

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Galilee Energy Limited

ABN

11 064 957 419

Quarter ended ("current quarter")

30 March 2011

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (...9... months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	9,667	21,665
1.2 Payments for (a) exploration & evaluation	(1,250)	(2,445)
(b) development	-	-
(c) production	(6,187)	(13,408)
(d) administration	(156)	(2,943)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	26	275
1.5 Interest and other costs of finance paid	(43)	(175)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	102	371
	2,159	3,340
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(14)	(1,155)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	24,524	24,524
(c) other fixed assets	74	850
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	(21)	-
	24,563	24,219
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	26,722	27,559

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1.13	Total operating and investing cash flows (brought forward)	26,722	27,559
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	78	527
1.17	Repayment of borrowings	(361)	(1,428)
1.18	Dividends paid	-	-
1.19	Other (provide details if material) Net IPO costs	(2,518)	(2,826)
	Net financing cash flows	(2,801)	(3,727)
	Net increase (decrease) in cash held	23,921	23,832
1.20	Cash at beginning of quarter/year to date	11,666	11,435
1.21	Exchange rate adjustments to item 1.20	(74)	246
1.22	Cash at end of quarter	35,513	35,513

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	54
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

The amounts paid to the directors in this quarter of \$54k per 1.23 above represents fees paid to non-executive directors for the 3 months to 31/03/11.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

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	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	866
4.2 Development	-
4.3 Production	
4.4 Administration	625
Total	1,491

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	123	1,033
5.2 Deposits at call	35,390	10,633
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	35,513	11,666

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	ATP 529P	Change pursuant to a farm-in agreement whereby AGL Energy spent \$37 million for a 50% interest.	100%	50%
6.2 Interests in mining tenements acquired or increased	-			

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	152,140,466			
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	Unquoted 8,000,000 1,000,000		<i>Exercise price</i> 30-87 cents 24 cents	<i>Expiry date</i> 4.12.11-3.12.12 3.12.12
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				

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7.12	Unsecured notes (totals only)		
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:  Date: 29/4/2011
(~~Director~~/Company secretary)

Print name: Bill Lyne
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Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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