

Galilee Energy

Investor Update



May 2022

ASX: GLL

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ASX Releases

Investors are advised that by their nature as visual aids, presentations provide information in a summary form. The key information on detailed Resource statements can be found in Galilee Energy's ASX releases. Resource statements are provided to comply with ASX guidelines but investors are urged to read supporting information in full on the website.

Past performance

Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

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This Presentation contains certain "forward-looking statements". Forward looking words such as, "expect", "should", "could", "may", "plan", "will", "forecast", "estimate", "target" and other similar expressions are intended to identify forward-looking statements within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Such forward-looking statements, opinions and estimates are not guarantees of future performance.

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Galilee at a glance

Corporate Snapshot

Share Price

\$0.36

As at 29 Apr, 2022

No of Shares

339M

Market Cap

\$122M

Cash (31 Mar 22)

\$17M

Debt

Nil

Directors

Ray Shorrocks

Non-Executive Chairman

Stephen Kelemen

Non-Executive Director

David Casey

Managing Director

Gordon Grieve

Non-Executive Director

Greg Columbus

Non-Executive Director

GLL Share Price & Volume – 12 months



Investment highlights

Glenaras is one of the largest remaining uncontracted east coast gas...

Pathway to Multi-TCF Gas Development	<ul style="list-style-type: none">• Updated strategy to facilitate transformational value uplift and progress Galilee towards becoming a multi-TCF gas development company.• New 5-well drill programme to accelerate de-pressurisation and initiate gas desorption at Glenaras to achieve commercial gas production in support of a material maiden reserve booking.
Massive Resource	<ul style="list-style-type: none">• One of the largest uncontracted resource positions on the east coast of Australia (1C: 308 PJ, 2C: 2,508 PJ, 3C: 5,314 PJ).• Operatorship and 100% ownership enables full control and no JV mis-alignment.
Significant Structural Tailwinds	<ul style="list-style-type: none">• Domestic east coast gas prices increased by 29% in the last quarter, with spot prices increasing in November to \$10-\$13 a gigajoule (Source: EnergyQuest).• Increasing demand for gas as the world transitions to renewable and low carbon footprint energy alternatives.
Number of Upside Opportunities	<ul style="list-style-type: none">• Low salinity water, produced as a bi-product of gas production, to be used for irrigation, delivering high value crop yields and increasing land value.• Well positioned for the transition to lower carbon future with multiple initiatives currently being assessed, including solar power, hydrogen, carbon capture and storage technology.
New, Deeply Experienced Management Team	<ul style="list-style-type: none">• Internationally recognised expert in coal seam gas exploration and development, David Casey, appointed as Managing Director from December 2021.• Previously served in senior executive roles in several ASX listed companies, most notably Eastern Star Gas Limited, where, as Managing Director he was instrumental in the establishment of a 2+TCF reserve at the Narrabri Gunnedah Basin CSG Project prior to being acquired by Santos for a total value in excess of \$1 billion.



The Prize...

Building a Multi-TCF Fully Integrated
Energy Company

Work programme for CY2022

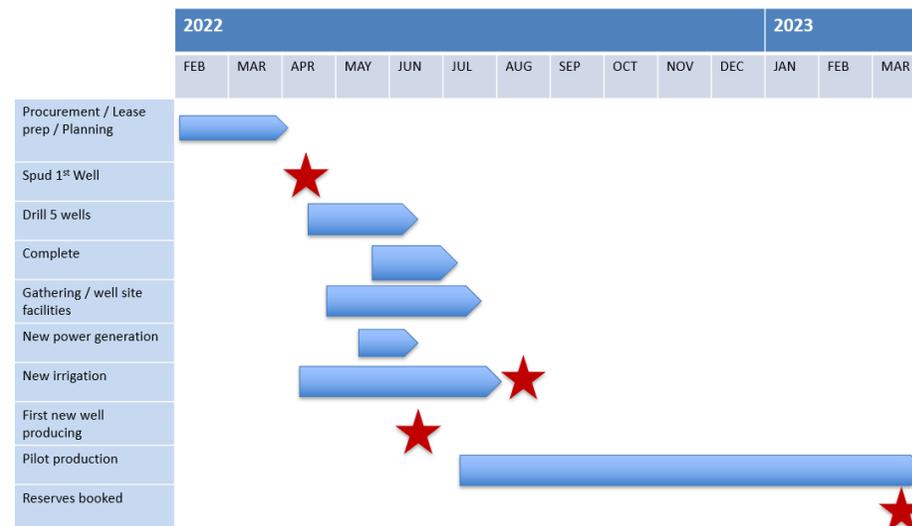
Capitalising on over \$100m of previous exploration and appraisal expenditure

Objectives

- To accelerate depressurisation of the Betts Creek coals and adjacent sands to initiate gas desorption and achieve commercial gas production in support of a material maiden reserves booking.
- TCF gas potential across 3247km² of ATP2019

The Plan

- Drill and connect 5 new vertical production wells.
- Re-commission and connect Glenaras 3.
- Install and commission new irrigation system to beneficially manage water production and provide additional revenue stream.
- Investigate solar pod to reduce operational power costs.



Category	Contingent Resource (PJ)	Area (km ²)
1C	308	~36
2C	2,508	~1,200
3C	5,314	~2,500

+ Appendix 1



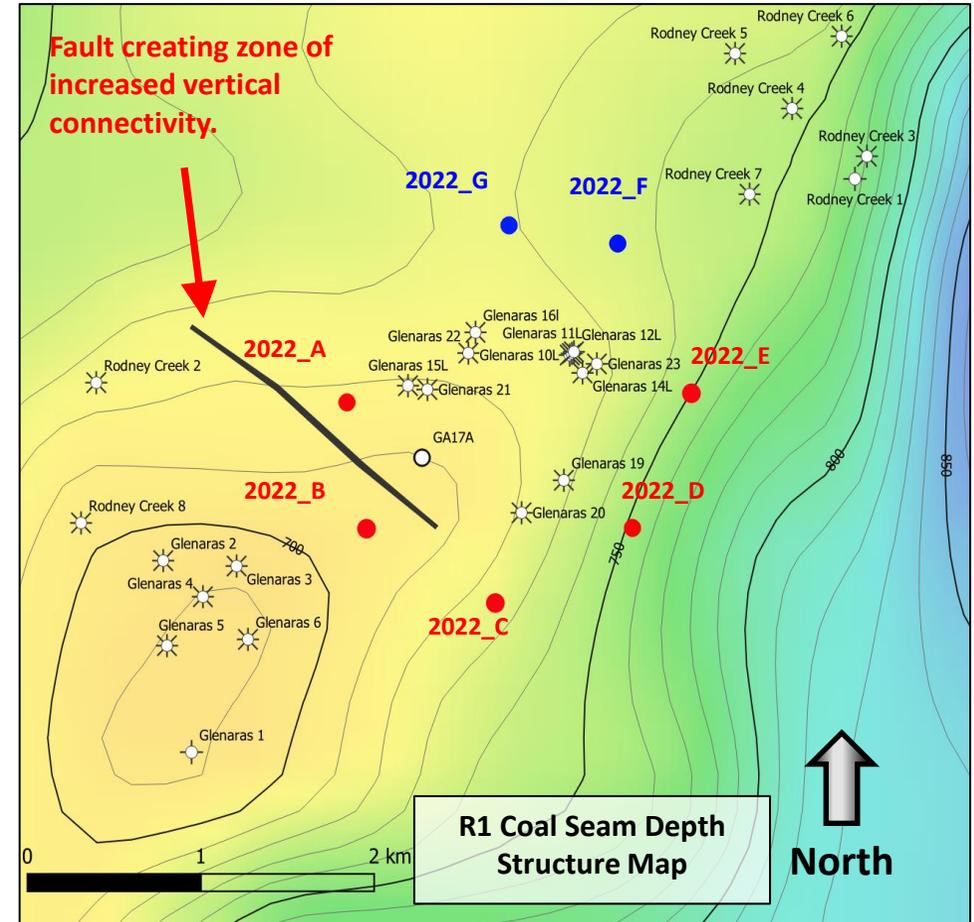
The Challenge...

Commercial gas production while transforming water into value adding profitable commodity

New wells will enable critical desorption

Strategically locating new wells will achieve required pressure reduction...

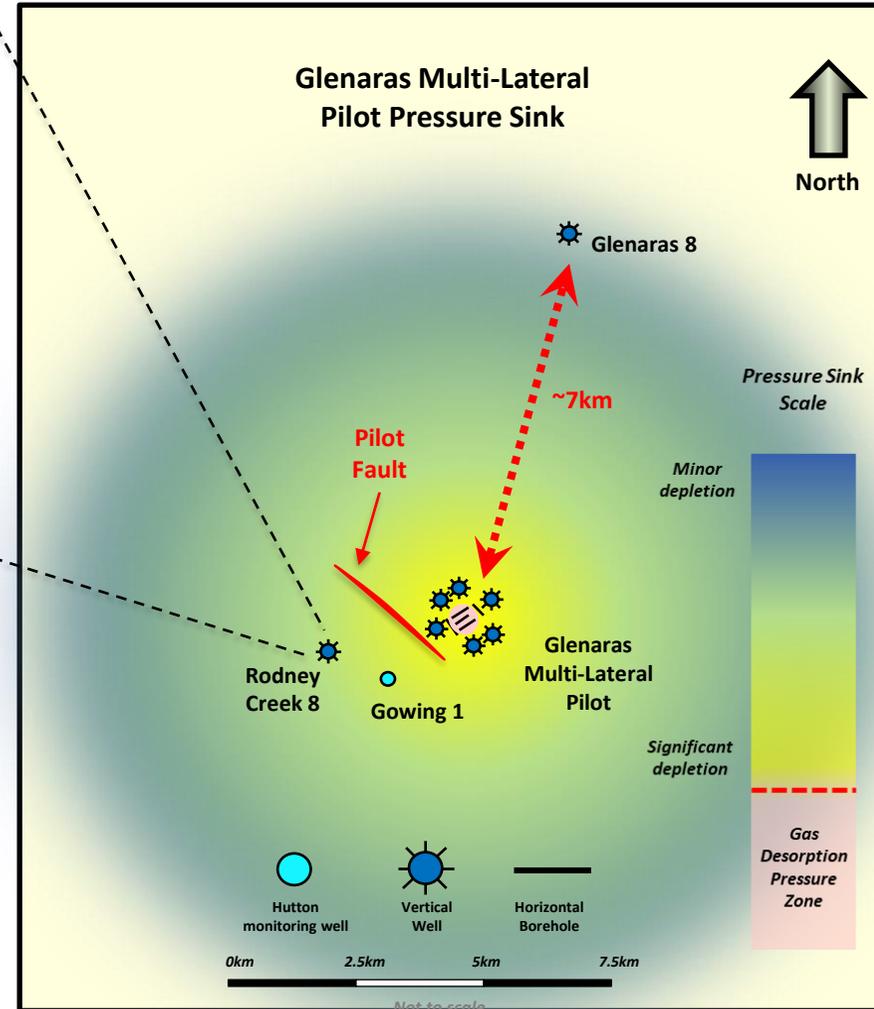
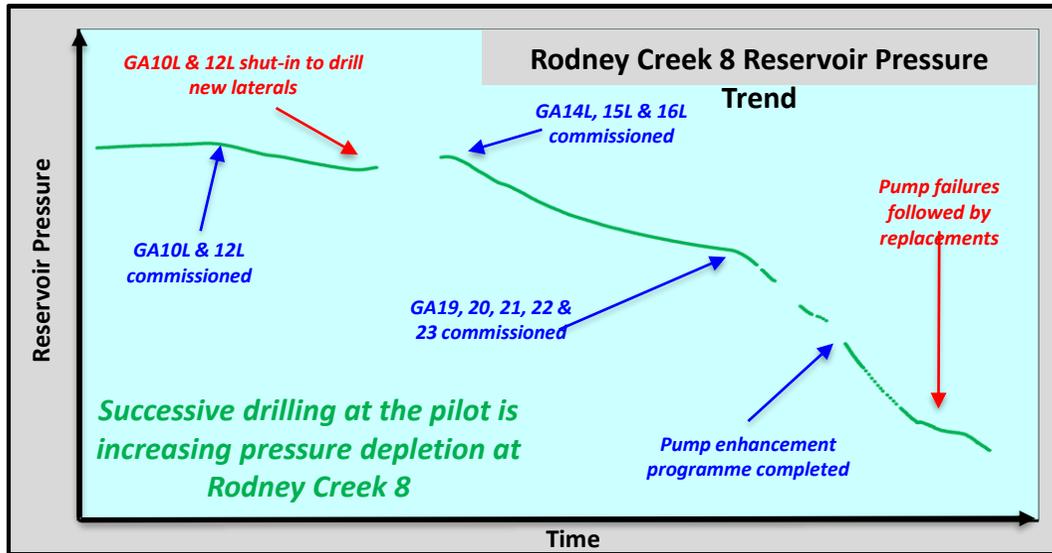
- New modelling undertaken by Schlumberger taking into account the southwestern permeability conduit fault zone has confirmed that the significant pressure sink already created, can be sufficiently enhanced within 6 to 12 months, if 5 new vertical wells (red) are drilled around the southwestern flank of the current pilot.
- Currently producing 17,000 bwpd & 60 mcf/d of very low CO₂ gas



Years of pumping have not been in vain and Glenaras is on the cusp of gas production

High water production rates are now a positive

Regional pressure monitoring proves water-bearing sands are being overcome despite fault connectivity to coals...



- Rodney Creek 8 Colinlea Sst pressure depleted by pilot despite water crossflow from the fault.
- Glenaras 8 measurably depleted over 7km away from pilot in the R3 & R4 coal seams, confirming a material volume of coal is close to being desorbed.
- Regional depletion proves the pilot's effectively de-watering all Betts Creek coals leading to a potential material initial Reserves booking in early 2023.

Because its fresh, water is a valuable commodity to Galilee and not a liability or cost

Water is an extremely valuable commodity

Because the water is essentially fresh high water production rates are offset by beneficial outcomes associated with irrigation and other “green” initiatives

- Agreement to expand farming and irrigation area with landowners
- Additional 50 ha of land to be cleared and prepared for irrigation
- Investigating revenue opportunities from different yielding crops
- Investigating soil CO₂ sequestration opportunities and potential of various crops to maximise carbon offset strategy



Irrigation is a significant value add and is a net positive to the Glenaras project



The Programme...

2022 Drilling Underway

Project Update

First well drilled on time and on budget despite unseasonal weather

- Drilled to a total depth of 1,057m without issues, despite partial pressure depletion
- 26m of gassy net coal
- Fluid losses of 3+ bbl/hr are indicative of a permeable and pressure depleted reservoir section confirming coals have been being effectively dewatered over the years



Campaign underway with early results encouraging

An aerial photograph of a large, dark blue water reservoir in a dry, open landscape. The reservoir is surrounded by a dirt embankment. In the background, there are smaller ponds and a green field. The sky is blue with some clouds. A decorative pattern of overlapping circles is overlaid on the left side of the image.

The Market...

Gas is the transition fuel of choice

Australian East Coast Gas Dynamics

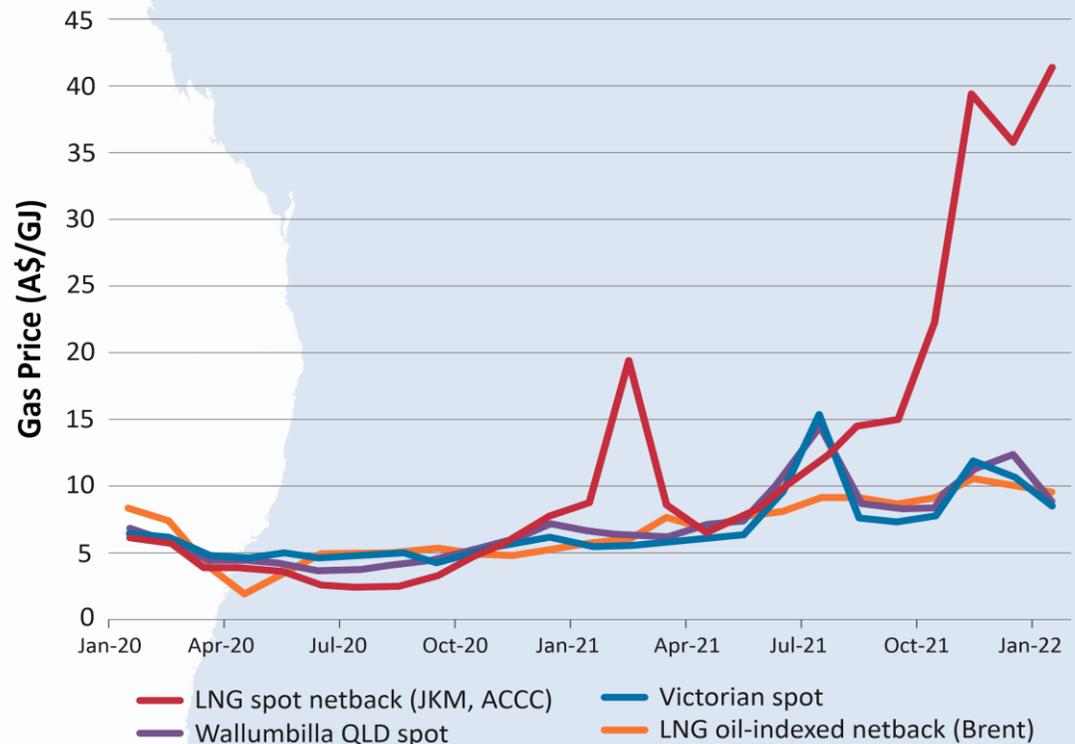
- Increasing influence of global LNG prices on domestic gas prices.
- Current Wallumbilla Qld daily price ~A\$16/GJ – a large discount to LNG netback price.
- Upwards pressure on east coast prices as Gladstone LNG producers divert gas into spot LNG cargoes rather than the domestic market.
- Continuing trend of tight gas supply and rapidly declining east coast gas production.



Elon Musk calls for urgent increase to oil and gas production after Russia invades Ukraine

Tesla CEO Elon Musk has called for an urgent increase to oil and gas production, saying the world needs, “energy to power civilisation.”

International and East Coast Gas Prices (A\$/GJ)



Source: Energy Quest March 2022 Report

Australian East Coast Gas Dynamics

FINANCIAL REVIEW

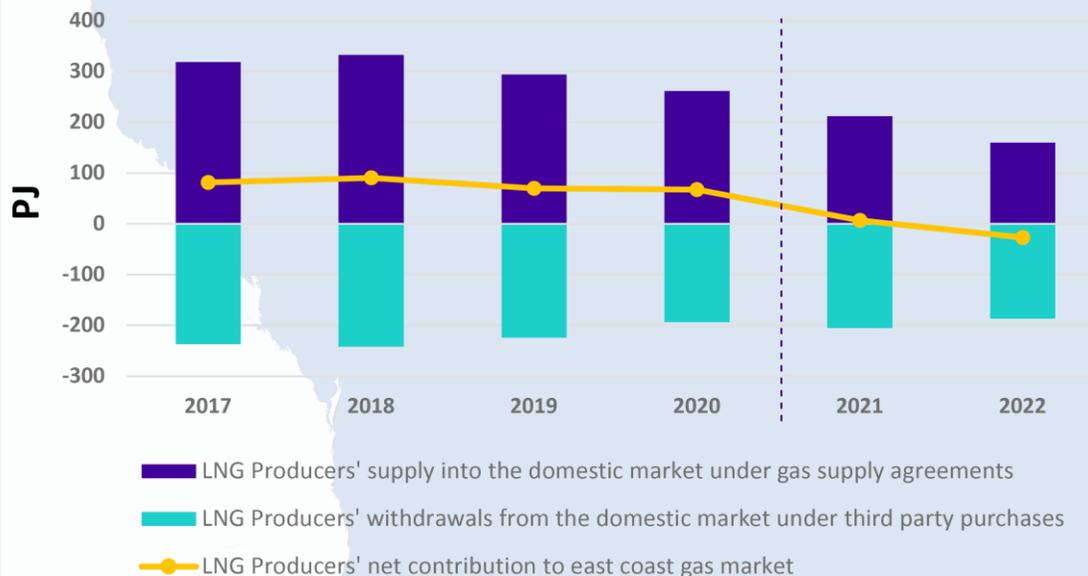
Gas project fits in ESG investing, says Global Infrastructure Partners

Rob Stewart, managing partner at Global Infrastructure Partners Australia, insisted the (Pluto) project compared favourably with other gas projects that are needed to smooth the global energy transition to renewable sources.

While promoting renewables, Mr Stewart said gas would be vital in transitioning the global economy from the biggest polluting fossil fuels such as coal to renewables.

- Recent trend of LNG producers purchasing more 3rd party gas from domestic market than they have supplied into that market.
- The forecast ACCC supply has reduced since the ACCC July 2021 interim report.
- Federal government may tap LNG producers to divert some of their export gas into domestic market.
- Given the value delta between global LNG prices and domestic gas prices, local uncontracted gas reserves are becoming increasingly more valuable.

LNG Producers' Net Contributions to the East Coast Gas Market



Source: Obtained from ACCC analysis of data as reported in the July 2020 report and LNG producers as at February 2020, September 2020, March 2021 and August 2021.

FINANCIAL REVIEW

Macquarie CEO keeps the machine humming

Macquarie Group chief executive Shemara Wickramanayake said an “orderly transition” was required.

“On the one hand, it’s a massive challenge that we have to meet, and we just don’t have the solutions to get there for 2050 at the moment across all the sectors,” she said.

“And the worry is that we lose the mandate for the transition if we have consumers having to pay crazy energy prices [and facing] job losses.”



The Future...

Ideally placed to address any future
emission challenges

Well positioned for the transition to a lower carbon future

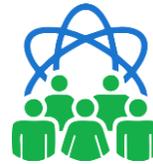
Assessing viability of mini solar farms for early development activities



MoU with Sunshot. Assessing carbon capture and storage and hydrogen opportunities.

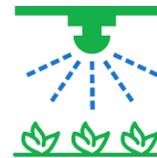


Evaluating gas fired power station feeding directly into battery storage



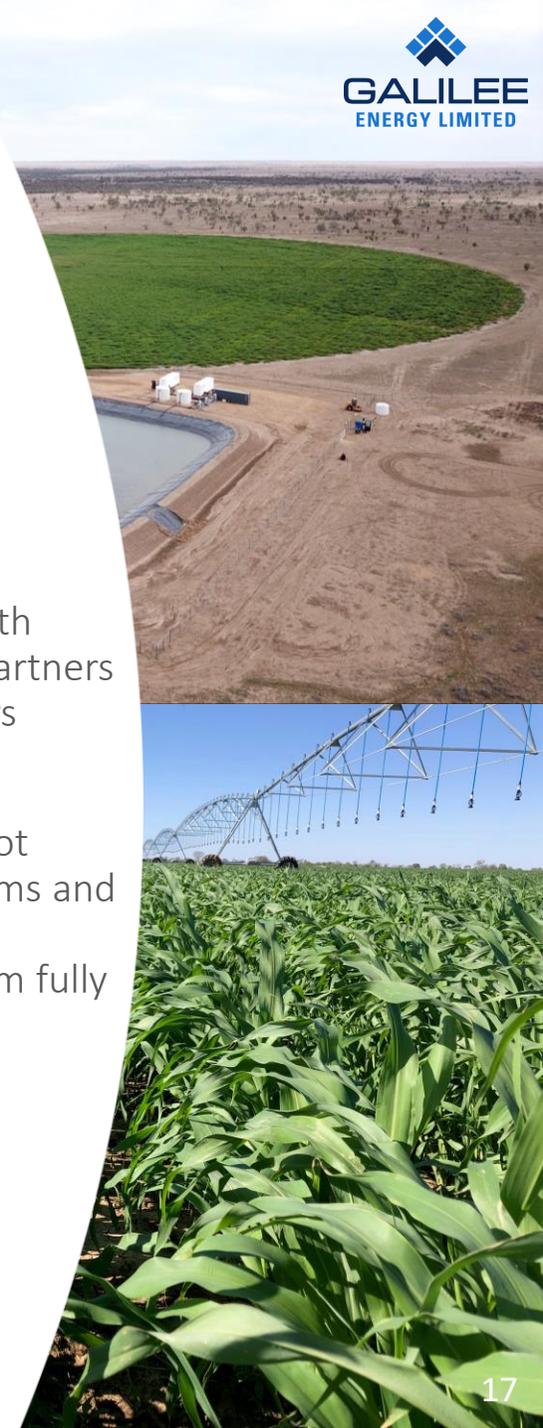
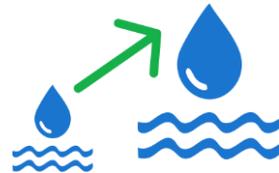
Building quality relationships with communities, partners and stakeholders

Forage sorghum, barley and oats growing well, evaluating potential for achieving higher yield crops



Two centre pivot irrigation systems and a 3rd surface irrigation system fully operational

Investigating soil & other CO₂ sequestration opportunities



Appendices



Appendix 1 – Competent Person Statement

≠ Competent Person Statement and ASX Listing Rules Chapter 5 - Reporting on Oil and Gas Activities

The estimate of Contingent Resources for the Glenaras Gas Project provided in this presentation, is based on, and fairly represents, information and supporting documentation determined by Mr Timothy L. Hower of Sproule International (Sproule), in accordance with Petroleum Resource Management System guidelines. Mr Hower is a full-time employee of Sproule, and is a qualified person as defined under the ASX Listing Rule 5.42. Mr Hower is a Licensed Professional Engineer in the States of Colorado and Wyoming as well as being a member of The Society of Petroleum Engineers. Mr Hower has consented to the publication of the ATP 2019 Resource Assessment in the form and context in which they appear in this presentation.

The Contingent Resource estimates for Galilee Energy's current 100% interest in the Glenaras Gas Pilot Project located in ATP 2019, provided in this presentation, were released to the Market in the Company's ASX announcement of 1 September 2015 and were estimated using the deterministic method and have not been adjusted for commercial risk.

Galilee Energy confirms that it is not aware of any new information or data that has not already been released to the market, that materially affects the information included in this presentation relating to the Glenaras Gas Pilot Project in ATP 2019 and that all of the material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.



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