



NOTICE OF ANNUAL GENERAL MEETING

incorporating

EXPLANATORY MEMORANDUM

and

PROXY FORM

Date of meeting: Friday, 18 November 2016

Time of meeting: 11.00am (Brisbane Time)

Place of meeting: Piper Alderman, Level 36 Riverside Centre, 123 Eagle Street,
Brisbane Queensland

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully. If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

GALILEE ENERGY LIMITED

ACN 064 957 419

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2016 Annual General Meeting of Shareholders of Galilee Energy Limited (**Company**) will be held at 11.00am (Brisbane time) on Friday, 18 November 2016 at the offices of Piper Alderman, Level 36 Riverside Centre 123 Eagle Street, Brisbane, Queensland.

The Explanatory Memorandum and Proxy Form accompanying this Notice of Meeting are incorporated in and comprise part of this Notice of Meeting. Capitalised terms used in this Notice of Meeting have the meaning given to them in the "Definitions" section at the end of the Explanatory Memorandum.

ORDINARY BUSINESS

1. Annual Financial Statements and Report

To receive and consider the financial statements of the Company for the year ended 30 June 2016 together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

2. Resolution 1 – Non-Binding Resolution to Adopt the Remuneration Report for the Financial Year ended 30 June 2016

To consider and, if thought fit, to pass the following resolution as an **advisory resolution**:

"That, for the purposes of section 250R of the Corporations Act 2001, the Remuneration Report for the year ended 30 June 2016 be adopted."

Please note that the vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (1) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (2) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 if:

- (1) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; or
- (2) it is cast by the Chairman of the Meeting and the appointment of the Chairman as proxy:
 - (a) does not specify the way the proxy is to vote on the resolution; and
 - (b) expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

3. Resolution 2 – To Re-elect Mr Ray Shorrocks as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Ray Shorrocks, who retires by rotation in accordance with Rule 79.1 of the Constitution of the Company, being eligible for re-election, be re-elected as a director of the Company.”

4. Resolution 3 – Employee Share Scheme

To consider and if thought fit to pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.2 exception 9(b), the Corporations Act and for all other purpose the Galilee Energy Employee Share Option Plan (Plan) be approved.”

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by each director of Company (except one who is ineligible to participate in the Plan).

However the Company need not disregard any vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or if it cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

5. Resolution 4 – Issue of Options to David William King

“That for the purpose of ASX Listing Rule 10.14 and for all other purposes, that the issue to David William King of 800,000 Options in the Company pursuant to the Galilee Energy Employee Share Option Plan as described in the Explanatory Notes is approved.”

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by David William King.

However the Company need not disregard any vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or if it cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

6. Resolution 5 – Issue of Options to Raymond John Shorrocks

“That for the purpose of ASX Listing Rule 10.14 and for all other purposes, that the issue to Raymond John Shorrocks of 800,000 Options in the Company pursuant to the Galilee Energy Employee Share Option Plan as described in the Explanatory Notes is approved.”

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by Raymond John Shorrocks.

However the Company need not disregard any vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or if it cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

7. Resolution 6 – Issue of Options to Peter Barry Lansom

“That for the purpose of ASX Listing Rule 10.14 and for all other purposes, that the issue to Peter Barry Lansom of 3,500,000 Options in the Company pursuant to the Galilee Energy Employee Share Option Plan as described in the Explanatory Notes is approved.”

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by Peter Barry Lansom.

However the Company need not disregard any vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or if it cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

An explanation of the resolutions is set out in the accompanying Explanatory Memorandum (**EM**). This EM explains the purpose of the meeting and the resolutions to be considered at the meeting. An Independent Expert’s Report is also attached to the EM which members should read as a whole.

OTHER BUSINESS

To consider any other business that may lawfully be brought forward in accordance with the Constitution and the Corporations Act.

QUESTIONS AND COMMENTS BY SHAREHOLDERS AT GENERAL MEETING

A reasonable opportunity will be given to Shareholders as a whole at the Meeting to ask questions about or make comments on the Remuneration Report and the management of the Company and to ask the auditors or their representative questions relevant to the conduct of the audit, the preparation and content of their report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and their independence in relation to the conduct of the audit.

BY ORDER OF THE BOARD

Stephen Rodgers

Company Secretary

Dated: 17 October 2016

ENTITLEMENT TO ATTEND AND VOTE

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 7.00pm (Sydney time) on Wednesday 16 November 2016.

Shareholders can vote by either:-

- attending the meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice; or
- by submitting their proxy appointment and voting instructions by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the meeting are asked to arrive at the venue 15 minutes prior to the time designated for the meeting, if possible, so that their holding may be checked against the Company's Share Register and attendance recorded. Attorneys should bring with them an original or certified copy of the Power of Attorney under which they have been authorised to attend and vote at the meeting.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of Section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed unless previously given to the Company's Share Registry.

Voting by Proxy

- A Shareholder entitled to attend and vote is permitted to appoint not more than two (2) proxies. Each proxy will have the right to vote on a poll and also to speak at the meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as they think fit.
- Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice.
- To be effective, proxies must be lodged by 11.00am (Brisbane time) on Wednesday 16 November 2016. Proxies lodged after this time will be invalid.
- Proxies may be lodged using any of the following methods:-
 1. by returning a completed proxy form in person or by post using the pre-addressed envelope provided with this Notice to:-
 The Share Registry
 Galilee Energy Limited
 c/- Computershare Investor Services Pty Limited
 GPO Box 242
 MELBOURNE VIC 3001
 - or
 2. by faxing a completed proxy form to:-
 Computershare Investor Services Pty Limited, on
 1800 783 447 (within Australia); or
 + 61 3 9473 2555 (outside Australia)
 - or
 3. by visiting: - www.investorvote.com.au and logging in using the control number found on the front of your accompanying proxy form.
 Intermediary Online subscribers (Institutions/Custodians) may lodge their proxy instruction online by visiting www.intermediaryonline.com
 - or
 4. by scanning the QR code located on the front of the accompanying proxy form and logging in with your postcode.

The proxy form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the Power itself, must be received by the Company at the above address, or by facsimile and by 11.00am (Brisbane time) on Wednesday 16 November 2016. If facsimile transmission is used, the Power of Attorney must be certified.

How undirected proxies held by the Chairman of the meeting will be voted

If you appoint the Chairman of the Meeting as your proxy or he becomes your proxy by default, and you do not specify in the Proxy Form the manner in which you wish the Chairman to vote on the Resolutions to be considered at the Meeting, you accept that the Chairman intends to vote in favour of all Resolutions. **If you do not direct the Chairman how to vote on Resolutions 1, 3, 4 and 5 you expressly authorise the Chairman to exercise your proxy on these Resolutions even though they are connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chairman.**

If you appoint the Chairman of the Meeting as your proxy and wish to direct the Chairman how to vote on some or all of the Resolutions to be considered at the Meeting, you must complete the directed proxy part of the Proxy Form (Step 2 on the Proxy Form).

Galilee encourages all Shareholders who submit proxies to direct their proxy how to vote on each resolution.

IMPORTANT VOTING RESTRICTIONS

If you are entitled to vote, and you wish to appoint a proxy, you should be aware that if your proxy is a person who is not entitled to vote in their own right, the person may (subject to the Corporations Act) still vote as your proxy but your proxy's vote on your behalf will only be valid if, subject to the comments above in respect of undirected proxies held by the Chairman, you direct your proxy on the Proxy Form how to vote and the proxy does vote as directed.

GALILEE ENERGY LIMITED

ACN 064 957 419

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders in Galilee Energy Limited (**Company**) in connection with the business to be considered at the Meeting of Shareholders to be held at 11.00am (Brisbane time) on Friday, 18 November 2016 at the offices of Piper Alderman, Level 36 Riverside Centre, 123 Eagle Street, Brisbane Queensland.

This Explanatory Memorandum comprises part of the accompanying Notice of Meeting. Capitalised terms are defined in the "Definitions" section at the end of this Explanatory Memorandum. Details of the business to be considered at this Meeting are set out below.

Purpose of Explanatory Memorandum

The purpose of this Explanatory Memorandum is to provide Shareholders with information which may be relevant to the Resolutions to be put to Shareholders at the Meeting.

1. Annual Financial Report

The first item of business of the Notice of Meeting deals with the presentation of the Company's Annual Financial Report for the year ending 30 June 2016. Shareholders should consider this document and raise any matters of interest with the Directors when this item is being considered.

The Company's Annual Financial Report for the year ended 30 June 2016 is available on the Company's website at www.galilee-energy.com.au.

No resolution is required to be moved in respect of this item.

2. Resolution 1 – Remuneration Report for the Year ended 30 June 2016

During this item of business, Shareholders at the meeting may comment on and ask questions about the Remuneration Report that appears in the Company's Annual Report 2016.

Section 300A of the Corporations Act requires the Director's Report to contain a Remuneration Report (**Report**) containing information about the Board's policy for determining the nature and amount of the remuneration of directors and senior management. The Report must also explain the relationship between the remuneration policy and the Company's performance. The disclosure requirements stipulated in section 300A of the Corporations Act have been complied with.

The Corporations Act (sections 250R (2) and 250R (3)) provides that the vote on the adoption of the Report is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast on the resolution at the Annual General Meeting are against adoption of the Report, then:

- if comments are made on the Report at the Annual General Meeting, the Company's Remuneration Report for the financial year ending 30 June 2016 will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and
- if, at the Company's 2017 Annual General Meeting, at least 25% of the votes cast on the resolution for adoption of the Remuneration Report for the relevant financial year are against its adoption, the Company will be required to put to shareholders a resolution proposing that a general meeting (**Spill Meeting**) be called to consider the election of

Directors of the Company (**Spill Resolution**). For any Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Resolution is passed, all of the Directors (other than any managing director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

Recommendation

The Remuneration Report forms part of the Company's Annual Report, made in accordance with a unanimous resolution of the Directors. Each of the Directors recommends the Report to Shareholders for adoption.

3. Resolution 2 – Re-election of Ray Shorrocks as a Director

Mr Ray Shorrocks was appointed to the Board by the Directors on 2 December 2013 and was elected to the Board by shareholders at the Company's Annual General Meeting 20 November 2014.

Rule 79.1 of the Constitution provides that a director may not hold office for a continuous period in excess of 3 years or past the third annual general meeting following the Director's appointment, whichever is the longer, without submitting for re-election.

If no director would otherwise be required by rule 79.1 to submit for election or re-election, the director or directors to retire at an annual general meeting are those who have been longest in office since their election.

The two longest serving Directors were both elected to the Board on 20 November 2014. In those circumstances the Constitution provides that as between or among 2 or more directors who became directors on the same day, the director or directors to retire are determined by lot unless they otherwise agree between or among themselves. In this instance it was agreed by the directors that Ray Shorrocks would stand for re-election this year.

Accordingly Ray Shorrocks retires from office in accordance with rule 79.3 and being eligible submits himself for re-election.

Mr Shorrocks has over 20 years' experience working in the investment banking industry, He is highly conversant and experienced in all areas of mergers and acquisitions and equity capital markets, including a significant track record of transactions in the metals and mining, industrials and property sectors.

Mr Shorrocks is a director of Patersons Securities Limited and heads the corporate finance department in Sydney. He is also chairman of the ASX listed Republic Gold Limited and a director of a number of private companies.

Recommendation of Directors

The Directors (other than Ray Shorrocks) unanimously recommend that Shareholders vote in favour of Resolution 2.

4. Resolution 3 – Approval of the Galilee Energy Employee Share Option Plan (Plan)

Resolution 3 seeks shareholder approval of the Galilee Energy Employee Share Option Plan (Plan) for the purposes of ASX Listing Rule 7.2 exception 9(b), the Corporations Act and for all other purposes. A summary of the terms of the Plan are set out in the Schedule to this Explanatory Memorandum.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period without shareholder approval.

One specified exception to Listing Rule 7.1 is exception 9(b) in Listing Rule 7.2. This exception provides that an issue of equity securities may be made under an employee incentive scheme if within 3 years before the issue date holders of ordinary securities have approved the issue of securities under the scheme as an exception to this rule.

In order for this exception to apply the notice of meeting must have included each of the following details:

- A summary of the terms of the scheme;
- The number of securities issued under the scheme since the date of the last approval; and
- A voting exclusion statement.

A summary of the terms of the Plan are set out in the Schedule to this Explanatory Memorandum.

The number of securities issued under the Plan is nil.

However the Company proposes, subject to shareholder approval, to issue the Options referred to in Resolutions 4, 5 and 6 below.

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by each director of the Company (except one who is ineligible to participate in the Plan).

However the Company need not disregard any vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or if it cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

If Resolution 3 is passed, the Company will be able to issue options to acquire shares in the Company (**Options**) under the Plan to eligible participants during the period up to three years after the date of this AGM without affecting the Company's ability to separately issue up to 15% of its total ordinary securities in any 12-month period (without having to obtain a further shareholder approval). The Board believes this will provide the Company with the flexibility necessary to raise additional capital as and when appropriate.

The purpose of the Plan is to provide eligible employees with an incentive to remain with the Company and to improve the longer-term performance of the Company and its returns to shareholders. It is intended that this Plan will enable the Company to retain and attract skilled and experienced employees and provide them with the motivation to make the Company more successful.

However notwithstanding the above, the issue of any Options under the Plan to a director will require further approval by Members at a General Meeting pursuant to Listing Rule 10.14.

5. Resolution 4 – Approval of the issue of Options under the Plan to David William King (Dr King)

Dr King is a non-executive director of the Company.

Resolution 4 set out in the Notice of Annual General Meeting is being put before shareholders for the purpose of ASX Listing Rule 10.14 and for all other purposes.

Listing Rule 10.14 requires a listed company to obtain shareholder approval for the issue of securities under an employee incentive scheme such as the Plan to certain parties, which includes a director, or an associate of a director, of the Company.

The directors (other than Dr King) consider that the Options constitute part of the reasonable remuneration of Dr King as a director of the Company and therefore shareholder approval pursuant to s. 208 of the Corporations Act is not required. In reaching this conclusion, the have had regard to a variety of factors including market practice and the remuneration offered to persons in comparable positions at comparable companies.

The Company proposes to issue 800,000 Options to Dr King on the following terms:

- An exercise period commencing on the date of issue of the Options and ending on 18 November 2019.
- Each of these Options will, if exercised at any time during the Option exercise period, entitle Dr King to subscribe for a fully paid ordinary share in the Company.
- Each Option will have an exercise price of \$0.125 per share.

There are no loans associated with the acquisition of the Options.

The issue date of the Options will be within one (1) month after the date of the meeting if this Resolution is passed.

The issue price of the Options is nil.

The directors (other than Dr King) consider that the issue of these Options is in the best interests of the Company in that it aligns the interests of Dr King with the interests of the Company's shareholders in building sustainable value. The rationale for issuing these Options is to reward performance whilst at the same time preserving the Company's cash.

The directors (with Dr King abstaining) have approved, subject to approval by the Company's shareholders, the offer to Dr King of Options on the following terms:

- An exercise period commencing on the date of issue of the Options and ending on 18 November 2019.
- Each of these Options will, if exercised at any time during the Option exercise period, entitle Dr King to subscribe for a fully paid ordinary share in the Company.
- Each Option will have an exercise price of \$0.125 per share.

The Board (with Dr King abstaining), recommends that shareholders vote in favour of the proposed issue of Options to Dr King.

6. Resolution 5 – Approval of the issue of Options under the Plan to Raymond John Shorrocks (Mr Shorrocks)

Mr Shorrocks is a non-executive director of the Company.

Resolution 5 set out in the Notice of Annual General Meeting is being put before shareholders for the purpose of ASX Listing Rule 10.14 and for all other purposes.

Listing Rule 10.14 requires a listed company to obtain shareholder approval for the issue of securities under an employee incentive scheme such as the Plan to certain parties, which includes a director, or an associate of a director, of the Company.

The directors (other than Mr Shorrocks) consider that the Options constitute part of the reasonable remuneration of Mr Shorrocks as a director of the Company and therefore shareholder approval pursuant to s. 208 of the Corporations Act is not required. In reaching this conclusion, they have had regard to a variety of factors including market practice and the remuneration offered to persons in comparable positions at comparable companies.

The Company proposes to issue 800,000 Options to Mr Shorrocks on the following terms:

- An exercise period commencing on the date of issue of the Options and ending on 18 November 2019.
- Each of these Options will, if exercised at any time during the Option exercise period, entitle Mr Shorrocks to subscribe for a fully paid ordinary share in the Company.
- Each Option will have an exercise price of \$0.125 per share.

There are no loans associated with the acquisition of the Options.

The issue date of the Options will be within one (1) month after the date of the meeting if this Resolution is passed.

The issue price of the Options is nil.

The directors (other than Mr Shorrocks) consider that the issue of these Options is in the best interests of the Company in that it aligns the interests of Mr Shorrocks with the interests of the Company's shareholders in building sustainable value.

The directors (with Mr Shorrocks abstaining) have approved, subject to approval by the Company's shareholders, the offer to Mr Shorrocks of Options on the following terms:

- An exercise period commencing on the date of issue of the Options and ending on 18 November 2019.
- Each of these Options will, if exercised at any time during the Option exercise period, entitle Mr Shorrocks to subscribe for a fully paid ordinary share in the Company.
- Each Option will have an exercise price of \$0.125 per share.

The Board (with Mr Shorrocks abstaining), recommends that shareholders vote in favour of the proposed issue of Options to Mr Shorrocks.

7. Resolution 6 – Approval of the issue of Options under the Plan to Peter Barry Lansom (Mr Lansom)

Mr Lansom is the Managing Director of the Company.

Resolution 6 set out in the Notice of Annual General Meeting is being put before shareholders for the purpose of ASX Listing Rule 10.14 and for all other purposes.

Listing Rule 10.14 requires a listed company to obtain shareholder approval for the issue of securities under an employee incentive scheme such as Plan to certain parties, which includes a director, or an associate of a director, of the Company.

The directors (other than Mr Lansom) consider that the Options constitute part of the reasonable remuneration of Mr Lansom as the Managing Director of the Company and therefore shareholder approval pursuant to s. 208 of the Corporations Act is not required. In reaching this conclusion, they have had regard to a variety of factors including market practice and the remuneration offered to persons in comparable positions at comparable companies.

The Company proposes to issue 3,500,000 Options to Mr Lansom on the following terms:

- An exercise period commencing on the date of issue of the Options and ending on 18 November 2019.
- Each of these Options will, if exercised at any time during the Option exercise period, entitle Mr Lansom to subscribe for a fully paid ordinary share in the Company.
- Each Option will have an exercise price of \$0.125 per share.

The directors (other than Mr Lansom) consider that the issue of these Options is in the best interests of the Company in that it aligns the interests of Mr Lansom with the interests of the Company's shareholders in building sustainable value.

The directors (with Mr Lansom abstaining) have approved, subject to approval by the Company's shareholders, the offer to Mr Lansom of Options on the following terms:

- An exercise period commencing on the date of issue of the Options and ending on 18 November 2019.
- Each of these Options will, if exercised at any time during the Option exercise period, entitle Mr Lansom to subscribe for a fully paid ordinary share in the Company.
- Each Option will have an exercise price of \$0.125 per share.

There are no loans associated with the acquisition of the Options.

The issue date of the Options will be within one (1) month after the date of the meeting if this Resolution is passed.

The issue price of the Options is nil.

The Board (with Mr Lansom abstaining), recommends that shareholders vote in favour of the proposed issue of Options to Mr Lansom.

Definitions

The following words shall have the following meanings in this Notice of Meeting and Explanatory Memorandum:

Associate has the meaning given to that term in the Corporations Act.

ASX means ASX Limited ACN 008 624 691 or, where applicable, the Australian Securities Exchange operated by ASX.

Board means the Board of Directors of the Company.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company or **Galilee** means Galilee Energy Limited ACN 064 957 419.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company at the date of this Notice of Meeting.

Explanatory Memorandum means this explanatory memorandum and any schedule or annexure to it.

Group means the Company and each of its Associated Body Corporates (as that term is defined in the Corporations Act).

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules or **ASX Listing Rules** means the listing rules of ASX.

Meeting means the Annual General Meeting of the Company to be held at the offices of Piper Alderman Level 36, Riverside Centre 123 Eagle Street, Brisbane, Queensland on Friday, 18 November 2016 at 11.00am (Brisbane Time).

Notice of Meeting means, unless the context requires otherwise, this document which comprises the Company's Notice of Meeting to be held at 11.00am (Brisbane time) on Friday, 18 November 2016 at the offices of Piper Alderman, Level 36, Riverside Centre 123 Eagle Street, Brisbane Queensland and the accompanying Explanatory Memorandum and the Proxy Form.

Participant means an eligible employee who has accepted an offer from the Company to participate in the Plan.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution of the Company set out in this Notice of Meeting.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder in the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

In this Notice and the Explanatory Memorandum words importing the singular include the plural and vice versa.

Schedule – Summary of Terms of Plan

A summary of the terms of the Plan are outlined below. Capitalised terms have the meaning as defined in the Plan.

Eligibility: participants in the Plan may be employees of the Company (or any of its related bodies corporate), a director of the Company (or any of its related bodies corporate), or any other person determined by the Board to be eligible to participate in the Plan (**Eligible Persons**).

Invitation: the Board may, in its absolute discretion, issue invitations to Eligible Persons to apply for Options. The Board may determine which Eligible Persons are entitled to and will receive invitations to participate in the Plan.

Options: each Option will be granted for nil consideration, and is to subscribe for one fully paid ordinary share in the Company.

Exercise period: the Options will become exercisable from such date as is determined by the Board and will expire on such date as determined by the Board.

Vesting conditions: the Options may be subject to vesting conditions as are determined by the Board when granting the Options. There may also be no vesting conditions if so determined by the Board. There may be different vesting conditions for those persons who are an employee engaged in the full time employment of the Company, or a Group Company, and a person who is a director of a Company or Group Company.

Cessation of employment, total permanent disablement and death: on cessation of employment unvested options will lapse, and vested options will be exercisable for a period ending 60 days after cessation of employment, unless the cessation is as a result of termination for fraud, dishonesty or cause in which case the options will immediately lapse. On total and permanent disablement or death, unvested options will become vested options and may be exercised by the participant or a legal personal representative.

Exercise price: the exercise price will be determined by the Board at the time when granting the Option. There may be a different exercise price for those persons who are an employee engaged in the full time employment of the Company, or a Group Company, and a person who is a director of a Company or Group Company.

Transfer: an Option granted may not be transferred and lapses immediately on purported transfer, unless the Board approves the transfer.

Bonus issues: if the Company makes a bonus issue of shares to ordinary shareholders, each unexercised option will, on exercise, entitle its holder to receive the bonus shares as if the option had been exercised before the record date for the bonus issue.

Rights issues: If the Company makes a pro-rata rights issue of shares for cash to its ordinary shareholders, the exercise price of the unexercised options will be adjusted to reflect the diluting effect of the issue.

Reconstruction of capital: if there is a reconstruction of the issued capital of the Company, the number of Options or the exercise price of Options or both will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.



GALILEE

ENERGY LIMITED

ABN 11 064 957 419



GLL

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Voting Form

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Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au

- Cast your vote or appoint a proxy**
- Access the annual report**
- Review and update your securityholding**

Your secure access information is:

Control Number: 999999

SRN/HIN: I999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 11:00am (Brisbane time) Wednesday, 16 November 2016

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Vote Directly

Voting 100% of your holding: Mark either the For, Against or Abstain box opposite each item of business. Your vote will be invalid on an item if you do not mark any box OR you mark more than one box for that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement.

Appoint a Proxy to Vote on Your Behalf

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise their broker of any changes.



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Voting Form

Please mark to indicate your directions

STEP 1 Indicate How your Vote will be Cast *Select one option only*

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At the Annual General Meeting of Galilee Energy Limited to be held at Piper Alderman, Level 36 Riverside Centre, 123 Eagle Street, Brisbane Queensland on Friday, 18 November 2016 at 11:00am (Brisbane time) and at any adjournment or postponement of that meeting, I/We being member/s of Galilee Energy Limited direct the following:

1. Vote Directly

Record my/our votes strictly in accordance with directions in Step 2.

PLEASE NOTE: A Direct Vote will take priority over the appointment of a Proxy. For a valid Direct Vote to be recorded you must mark FOR, AGAINST, or ABSTAIN on each item.

2. Appoint a Proxy to Vote on Your Behalf: I/We hereby appoint

the Chairman of the Meeting **OR**

OR

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit).

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Items 1, 3, 4, 5 & 6** (except where I/we have indicated a different voting intention below) even though **Items 1, 3, 4, 5 & 6** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Items 1, 3, 4, 5 & 6** by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you have appointed a proxy and you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority. If you are directly voting and you mark the **Abstain** box for an item, it will be treated as though no vote has been cast on that item and no vote will be counted in computing the required majority.

		For	Against	Abstain
1	Non-Binding Resolution to Adopt the Remuneration Report for the Financial Year ended 30 June 2016	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Mr Ray Shorrocks as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Employee Share Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Issue of Options to David William King	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Issue of Options to Raymond John Shorrocks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Issue of Options to Peter Barry Lansom	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

GLL

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Computershare +