



First gas discovery for the Galilee Gas Project

KEY POINTS

- First gas discovery for the Galilee Gas Project
- Glenaras step-out drilling campaign completed

Galilee Energy Limited (ASX: **GLL**) (“Galilee”) today announced that the operator, AGL Energy Limited (ASX: **AGK**), of the Galilee Gas Project has reported the project’s first gas discovery.

Glenaras 6, part of the Glenaras close-spaced five-spot production pilot, started to flow at a steady rate of approximately 54 Mscf per day for a period of four days before the well was temporarily shut down for maintenance.

The geological significance of this gas flow is that it constitutes the first measurement of a stabilised gas flow from a coal seam gas pilot in the Galilee Basin. Glenaras 6 is a cased and fracture stimulated well that accesses the R3 to R7 coal seams of the Betts Creek Beds.

Operation of the Glenaras pilot continues. Glenaras 2, 4 and 6 are operating and continue to de-pressure the coals. Glenaras 3 and 5 are shut down awaiting installation of new pumps in October.

The three hole Glenaras step-out drilling campaign has successfully completed wells GA07, GA08 and GA09. This campaign included drilling three vertical wells and recovering core from GA07 and GA08 (Core recovery was not required from GA09 due to the close proximity of Crossmore South 01 previously cored). All wells were wireline logged and tested for permeability, full reports are awaited. The wells are suspended for future use as production wells.

The wells are located north of the Glenaras pilot within ATP 529P and are designed to support a resource upgrade for the Galilee Gas Project. [Exhibit 1]

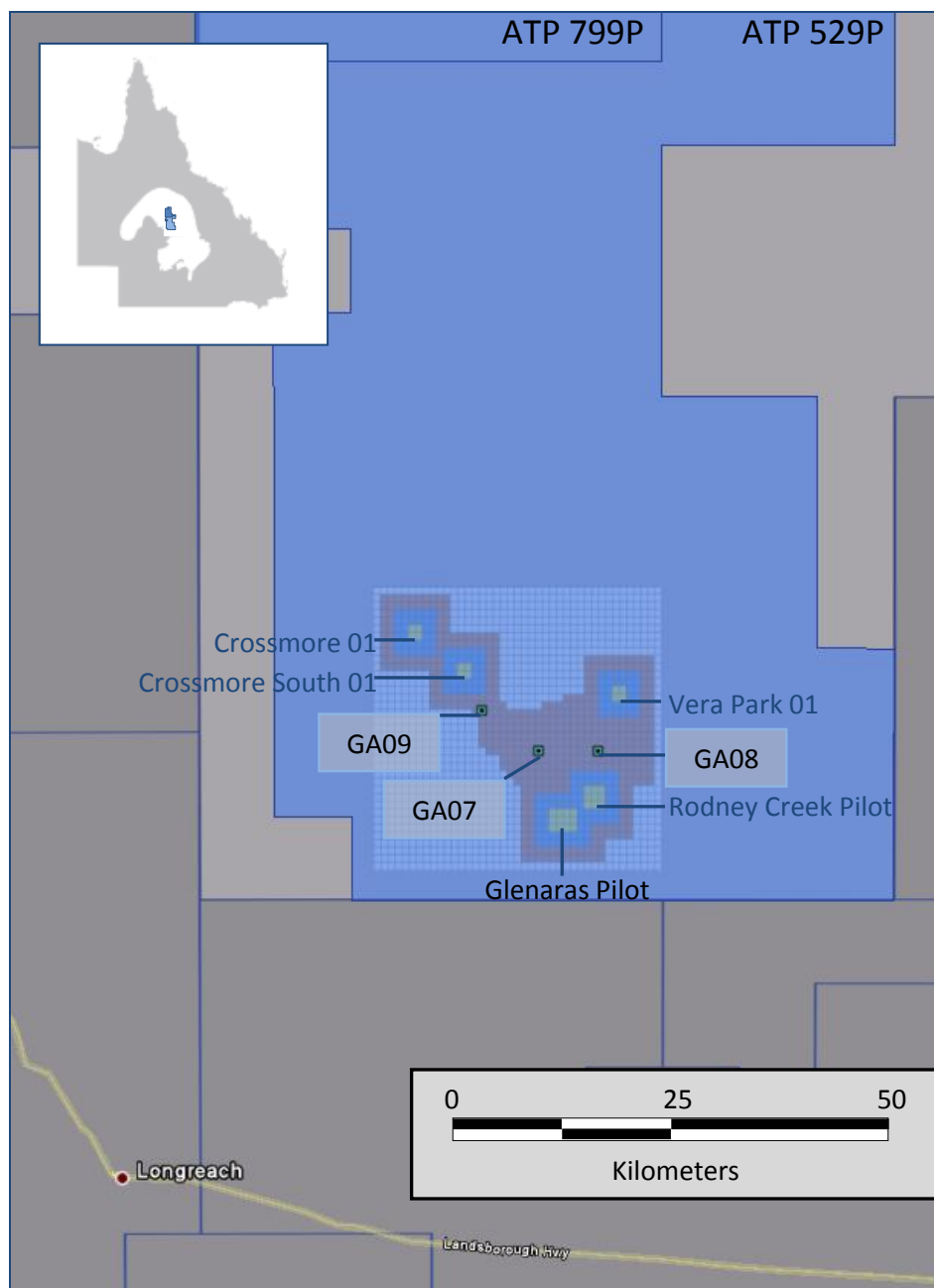
Preliminary results were as expected with all wells intersecting in excess of 25m of coal across the Betts Creek Beds and Aramac coal measures. Coal samples have commenced desorption testing.

“AGL embedded key lessons learnt¹ from earlier exploration and introduced technology to drill exploration wells with high quality core recovery which can be used as future production wells. This demonstrates our joint focus on operational excellence and capital efficiency,” CEO Glenn Haworth said.

¹ Lesson learnt is a formal process to critically review performance; to document an experience in order to reduce the chance of repeating mistakes, capture successes and improve performance.

Exhibit 1

Location map



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About Galilee

Galilee Energy Limited (ASX: **GLL**) is an emerging energy company with coal seam gas interests in Australia.

Galilee holds two highly prospective coal seam gas and hydrocarbon tenements in the Galilee Basin in central Queensland through subsidiary, Galilee Resources. The tenements, ATP 529P and 799P, cover approximately 9,000 km².

The Galilee Gas Project, ATP 529P, is held in a 50/50 joint venture with AGL Energy Limited (AGL, ASX: **AGK**) under which AGL is the operator. ATP 799P is wholly owned and operated by Galilee.

Galilee has an experienced board and management with collective track records in growing junior resource companies. It is actively pursuing growth through hydrocarbon development opportunities.