

Galilee Energy Announces \$13 Million Private Placement

ASX/MEDIA ANNOUNCEMENT

5 December 2018



Highlights

- ❖ Placement of \$13 million to new Cornerstone Investor and new and existing Institutional and Sophisticated Investors.
- ❖ The Placement price of \$0.60 per share represents a 5% premium to the 10-day volume weighted average price ("VWAP") of \$0.570.
- ❖ Strong endorsement of Galilee's enormous Prospective and Contingent Resource position and growth strategy to convert these Resources to Reserves and ultimately bring material volumes of gas to the east coast gas market.
- ❖ Funding received, despite challenging market and industry conditions, to secure a rig and accelerate exploration programme.

Galilee Energy Limited (ASX:GLL) ("**Galilee**" or "**the Company**") is pleased to announce that it has successfully completed a targeted private placement to sophisticated and institutional investors raising approximately \$13 million before costs ("**Placement**").

The Company has entered into placement subscription agreements with a number of institutions and sophisticated investors for the issue of 21,666,667 Placement shares at an issue price of \$0.60 per share. In addition, participants in the Placement will receive one (1) unlisted option for each share allotted to them (1:1 basis), exercisable at \$0.75 a share, and expiring 5 December 2019. The Placement was conducted at an issue price of \$0.60 a share, representing a 5% premium to the 10-day VWAP of \$0.570 per share and a 1.6% discount to Galilee's last closing price of A\$0.61 per share (as at Friday, 30 November 2018).

Commenting on the outcome of the Placement, Managing Director Peter Lansom said "We would like to welcome our new cornerstone investor onto our register as the major participant in this Placement as well as recognising the continued support from our existing investors who participated. This Placement is a strong endorsement of not only the enormous Resource base of our Glenaras Project ("Project") but also demonstrates validation of our growth strategy and I'm delighted to have secured this funding given the current challenges both the market and industry have been experiencing."

The proceeds of the Placement will be used on the forward exploration programme, specifically to commence securing a rig and ordering long lead items in what is becoming a very tight market for both rigs and services, in addition to bolstering working capital.

The major objective of the programme is to expand our knowledge of the Project and progress the Company's goal of converting a large portion of the Project's Contingent Resource into Reserves as quickly as possible.

The Placement shares will be issued within the Company's Listing Rule 7.1 and 7.1A placement capacity, recently refreshed by shareholders and, as such, shareholder approval for the issue of the Placement shares will not be required. The unlisted 1:1 attaching options will be issued within the Company's remaining LR 7.1 capacity.

It is expected that the Placement shares will be allotted by Monday, 10 December 2018. The Placement shares will rank equally with the Company's existing securities.

The Company entered into a trading halt prior to the commencement of trading on the ASX on 3 December 2018, pending the announcement of the Placement. Trading of the shares of the Company is expected to re-commence on the ASX prior to 10:00 am AEST on Wednesday 5 December 2018. The Company knows of no reason why the trading halt should not be lifted.

Canaccord Genuity (Australia) Limited and Patersons Securities Limited acted as Joint Lead Managers and Bookrunners to the Placement.

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About Galilee

Galilee Energy is focused on creating a mid-tier exploration and production company building on its core strengths in coal seam gas appraisal and development. Its primary area of focus is Queensland where it is appraising the Galilee Basin whilst looking to add further acreage to its portfolio.

Directors

Chairman – Ray Shorrocks

Managing Director – Peter Lansom

Non-executive Director – Dr David King

Non-executive Director – Stephen Kelemen

Shares on issue – 204,012,690

Top 20 holders – 52.7% *

Directors and Management – 4.5%

***As at 3 December 2018**