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ASX and Media release

Galilee Gas Project

30 June 2011

Attached is a media release by Galilee Energy Limited ("Galilee").

The release relates to the Galilee Gas Project, in particular, activities within ATP 529P.

AGL Energy Limited is in joint venture with Galilee group entities in relation to the ATP 529P permit area.

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About AGL
AGL is Australia's largest integrated renewable energy company and is taking action toward creating a sustainable energy future for our investors, communities and customers. Drawing on over 170 years of experience, AGL operates retail and merchant energy businesses, power generation assets and an upstream gas portfolio. AGL has Australia's largest retail energy and dual fuel customer base. AGL has a diverse power generation portfolio including base, peaking and intermediate generation plants, spread across traditional thermal generation as well as renewable sources including hydro, wind, landfill gas and biomass. AGL is Australia's largest private owner and operator of renewable energy assets and is looking to further expand this position by exploring a suite of low emission and renewable energy generation development opportunities.

GALILEE
ENERGY LIMITED

ASX/MEDIA ANNOUNCEMENT 30 June 2011

First resource estimation for the Galilee Gas Project

KEY POINTS

- First resource estimation for the Galilee Gas Project
- Technically recoverable CSG of 1,090 PJ/1.043 TCF (100%)
- Covers 450 km^2 of the 5,929 km^2 of ATP 529P
- Report prepared by SRK Consulting

Galilee Energy Limited (ASX: **GLL**) ("Galilee") today announced that the operator of the Galilee Gas Project has completed the project's first coal seam gas (CSG) resource estimation.

The Contingent Resource estimation of 259 petajoules (PJ) of 2C and 1,090 PJ of 3C Resources (technically recoverable) covers 450 km^2 of ATP 529P held in 50/50 joint venture with the operator, AGL Energy Limited (ASX: **AGK**).

"The estimation is an important milestone for the Galilee Gas Project. The technically recoverable gas identified provides a sound basis for continued development of the Galilee Gas Project," Chairman Steve Koroknay said.

"The next six months will see us focus on the pilot and planned drilling campaign. The work at the Glenaras Pilot is focused on delivering reserves by year-end and the three-hole drill program, starting soon, is planned to provide a basis for a larger resource estimate," CEO Glenn Haworth said.

"This technically recoverable number is important as it is consistent with previous estimates for Galilee's permits by JR Holland and Associates, and indicates that there is a real project of size and scale here," Mr Haworth said.

The following table summarises the resources estimated.

ATP 529P*	Type	Gas m^3	MMSCF	PJ
Best estimate Contingent Resources	2C	7,017,579,699	247,791	259
High estimate Contingent Resources	3C	29,536,198,802	1,042,923	1,090

* Galilee share is 50%.

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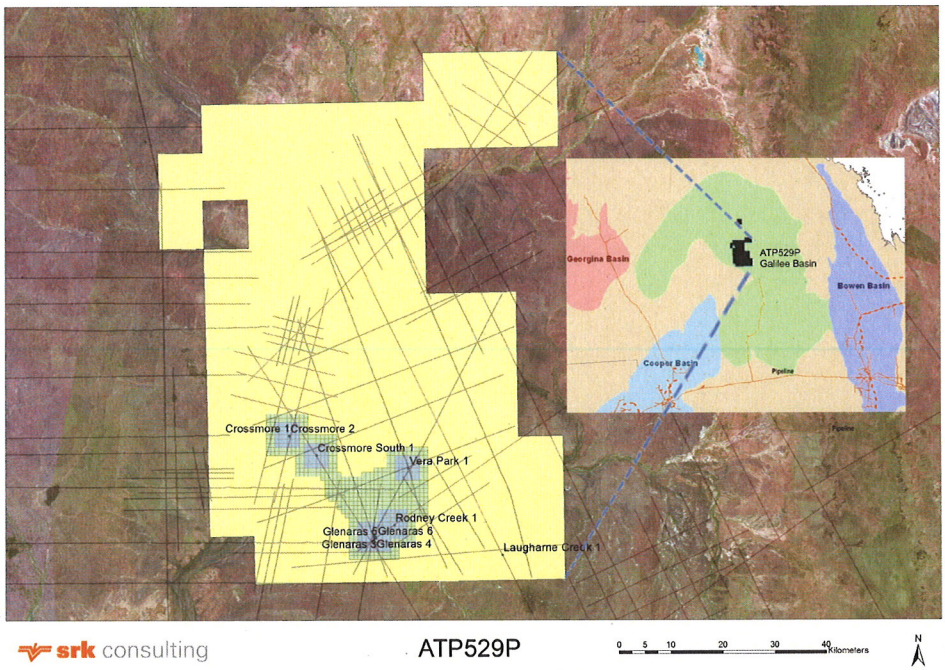

Figure 1: Galilee Gas Project focus area for the Gas Resource

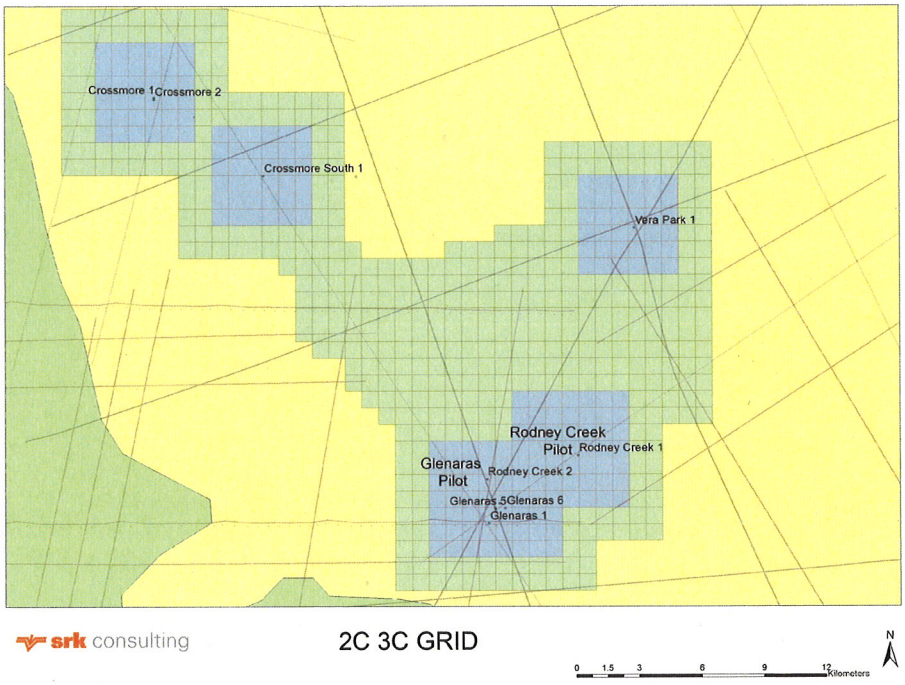

Figure 2: Block grid outline and Gas Resource Areas (2C and 3C)

Competent person's statement

The Contingent Resource estimates provided in this statement were determined by Dr Bruce McConachie, Principal Consultant of SRK Consulting (Australasia) Pty Ltd (SRK) in accordance with the 2007 Petroleum Resource Management System (PRMS) guidelines. Dr McConachie is a full-time employee of SRK and consents to the use of the Contingent Resource figures and information in this announcement in the form and context in which it appears. Dr McConachie's qualifications and experience meet the requirements to act as a competent person to report petroleum reserves under PRMS (2007) and value assets under the Valmin Code of the AusIMM.

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About Galilee

Galilee Energy Limited (ASX: **GLL**) is an emerging energy company with coal seam gas interests in Australia.

Galilee holds two highly prospective coal seam gas and hydrocarbon tenements in the Galilee Basin in central Queensland through subsidiary, Galilee Resources. The tenements, ATP 529P and 799P, cover approximately 9,000 km^2.

ATP 529P is held in a 50/50 joint venture with AGL Energy Limited (AGL, ASX: **AGK**) under which AGL is the operator. ATP 799P is wholly owned and operated by Galilee.

Galilee has an experienced board and management with collective track records in growing junior resource companies. It is actively pursuing growth through hydrocarbon development opportunities.