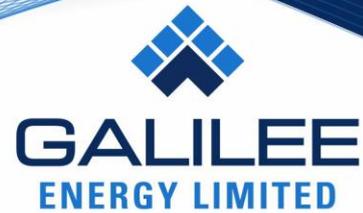


Operations Update

ASX/MEDIA ANNOUNCEMENT

28 January 2015



Galilee Energy Limited (ASX: **GLL**) (“**Galilee**” or the “**Company**”) is pleased to provide an update on current operations.

Lavaca County - Hoffer B 1 well

The Hoffer B 1 well, which was spud on 6 January 2015, has now reached 11,209 ft measured depth. Currently the rig is reaming and conditioning the hole ahead of running the intermediate casing string before drilling ahead to the Paleocene and Eocene sandstone targets in the Middle and Lower Wilcox Group. Very strong gas shows were observed in two shallower sandstone intervals during drilling. Early indications suggest that these zones may provide an additional potential commercial completion interval.

Galilee is participating on equal terms with the other Joint Venture partners for a 35% working interest (“WI”) in the Hoffer Prospect in Lavaca County, Texas. The well is expected to take in total between 40 – 60 days from spud to reach TD.

Hoffer B 1 will be drilled to an anticipated total depth (“TD”) of 14,250 ft (4,340m). The primary target for the well is in the Lower Wilcox Group with a ~3.6 sq km (~900 acre) structural closure identified by 3D seismic. The well has also been designed to test a number of secondary sandstone targets in the Middle Wilcox Group. Both the Lower and Middle Wilcox reservoirs are proven and prolific producers in the region. The well is expected to produce liquids rich natural gas.

Galilee has also been advised that the Dworsky Hass 1 well, the first well to be drilled on the prospect area will now be spud in early February. This prospect covers an existing 440 acre lease position in the Midcox Trend. The primary objectives for exploration in this area lie in the Midcox section, which is in the depth interval 9,700-11,300 ft. This well will test multiple targets zones identified on 3D seismic, including three different Midcox sandstones and one of the lower Wilcox sandstones.

Kansas 3D Seismic

Galilee is pleased to announce that it has now completed recording for the ~ 40 sq. mile 3D seismic survey shoot in southwest Kansas. The seismic data will now be sent for processing with initial results expected late February early March.

Further information will be provided in due course.

For further information contact:

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About Galilee

Galilee's Board and management are focused on building and expanding its asset mix to create a mid-tier exploration and production company. Galilee has a clear plan to grow shareholder value and the capacity to execute.

- Strong Balance sheet
- Proven successful Board and Management
- New strategic direction

Directors

Chairman - David King

Managing Director – Peter Lansom

Executive Director – Paul Bilston

Non-executive Director – Ray Shorrocks

Shares

Shares on issue – 152,140,466

Top 20 holders – 54.06% *

Directors and Management – 7.19%

*As at 23 January 2015