



**GALILEE ENERGY LIMITED
ACN 064 957 419**

NOTICE OF ANNUAL GENERAL MEETING

incorporating

EXPLANATORY MEMORANDUM

and

PROXY FORM

Date of meeting: Thursday, 22 November 2012
Time of meeting: 2.00pm (Brisbane Time)
Place of meeting: Norton Rose Australia, Level 21, 111 Eagle Street, Brisbane, Queensland

GALILEE ENERGY LIMITED
ACN 064 957 419

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2012 Annual General Meeting of Shareholders of Galilee Energy Limited (**Company**) will be held at 2.00pm (Brisbane time) on Thursday, 22 November 2012 at the offices of Norton Rose Australia, Level 21, 111 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 Report

To receive and consider the Annual Financial Report of the Company and the reports of the Directors and Auditors for the year ended 30 June 2012.

2. Resolution 1 – Remuneration Report for the Financial Year ended 30 June 2012

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 2012 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 Lester (Cam) Rathie as a Director

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

"That Mr Lester Campbell Rathie, who retires by rotation in accordance with Rule 79 of the Constitution of the Company, being eligible for re-election, be re-elected as a director of the Company."

4. **Resolution 3 – Approval of 10% Placement Facility**

To consider and, if thought fit, to pass the following resolution, as a **special resolution**:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the number of Shares on issue (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 3 by a person (and any associates of such a person) who:

- (1) may participate in the 10% Placement Facility; or
- (2) a might obtain a benefit, except a benefit solely in their capacity as Shareholder if this Resolution is passed.

However, the Company will not disregard a vote if:

- (1) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (2) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Explanatory Memorandum which accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered. Shareholders should read the Explanatory Memorandum in full.

OTHER BUSINESS

To consider any other business that may lawfully be brought forward.

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



Bill Lyne

Company Secretary

Dated: 19 October 2012

VOTING ENTITLEMENT

For the purposes of determining entitlements to vote at the Meeting, the Company's Shares will be taken to be held by the people registered as holders at 7:00 pm (Sydney time) on 20 November 2012. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

PROXIES

Shareholders entitled to attend and vote at the Meeting are entitled to appoint a proxy. The proxy may be an individual or a body corporate.

A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes such proxy may exercise, each proxy may exercise half of the votes disregarding fractions.

For an appointment of proxy to be valid, the Proxy Form and, if the form is signed under a power of attorney or other authority, the authority under which the form is signed (or a certified copy of the authority) must be received at the Brisbane office of the Company (Level 2, 895 Ann Street, Fortitude Valley, Qld or by post to PO Box 2145, Fortitude Valley BC, Qld 4006, Australia or facsimile +61 7 3216 1199 or by email at admin@galilee-energy.com.au) not less than 48 hours prior to the time of commencement of the Meeting or adjourned Meeting, as the case may be, at which the proxy named in the Proxy Form proposes to vote (i.e. no later than 2:00pm (Brisbane time) on 20 November 2012).

A proxy must be signed by the Shareholder or the Shareholder's attorney duly authorised in writing or, if the Shareholder is a company, in a manner permitted by the Corporations Act. The proxy may, but need not, be a Shareholder.

A Proxy Form accompanies this Notice of Meeting. Additional Proxy Forms are available on request from the registered office of the Company.

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

If you appoint the Chairman of the Meeting as your proxy 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, the Chairman intends to vote in favour of all Resolutions. **If you do not direct the Chairman how to vote on Resolution 1, you expressly authorise the Chairman to exercise your proxy on Resolution 1 even though it is 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.

CORPORATE REPRESENTATIVES

A Shareholder which is a body corporate and which is entitled to attend and vote at the Meeting, or a proxy which is a body corporate and which is appointed by a Shareholder entitled to attend and vote at the Meeting, may appoint a person to act as its representative in accordance with section 250D of the Corporations Act. The representative must present satisfactory evidence of his or her appointment prior to admission to the Meeting.

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 2.00pm (Brisbane time) on Thursday, 22 November 2012 at the offices of Norton Rose Australia, Level 21, 111 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 the Notice of Meeting deals with the presentation of the Company's Annual Financial Report for the year ending 30 June 2012. 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 2012 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 ending 30 June 2012

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 2012.

Section 300A of the Corporations Act requires the Director's Report to contain a remuneration 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 Remuneration Report is advisory only and does not bind the Directors or the Company.

3. Resolution 2: Re-election of Director

Mr Cam Rathie was appointed as a Director on 21 June 2010 following the acquisition by the Company of the outstanding shares in (the now) wholly-owned subsidiary Galilee Resources Pty Ltd (**GRPL**).

Rule 79.1 of the Company's Constitution and ASX Listing Rule 14.4 require that Directors must not hold office for in excess of 3 years or past the third annual general meeting following the director's appointment, whichever is the longer, without resubmitting for re-election. In addition, ASX Listing Rule 14.5 requires that there must be an election of directors each year. Retiring Directors may immediately offer themselves up for re-election. Mr Rathie retires by rotation and, being eligible, offers himself for re-election.

Mr Rathie is also a member of the Audit Committee and remains a non-executive director of GRPL and its subsidiaries, having been originally appointed a director of that company in January 2009.

Mr Rathie has extensive experience in operational aspects of oil, gas and coal seam gas. He was previously in management roles with BHP Petroleum following a career in geological and well services. He was Managing Director of Upstream Petroleum and CEO of AGR Asia Pacific. Mr Rathie acted as Operations Manager for Sunshine Gas in its initial conventional gas and CSG exploration in the Surat and Bowen basins, managing the engineering and field teams for these projects. Mr Rathie was awarded the Order of Australia Medal in the Queen's Birthday Honours List 2010 for services to the oil and gas industry.

Recommendation of Directors

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

4. Resolution 3: Approval of 10% Placement Facility

4.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An entity is eligible for the purposes of Listing Rule 7.1A if the entity is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. As required under the Listing Rules, the Company's market capitalisation will be based on the closing price on the Trading day before the Meeting. For illustrative purposes only, it is noted that on 15 October 2012 the Company's market capitalisation is \$19.778 million based on the Trading Price at closing on that date. The Company is not included in the S&P/ASX300 Index on the date of the Notice of Meeting and the Company does not anticipate that it will be included in the S&P/ASX300 Index on the date of the Meeting. On this basis, the Company anticipates being an eligible entity on the date of the Meeting.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

As disclosed in the Company's quarterly activities reports, and in the Annual Report, the Company continues actively seeking to acquire new resources assets, with particular focus on hydrocarbon development opportunities. The Company may use the 10% Placement Facility to acquire new resource assets or investments by issuing Shares for consideration or non-cash consideration.

4.2 Description of Listing Rule 7.1A

(1) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at the Meeting.

(2) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue three classes of Equity Securities, being Shares quoted on the ASX, unlisted Options and Performance Rights.

(3) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the

12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$(A \times D) - E$

A is the number of ordinary securities on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- (iii) plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity without ordinary securityholder approval;
- (iv) less the number of fully paid ordinary securities cancelled in the 12 months.

Note: 'A' is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(4) Listing Rule 7.1 and Listing Rule 7.1A

The ability of a company to issue Equity Securities under Listing Rule 7.1A is in addition to the company's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 152,140,466 Shares and therefore has a capacity to issue:

- (a) 22,821,069 Equity Securities under Listing Rule 7.1; and
- (b) subject to Shareholder approval being granted under Resolution 3, 15,214,046 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 4.2(3) above).

(5) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (a) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (b) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

(6) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Meeting at which the approval is obtained and expires on the earlier to occur of:

- (a) the date that is 12 months after the date of the Meeting at which the approval is obtained; or
- (b) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking); or
- (c) such longer period if allowed by ASX (**10% Placement Period**).

4.3 **Listing Rule 7.1A**

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

4.4 **Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, certain information must be provided in relation to the approval of the 10% Placement Facility:

- (1) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for that class of the Company's Equity Securities over the 15 Trading Days immediately before:
 - (a) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (b) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.
- (2) If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if they are exercised, and in the case of Performance Rights, only if Shares in relation to those Performance Rights vest). There is a risk that:
 - (a) the market price for the Company's Equity Securities in the relevant class may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (b) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

The table below provides details of the quoted and unquoted classes of Equity Securities which the Company has on issue at the date of the Notice.

Equity Security	Number on issue
Quoted Shares	152,140,466
Unquoted Options 24c 3/12/12	1,000,000
Unquoted Options 80c 3/12/12 (vested 3/12/10)	2,000,000
Unquoted Options 87c 3/12/12 (vested 3/12/11)	2,000,000
Unquoted Performance Rights with a range of vesting dates and Share prices, having maximum expiry 1/3/15	3,000,000

As required by Listing Rule 7.3A.2, the table below shows the potential dilution of existing Shareholders on the basis of the number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice (**Current Variable "A"**) and where variable "A" is 50% and 100% greater than Current Variable "A".

The table also shows the funds raised from an issue of an additional 10% of issued capital under Listing Rule 7.1A, based on:

- (a) the Current Variable "A" and where variable "A" has increased by 50% and 100%; and
- (b) the Share price as at the date of this Notice and where the Share price has fallen by 50% and increased by 100%.

Variable "A" in Listing Rule 7.1A.2		\$0.065	\$0.13	\$0.26
		50% decrease in Issue Price	Issue Price	100% increase in Issue Price
Current Variable "A" 152,140,466 Shares	10% Voting Dilution	15,214,046 Shares	15,214,046 Shares	15,214,046 Shares
	Funds raised	\$988,913	\$1,977,826	\$3,955,652
50% increase in current Variable "A" 228,210,699 Shares	10% Voting Dilution	22,821,069 Shares	22,821,069 Shares	22,821,069 Shares
	Funds raised	\$1,483,369	\$2,966,739	\$5,933,478
100% increase in current Variable "A" 304,280,932 Shares	10% Voting Dilution	30,428,093 Shares	30,428,093 Shares	30,428,093 Shares
	Funds raised	\$1,977,826	\$3,955,652	\$7,911,304

Assumptions relevant to the table above are as follows:

- (a) an additional 10% of the Company's Shares are issued under Listing Rule 7.1A;
 - (b) no Options are exercised before the date of the issue under Listing Rule 7.1A;
 - (c) no Performance Rights vest and are exercised before the date of the issue under Listing Rule 7.1A;
 - (d) the issue under Listing Rule 7.1A consists only of Shares; and
 - (e) the Issue Price is \$0.13, being the closing price of the Shares on ASX on 15 October 2012.
- (3) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (4) The Company may seek to issue the Equity Securities for the following purposes:
- (a) non-cash consideration for the acquisition of new resources, assets or investments, particularly in the area of hydrocarbon development opportunities. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (b) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such an acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (c) the methods of raising funds that are available to the Company, including but not limited to, a rights issue or other issue in which existing Shareholders can participate;
- (d) the effect of the issue of the Equity Securities on the control of the Company;
- (e) the financial situation and solvency of the Company; and
- (f) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include some existing Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new hydrocarbon or other resources assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of those new assets or investments.

The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or other security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. Therefore, no existing Shareholder's votes will be excluded under the voting exclusion in the Notice.

Recommendation of Directors

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

Definitions

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

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.

Equity Securities has the same meaning as in the Listing Rules.

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

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 Norton Rose Australia, Level 21, 111 Eagle Street, Brisbane, Queensland on Thursday 22 November 2012 at 2.00pm.

Notice of Meeting means, unless the context requires otherwise, this document which comprises the Company's Notice of Meeting to be held at 2.00pm (Brisbane time) on Thursday, 22 November 2012 at the offices of Norton Rose Australia, Level 21, 111 Eagle Street, Brisbane, Queensland and the accompanying Explanatory Memorandum and the Proxy Form.

Option means an option which entitles the holder to subscribe for a Share.

Performance Right means a right which entitles the holder to acquire a Share in the Company.

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.

VWAP means volume weight average price.

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

PROXY FORM

AGM 2012

Shareholder:

«REG_ADDRESS_LINE_1»
«REG_ADDRESS_LINE_2»
«REG_ADDRESS_LINE_3»
«REG_ADDRESS_LINE_4»
«REG_ADDRESS_LINE_5»

«REG_ADDRESS_LINE_6»

**To: Company Secretary
Galilee Energy Limited**

By hand:
Level 2, 895 Ann Street
Fortitude Valley Qld 4006

By facsimile:
+61 7 3216 1199

By email:
admin@galilee-energy.com.au

By post:
PO Box 2145
Fortitude Valley BC Qld 4006

SRN/HIN: XXXXXXXXXXXX	Number of Shares entitled to vote:
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Please mark to indicate your directions. Further instructions are provided overleaf. For all enquiries call +61 7 3216 1155. Proxies will only be valid and accepted by Galilee Energy Limited ("Company") if they are signed and received no later than 48 hours before the 2012 Annual General Meeting ("Meeting") (that is, by no later than 2.00 pm (EST) on Tuesday, 20 November 2012) or any adjournment of that meeting.

Step 1 - Appoint a Proxy to Vote on Your Behalf

The Chairman of
the Meeting (mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including 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), at the Meeting of the Company to be held at 2.00 pm (EST) on Thursday, 22 November 2012, at the offices of Norton Rose Australia, Level 21, 111 Eagle Street, Brisbane, Qld, Australia and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution. Where I/we have appointed the Chairman 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 Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is 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 Resolution 1 by marking the appropriate box in step 2 below.

Step 2 - Directions as to Voting on Resolutions

The proxy is to vote for or against, or abstain from voting on, the Resolutions referred to in the Notice as follows:

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Lester (Cam) Rathie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each Resolution.

Step 3 - Authorised signature/s

This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

Contact Name

Contact Daytime Telephone

Date

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the Company, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company.

Proxy Forms (and the Power of Attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the Power of Attorney or other authority) must be received at the Brisbane office of the Company (Level 2, 895 Ann Street Fortitude Valley, Qld, or by post to PO Box 2145, Fortitude Valley BC, Qld, 4006 or facsimile +61 7 3216 1199 or by email at admin@galilee-energy.com.au) not less than 48 hours prior to the time of commencement of the Meeting.

For all enquiries call +61 7 3216 1155.