

General meeting

Galilee Energy Limited (ASX: **GLL**) ("**Galilee**" or the "**Company**") today provides the attached Chairman's run sheet incorporating a presentation by the company's General Manager and Independent Non-executive Director Cam Rathie.

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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 7,000 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. In June 2011 the joint venture announced its first Contingent Resource estimate of 259 petajoules (PJ) of 2C and 1,090 PJ of 3C Resources from 450km² of ATP 529P, centred on the Glenaras pilot. The pilot has restarted and is undergoing flow testing, having produced 1,170 mscf in May 2012.

Galilee has an experienced board and management with collective track records in growing junior resource companies.

General Meeting
Tuesday 24 September 2013, commencing 3:00pm at
Norton Rose Fulbright, Level 21, 111 Eagle Street, Brisbane, Queensland

CHAIRMAN'S RUN SHEET

1. Introduction

1.1 Introduction & Welcome

Good afternoon ladies and gentlemen and welcome to this general meeting of Galilee Energy Limited to consider five motions requisitioned by a shareholder. My name is Andrew Young and I am the Chairman of your company.

1.2 Quorum / Opening

The requisite quorum, being 3 shareholders, is present.
So, I now formally declare the meeting open.

1.3 Apologies

Are there any apologies from shareholders unable to attend?

1.4 Introductions

I would now like to introduce my fellow directors:

Cam Rathie (Independent Non-Executive Director)

Rino Camarri (Non-Executive Director)

We also have with us at the front table, **Glenn Haworth** General Manager our company secretary, **Bill Lyne**, and our CFO, **Simon Brodie**

Also in attendance we have **Jenny Langdon** our Administration Manager.

Also in the audience we have representatives from our lawyers, Norton Rose Fulbright, our corporate advisers, TC Corporate (Taylor Collison) and from the share registry, Computershare.



2. The Order of Proceedings

Before I discuss the order of proceedings I want to draw your attention to the following changes to the resolutions to be put to the meeting. Resolution 2 is no longer valid following the resignation of Glenn Haworth as a Director of the company. As a consequence, resolution two has been withdrawn.

The process which I intend to follow at this meeting is as follows:

- firstly to hear from Glenn Haworth with a short operational update
- I will then invite each of David King, Peter Lansom and Paul Bilston to address shareholders in their capacity as proposed directors of your company (3 of the Resolutions to be put at this meeting).
- and from Cam Rathie regarding a further resolution to be considered at this meeting.

Once we have heard what each of these gentlemen has to say, I will open the floor to questions from shareholders.

Following these questions, I intend to move to the formal part of the meeting and carry out the vote on each of the resolutions. I have decided to exercise the chairman's right to call a poll on all resolutions. On a poll, each member, proxy, attorney or corporate representative is entitled to 1 vote for each share held or represented.

So, that is the order of business.

3. Presentations

Ladies and gentlemen, before I invite Glenn Haworth to speak, I would like to make a few remarks as the independent Chairman of your company.

While our operations have been progressing on schedule in the field (The Galilee Basin, Qld) under the supervision of AGL, the Operator, there have been a number of events occurring back in the City.

On June 6, our Non-Executive Chairman Steven Koroknay, suddenly passed away.

On June 7, following this announcement we announced that Cam Rathie would immediately assume the role as an interim Chairman, that the Company would be engaging a search for an additional Non Executive Director, and that given the small Board, that Glenn Haworth, the current CEO would be made a Director in accordance with previously discussed succession plans.

On June 26, the company was advised a new substantial shareholder of 16.125% was imminent, a recently formed company called Malt Energy.



On July 24 a Section 249D requisition (in accordance with the Corporations Act) was filed with the company seeking 5 Resolutions to be put to a General Meeting of all shareholders.

These Resolutions were to remove 2 of the 3 then Board members, with 3 new Board members, and 1 of the existing Board remaining. In addition it was proposed that 2 of the incoming Board members be Executives, the third be the new Chairman and the current CFO be replaced.

A Notice to Shareholders calling this General Meeting was distributed on August 13.

On August 19 following the search for a new Chairman as announced on June 7, I was appointed and the market notified.

Now here we are on the scheduled date September 24, to vote on these resolutions.

Being new to this Company (only 5 weeks), it is my personal and objective view as a professional Director, that the Company should, in the best interests of all shareholders and consistent with recommended Corporate Governance best practice, have a majority of the Board Directors as independent. Further, it is also best practice to have the Board and Management not controlled by one shareholder

However it is healthy to have diversity of ideas and skills on the Board. It is for these primary reasons that the Board of Galilee recommends against the first 4 Resolutions and in favour of the 5th Resolution as put in the Notice of this Meeting.

I now invite Glenn Haworth, General Manager of Galilee, to provide a brief update on operations of the company.

[Presentation included as attachment 1]

Thank you Glenn. I now invite David King, Peter Lansom and Paul Bilston to address shareholders.

I now invite Cam Rathie to speak.

Address to the General Meeting by Cam Rathie

Thank you Chairman,

In the following I restrict my comments to the period I acted as Galilee Energy (GLL) Chairman 7/6/2013 to 18/8/2013 inclusive (73 days).

The sudden death of Chairman Steve Koroknay on 6/6/2013 required prompt action by the Board to meet the minimum requirement of 3 directors, thus reduced to 2.



The resultant Board meeting on 7/6/2013 appointed me to the Chair and CEO Glenn Haworth as Managing Director (as was intended in due course per his 2010 letter of employment).

The Board meeting also resolved to immediately undertake a search for a suitable replacement for Mr Koroknay, as announced to the ASX that day.

The Board developed a set of focused criteria for Chairman which was agreed on 13/6/2013, and initiated a search via industry contacts and with the company's advisors.

This culminated with the identification of Andrew Young as the best candidate meeting all criteria, who was first contacted on 12/7/2013 while on holiday.

Mr Young was appointed as Non-Executive Director and Chairman by the Board on 19/8/13, following a detailed mutual familiarisation process.

Meanwhile Malt Energy (Malt) first contacted GLL with a call to me in the evening of 26/6/2013 to advise of an impending substantial holding acquisition and requesting an immediate meeting.

Malt posted their Initial Substantial Holder notice (16.125%) on GLL's ASX site on 27/6/2013, and Mr Haworth and I subsequently met with Peter Lansom and Paul Bilston on 1/7/2013.

At this meeting Malt advised their demands for 3 Board and 2 executive positions (at cost extra to the present, with 2 more Malt members to potentially follow), and removal of Mr Haworth to an interim lesser executive role, based on having < 50% GLL shares in support for change.

This effective control of GLL by a 16.125% shareholder was not viewed by the Board as fair to and in the best interests of all other shareholders, which is the basis of the Board's position until now.

GLL commenced an extended discussion with Malt on their demands, including a program of due diligence of Malt personnel, their Chair nominee David King, and major shareholders views.

Malt's improvement plan for GLL and its cash reserves initially included possible gas exploration in the US, and reviewing the AGL Joint Venture Galilee Gas Project with the intent of significantly reducing exposure, focusing the company on higher risk exploration plays.

This plan has publicly morphed into one of supporting the JV with AGL for the moment, and otherwise paralleling GLL's stated strategy, without nominating any specific new project or differentiator.



Malt has not proposed any Board structure that does not provide them with effective control- the only such proposal not put forward by GLL was from another significant shareholder.

The latter proposal was not progressed by the Board since it still did not give an equally fair representation to other significant shareholders, GLL countering with alternatives not accepted by Malt.

In the absence of the Board and Malt agreeing on a compromise position, the requisite General Meeting is proceeding.

Thank you Gentlemen. I will now open the floor to questions from shareholders. I will take questions on any of the four Resolutions being put at this time, as that would seem to be the most efficient way of conducting the meeting. May I ask you to please identify yourself before asking your question?

4. Proxies

Please note that the open proxy votes which I, as Chairman, hold will be voted against resolutions 1 to 4 and in favour of resolution 5.

You should all have received a copy of the Notice of Meeting and Explanatory Statement in relation to the Resolutions being considered today. If you did not receive a copy or would like another one, there are copies outside on the registration table.

If there is no objection, I will take the notice of meeting, as read.

I will read through each of the Resolutions and ask for any final questions in relation to each motion then I will hand over to David Eaton from Computershare to conduct the voting by way of poll.

And once the voting has been completed we will take a break until Computershare has counted the votes in relation to each resolution. Once Computershare has counted the votes and advised us of the outcome, I will announce the results. These results will also be announced to the ASX and posted on the company's website later in the day. Once David has collected all of your voting cards, I will ask you to join us for tea and coffee while the votes are being counted.

Resolution 1 – removal of Chairman Mr Lester Campbell Rathie AM as Director

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



“That, for the purposes of section 203D of the Corporations Act and for all other purposes, Mr Lester Campbell (Cam) Rathie be removed as a Director of the Company with effect from the end of the general meeting of the Company at which this resolution is passed.”

Are there any questions?

Resolution 2 – withdrawn

Resolution 3 – election of Peter Barry Lansom as Director

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

“That, Mr Peter Barry Lansom, having consented to act, be elected as a Director of the Company with effect from the end of the general meeting of the Company at which this resolution is passed.”

Are there any questions?

Resolution 4 – election of David William King as Director

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

“That, Mr David William King, having consented to act, be elected as a Director of the Company with effect from the end of the general meeting of the Company at which this resolution is passed.”

Are there any questions?

Resolution 5 – election of Paul Bilston as Director

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

“That, Mr Paul Bilston, having consented to act, be elected as a Director of the Company with effect from the end of the general meeting of the Company at which this resolution is passed.”

Are there any questions?

I now handover to David to conduct the poll.



Computershare conduct the poll

Ladies and gentlemen I now provide the results of the meeting:

5. Close

Ladies and gentlemen, as that concludes the business of the meeting, I thank you for your attendance and participation, and for your on-going support of the company, and now declare the meeting closed.

-- end --





GALILEE
ENERGY LIMITED

Operational update

Glenn Haworth
Managing Director / CEO
September 2013

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.

Agenda

1. Glenaras pilot status
2. A comment on AGLs impairment
3. Application for pilot extension
4. Growth strategy

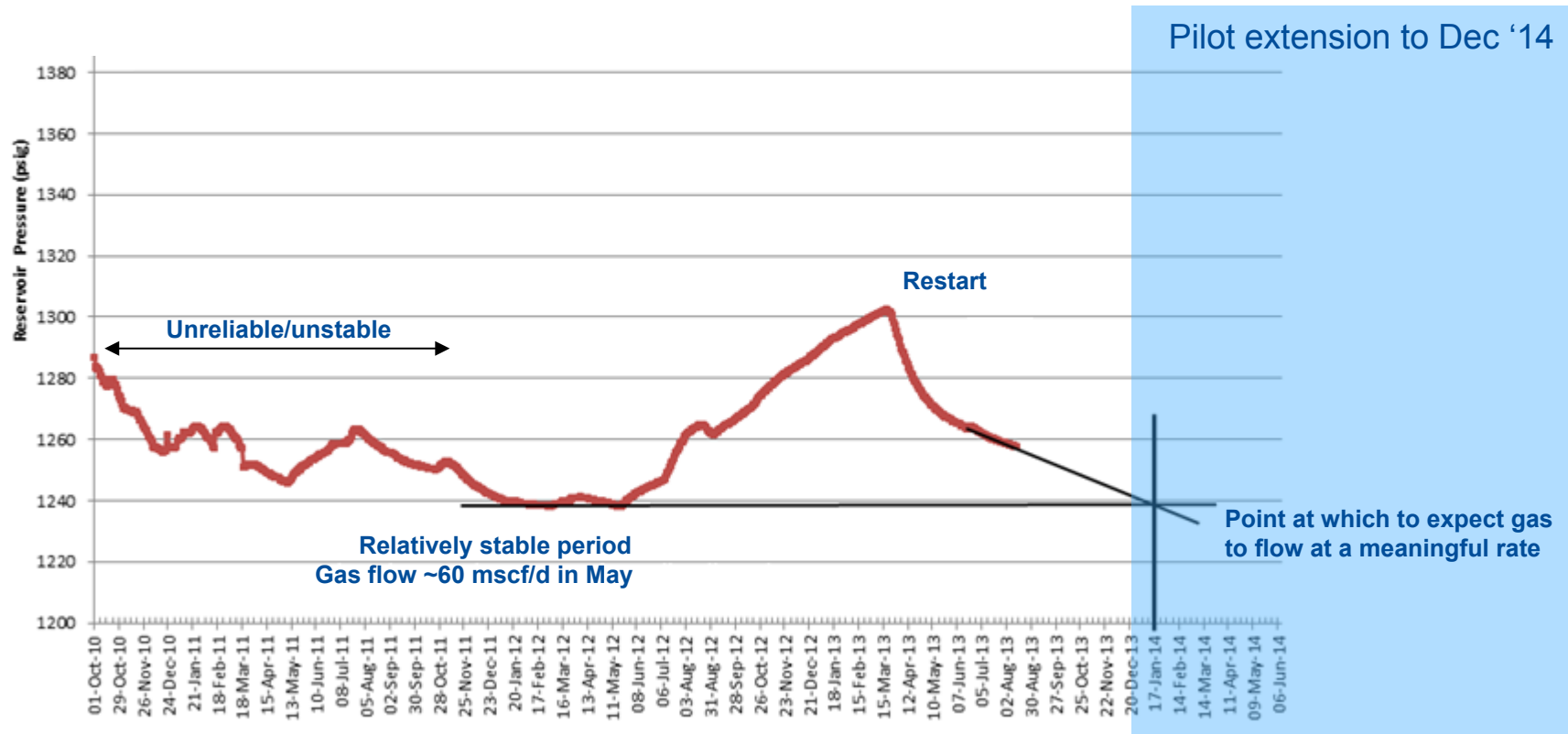


a brief update to shareholders



Glenaras pilot status

Rodney Creek 08 monitoring well

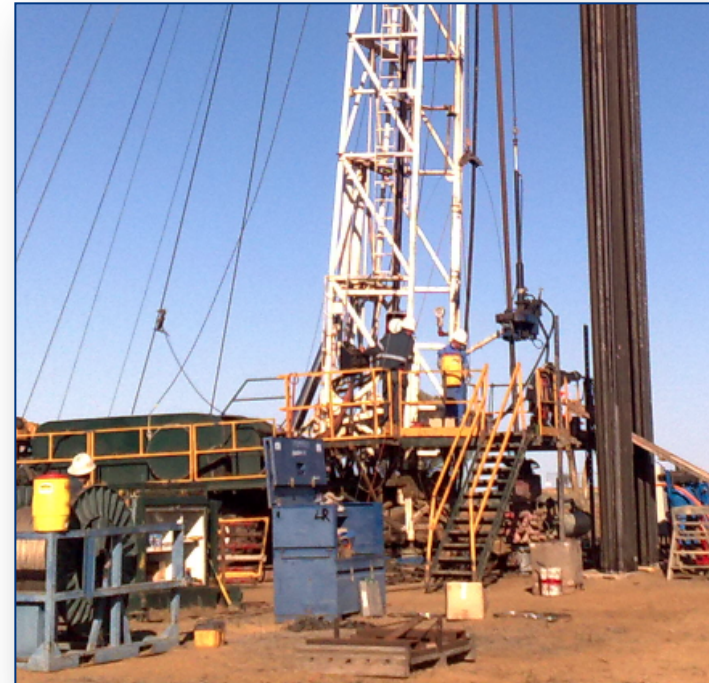


program is proceeding on schedule



A comment on AGLs impairment

- Aligns with the majority of industry upstream accounting practice;
- Consistent with GLLs own policy; and
- No inferred concern for the Glenaras project.
- AGL have applied for a 12 month pilot extension.



AGL fully support the Glenaras project



Growth strategy

1) Project evaluation

- In the past 18 months GLL has reviewed and evaluated over 40 growth opportunities
- Advanced discussions took place on over 5
- On occasions, GLL was the leading bidder
- Highly competitive market
- Interesting that subsequently transactions took place at close to GLLs value
- GLL continues to review and evaluate opportunities

2) Validate the value of the Glenaras project

3) Diversify into shorter time to market assets for share wealth creation



a brief update to shareholders



Questions?



Glenaras holding pond