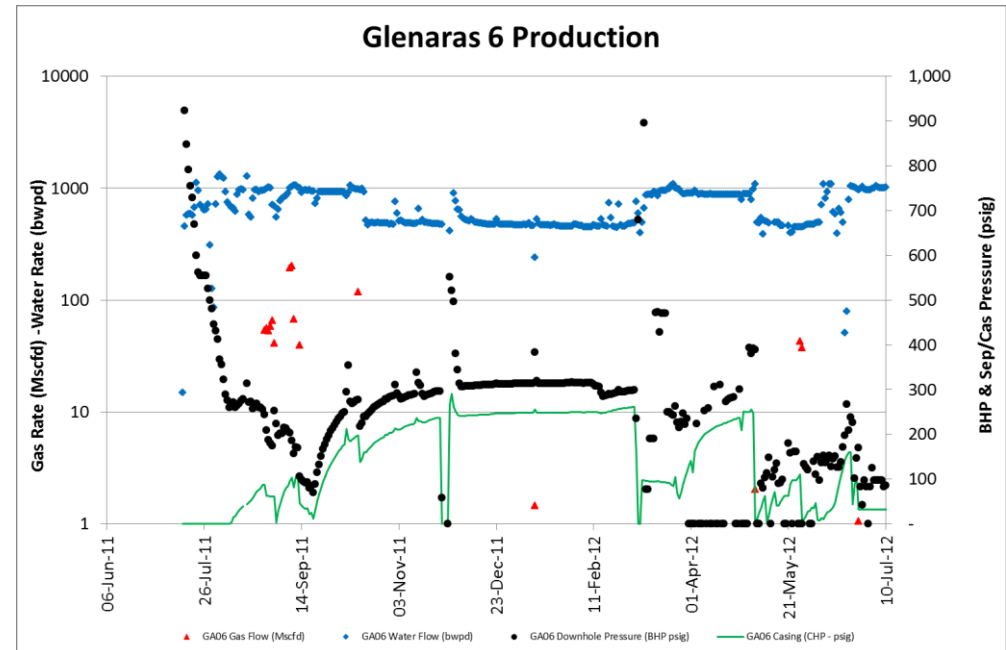
Glenaras Gas Project map



DESPITE LIMITED HISTORIC PERFORMANCE THERE WERE SIGNS OF COMMERCIAL PRODUCTION POTENTIAL

- Demonstrating commercial flow is the final element to booking reserves
- Previous pilot well designs have failed to achieve sufficient pressure drawdown in the coal
- Wells have been completed over multiple coals and fracture stimulated.
- Pilot production has been dominated by water production from sands, not from the coals
- Despite this, sustained gas production was achieved in all Rodney Creek pilot wells
 - Flow rates of up to 200 mscfd from Glenaras wells
- Strong well interference and communication demonstrated excellent permeability
- Numerous shut-ins due to pump failures caused coal recharging and crossflow from sands

Previous Glenaras pilot performance

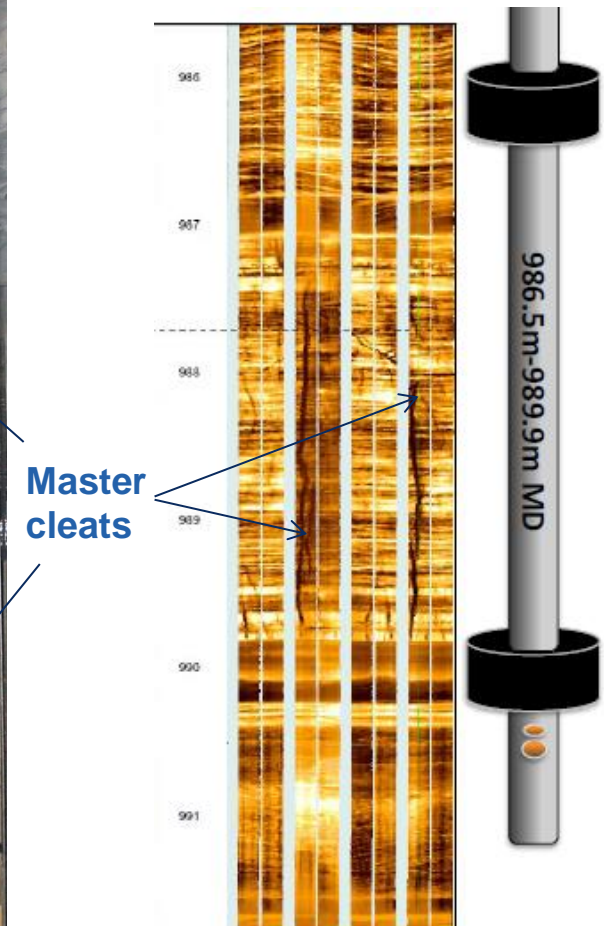


BETTS CREEK COAL SHOWS EXCELLENT PERMEABILITY

- New completion design formulated to suit the geological setting
- Key is accessing the coal and drawing down pressure in the coal and not the sand
- Coals have excellent master cleat development and good permeability
- A standard perforated completion will isolate coal and allow drawdown of the coal below critical desorption pressure, achieving gas flow
- Glenaras R1 seam pilot will test this thesis
- Completion design can then be applied to the complete Betts Creek section

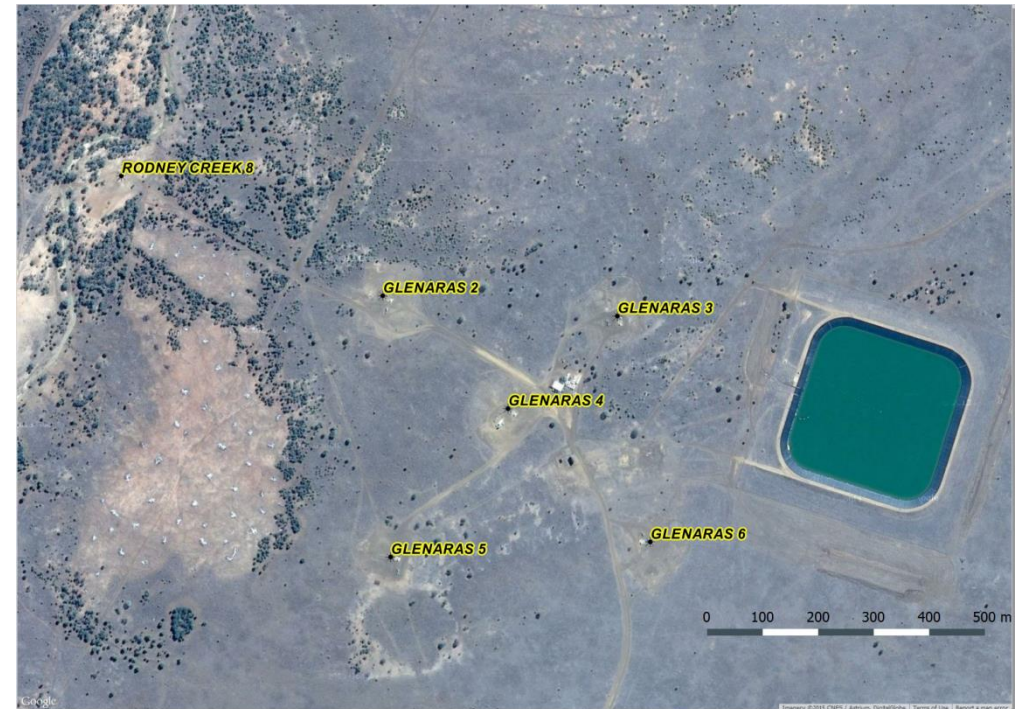


Formation Image Log

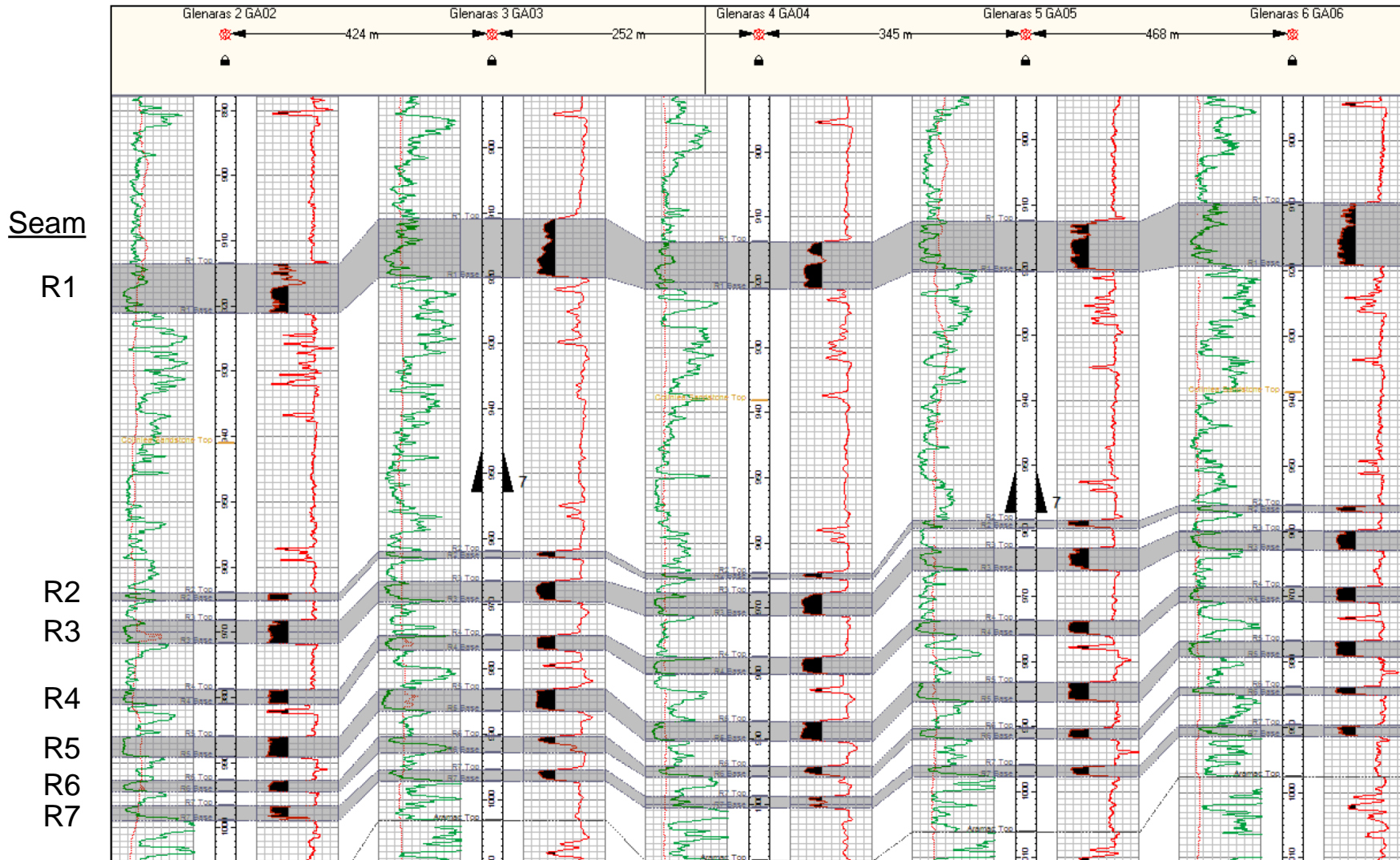


THE R1 SEAM HAS NOT BEEN TESTED AND HAS THE POTENTIAL TO PROVE SIGNIFICANT RESERVES

- Galilee has completed the workover program at five Glenaras wells in order to production test the R1 seam
 - R1 is thickest seam, never completed in initial pilot testing
- The workover program isolated the lower coals via a bridge plug, then perforated the R1 coal which is now under production testing
- The work program was completed on time and under budget
 - Highlights that the recent transfer of operatorship to Galilee is driving effective project management



Structural section across Glenaras Pilot



Competent Persons Statement & Listing Rule 5 Reporting on Oil & Gas Activities

The estimate of Contingent Resources for the ATP 529 as appears on page 7 of this presentation, is based on, and fairly represents, information and supporting documentation determined by Mr Timothy L. Hower of MHA Petroleum Consultants LLC Inc Denver, Colorado, USA, an independent petroleum reserve and resource evaluation company, in accordance with Petroleum Resource Management System guidelines. Mr Hower is a full-time employee of MHA, and is a qualified person as defined under the ASX Listing Rule 5.41. His career spans over 30 years petroleum engineering evaluations experience including field development planning, unconventional reservoir assessment and reserves, reservoir simulation, enhanced recovery, and industry training courses. His qualifications and experience meet the requirements to act as a Competent Person to report petroleum reserves in accordance with the Society of Petroleum Engineers (“SPE”) 2007 Petroleum Resource Management System (“PRMS”) Guidelines as well as the 2011 Guidelines for Application of the PRMS approved by the SPE.

Mr Hower has consented to the publication of the Contingent Resource estimates for Galilee Energy 100% interest in ATP529 in the form and context in which they appear in this presentation. The Contingent gas resource estimates for ATP 529 provided in this presentation were originally released to the market in the Company’s announcement of 1 September 2015, and were estimated using the deterministic method with the estimate of contingent resources for ATP 529 not having been adjusted for commercial risk.

Galilee Energy confirms that it is not aware of any new information or data that materially affects the information included in the announcement of the 1st of September 2015 and that all of the material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

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.

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