

ASX/MEDIA ANNOUNCEMENT

Glenaras Gas Pilot – Operations Update

20 September 2021

- **Further direct evidence of expanding pressure sink in central Pilot area**
- **Operations interrupted by pump failures in 2 wells**
- **Cutting and baling completed at Pivots 1 & 2 with impressive crop yields**

Further to the Operational update released to the ASX 24 August 2021, Galilee Energy Limited (ASX:GLL) (“Galilee”) is pleased to provide an update on the 100% owned and operated Glenaras multi well pilot programme (“Pilot”) in the Galilee Basin ATP 2019.

Following the last update, the monitoring operations on individual well performance has continued uninterrupted until August 28th, when the central Pilot lateral well G10L was shut in after a mechanical failure in the submersible pump in the well. The suspected pump shaft failure followed a recent history of the pump “tripping”, most likely a result of cavitation due to gas ingress. With the G10L well a relatively small contributor to total Pilot water production, and therefore not critical to the overall Pilot de-watering target, the opportunity was taken to use the well for pressure surveillance. The objective was to establish, by direct measurement, a pressure comparison with the adjacent G14L well, where as previously reported (ASX release 20 July 2021) measured reservoir pressure was 550 psi, the first measured pressure below the critical desorption pressure of ~600 psi.

In recent days, the maximum stabilised G10L pressure has been measured at ~580psi, again below the critical desorption pressure, and clearly establishing the previously predicted (ASX 24 August 2021) areal growth of the pressure sink around the central G14L well. The growth of the pressure sink has not as yet been reflected in significantly increased gas rates, but such growth can be anticipated as the pressure sink continues to grow in both area and depth.

On September 14th, and with no prior indication of irregular performance, the submersible pump in outer lateral well G23 also suffered a suspected pump shaft failure. The well has been shut in pending mobilisation of a workover rig and crew, and delivery to site of replacement pumps currently in transit. While this unfortunate equipment failure will provide an opportunity for a period of valuable pressure surveillance at this outer well site, the temporary loss of this well’s production capacity will unavoidably delay the progress being made at the Pilot. On current indications, and with COVID related restrictions on crew availability, workover operations are unlikely to commence before the 3rd week of October. A further update will be provided when detailed timetables have been confirmed.

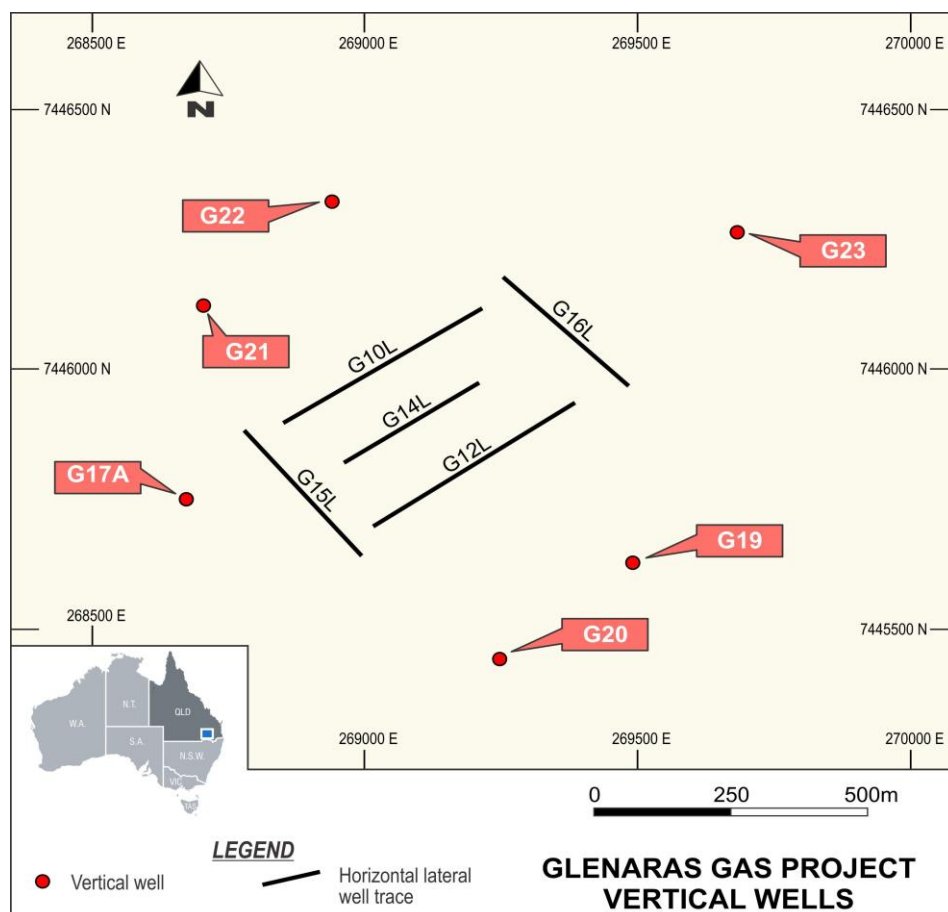


Figure 1 – Pilot well locations

In related activities, the irrigation areas served by the water produced in Pilot operations have continued to operate successfully and effectively. As previously foreshadowed, Pivot 1 (Sorghum) and Pivot 2 (Oats) have recently been cut and baled, with impressive respective yields of approximately 180 tonnes and 210 tonnes. Both areas have been fertilized and irrigation has recommenced.

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About Galilee

Galilee Energy is focused on creating a high value 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 and exploring in the Surat and Bowen Basins whilst looking to add further high quality acreage to its portfolio.

This announcement was released with the authority of the Board.

Directors

Chairman – Ray Shorrocks

Managing Director – Dr David King

Non-Executive Director – Stephen Kelemen

Non-Executive Director – Gordon Grieve

Non-Executive Director – Greg Columbus