

ASX / MEDIA ANNOUNCEMENT

Operations Update

8 March 2023



HIGHLIGHTS

- Remedial operations have commenced on G27 and G28
- Total gas rate back to around 100 Mscfd
- Strong gas production from outer shield well
- Pressures at the lowest levels recorded to date
- Encouraging signs of a reservoir transitioning to gas

Production Update

Galilee Energy Ltd ("Galilee") (ASX: GLL) is pleased to provide the following production operations update on the Glenaras multi well pilot ("Pilot").

The remedial operations programme for Glenaras 27 and Glenaras 28 has now commenced. The rig crew mobilized to site at the beginning of the week and work is underway setting up on Glenaras 27 (Figure 1). The primary aim of the programme is to ensure that the lower Aramac sands are isolated and are not contributing to water production. As mentioned in our ASX release dated 1 February 2023, water chemistry and recent production trends indicate that crossflow between the Aramac sands and the Betts Creek section appears to be occurring in these wells and is potentially the reason why it has taken longer for predicted gas trends to materialize.

The current programme has been aggressively pursued following the success of an identical remedial operation at Glenaras 26 which was successful in isolating water contribution from the Aramac sands, resulting in gas desorption for the first time at this location. Glenaras 26 is currently flowing at approximately 50 Mscfd and 2,700 BWPD. Notably this well is an outer shield well and as such is a portent of things to come for the inner vertical and lateral wells with continued pumping and pressure decline.

Building an integrated & diversified sustainable energy company



Registered Address
Galilee Energy Limited
ACN 064 957 419

Level 6, 167 Eagle St,
Brisbane QLD 4000
GPO Box 1944

E: admin@galilee-energy.com.au
P: +61 7 3177 9970
galilee-energy.com.au

ASX Code
GLL



Figure 1: Workover preparations underway at Glenaras 27

Prior to the commencement of the current programme, all 16 wells were online and pumping, with gas rates close to 100 Mscfd and water rates of approximately 23,500 BWPD. The reservoir pressure monitoring conducted over the last month has shown that the pressure sink has continued to expand and pressures are now at the lowest levels recorded.

- Pressure measurements in the inner lateral wells showed the pressure sink continuing to deepen at the wells surrounding Glenaras 14L;
- A brief shut-in of Glenaras 23 indicated a continued pressure reduction to the northeast (Figure 2) and the distal Rodney Creek 8 well continues to demonstrate a consistent decline in pressure.

Encouragingly, there have been a number of observations in the field that are consistent with increased presence of gas, clearly indicating that the reservoir is in transition.

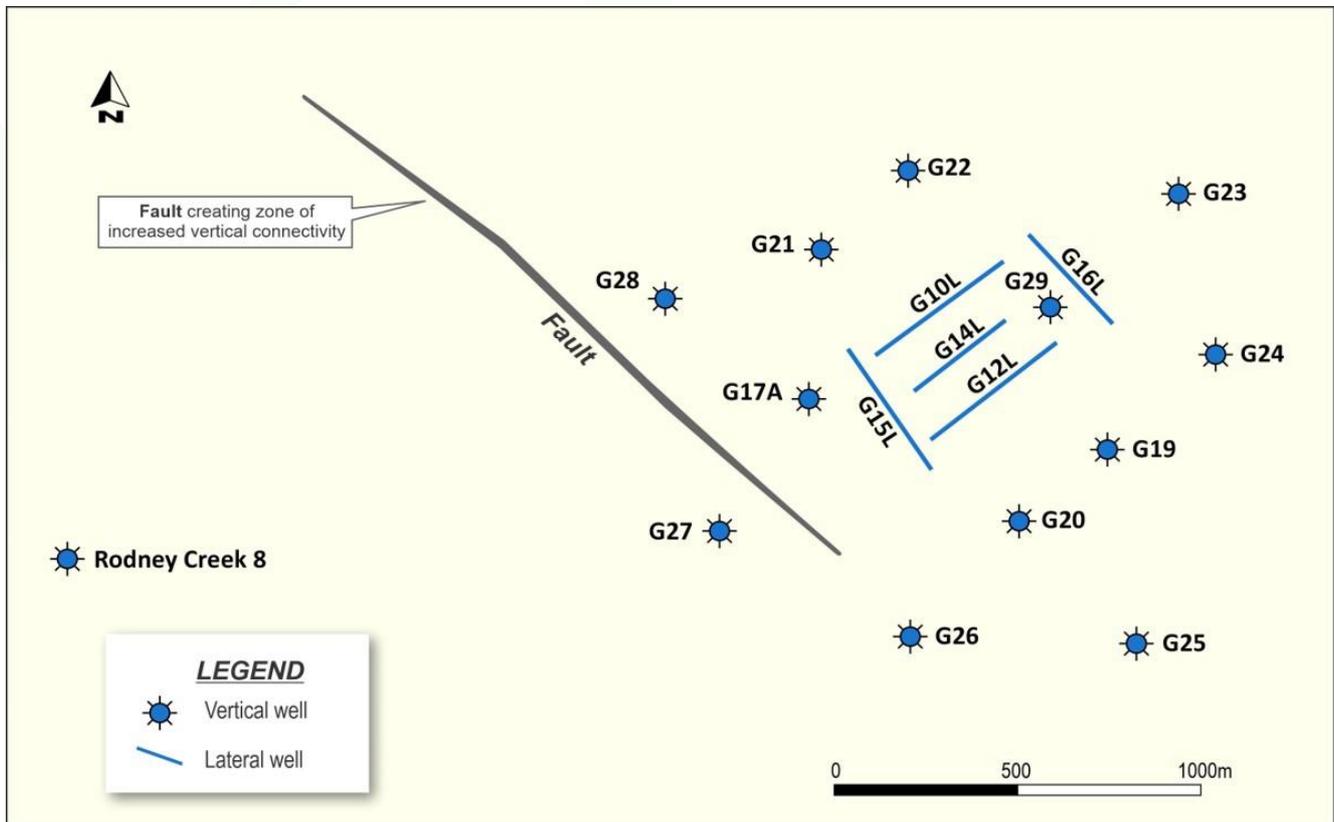


Figure 2: Drilling location map

Galilee’s Managing Director, David Casey commented:

“It’s great to see the remedial operations at Glenaras 27 and 28 finally underway following yet more weather related delays, as these operations have the potential to significantly change the pilot dynamics and accelerate the pressure drawdown and gas desorption process as seen at Glenaras 26.

At the end of the day, if we can do it in one well, then in time we can get all the inner wells below the critical desorption pressure with resultant increased gas rates. Notwithstanding that we are starting to see a variety of encouraging signs that this reservoir is transitioning to gas, it is hoped that the current remedial operations will further accelerate and expand the reservoir pressure reduction which has seen the laterals in particular achieve their lowest pressure recorded to date.”

This announcement was released with the authority of the Board.

For further information, contact:

David Casey – Managing Director

Galilee Energy Limited

T: +61 7 3177 9970

ABOUT GALILEE

Galilee Energy is well advanced on a pathway to becoming an integrated and diversified sustainable energy company and a key supplier of natural gas to the east coast market of Australia. The company is the 100% owner of one of the largest uncontracted natural gas resources on the east coast of Australia at a time of acute gas shortages. The Glenaras Gas Project, located within Queensland's Galilee Basin, is on the cusp of commercialization. The location and environmental credentials of the project, including low CO₂ natural gas and freshwater production to facilitate agricultural activities for CO₂ sequestration, uniquely positions Galilee as a future material supplier of sustainable energy.

Directors

Chairman – Ray Shorrocks

Non-Executive Director – Gordon Grieve

Managing Director – David Casey

Non-Executive Director – Greg Columbus

Non-Executive Director – Stephen Kelemen