

DECEMBER 2025 QUARTERLY REPORT & APPENDIX 5B

- **Transformative acquisition of the Zydeco Gas Project in Louisiana, USA and \$6.5 million capital raise approved by shareholders to fund development work**
- **Land agreement secured for Zydeco Gas Project**
- **Master Service Agreement signed with CCA, a highly respected Oil & Gas Consultant**
- **Board refresh including appointment of Joseph Graham as Managing Director, Eduardo Robaina as Non-Executive Chairman and Dale Hanna as Non-Executive Director**
- **The wells at the Glenaras Gas Project are offline, while the only operational activity was ongoing monitoring of reservoir pressure**

Galilee Energy Limited's Managing Director Joseph Graham remarked:

"The acquisition of the Zydeco Gas Project in Louisiana, USA, together with the successful raising of \$6.5 million in new capital from existing and new shareholders during the review period, marks the beginning of a transformative era for the group. Our immediate goal is to work with key stakeholders and service providers in Louisiana to ensure all regulatory approvals and logistics are in place to enable drilling to commence at the Zydeco Gas Project in a timely manner. The Board looks forward to reporting on progress as events unfold."

Galilee Energy Limited (**Galilee** or **the Company**) (ASX: GLL) is pleased to provide the following quarterly update and Appendix 5B for the quarter ended 31 December 2025.

APPROVAL OF ZYDECO GAS PROJECT ACQUISITION

The Zydeco Gas Project is located in the highly prospective Gulf Coast Basin, an onshore Mesozoic-Cenozoic, marginal sag basin containing more than 15km of sedimentary fill. The Project comprises a total of 325.3 acres of mineral lease area in the Acadia Parish, Louisiana, USA.

Multiple play-levels are proven to be commercially productive throughout the basin, particularly within the Cenozoic succession where stacked pay is common and reservoir quality is typically very good. The basin is extensively explored with extensive 3D seismic coverage.

The Project contains a gas/condensate discovery and is structurally defined with 3D seismic, comprising multiple reservoir-seal pairs, and is drill-ready.



The development facilities are simple and comprise condensate stripping, storage and truck loading, gas dehydration, metering and measurement and a one-mile long gas spur line to a tie-in point at the Texas Gas Pipeline.

Following shareholder approval (at the General Meeting held on 27 January 2026) to acquire 100% of the interests in Minerals U Pty Ltd, Galilee now holds the rights to the Zydeco Gas and Condensate Project and can commence planning drill works by securing key materials and rig lead times.

At a high level, the key attributes for the Zydeco Gas Project, are as follows:

- ❖ The Project is a low-risk development, with a proven gas and condensate field;
- ❖ Simple low-cost low risk production;
- ❖ Short 1.6km gas spur line to the Texas Gas Pipeline, and a condensate stripping and truck loading facility;
- ❖ Readily accessible with existing sealed roads and gravel tracks; and
- ❖ Overall, targeting less than 6 months to production from spudding of the well.

Further details of the acquisition of Minerals U Pty Ltd were detailed in the ASX announcement dated 2 December 2025 and the Notice of Meeting dated 17 December 2025.

COMPLETION OF \$6.5 MILLION CAPITAL RAISE

As announced on 2 December 2025, Galilee successfully received binding commitments for a A\$6.5 million placement of new fully paid ordinary shares in Galilee (**New Shares**) to institutional, sophisticated and professional investors at \$0.007 per share (**Placement**). With shareholder approval, the New Shares include a free option on a 1:2 basis (**Option**), with an exercise price of \$0.011 per Option and expiry 36 months from issue.

Tranche 1 of the New Shares, which utilised Galilee's placement capacity prior to shareholder approval, resulted in \$1.225 million raised and an issue of 175 million New Shares on 8 December 2025. The shareholders have now approved the second tranche of the Placement, and the balance of the capital raise and issue of remaining New Shares and Options is expected to take place on 2 February 2026.

GLENARAS GAS PROJECT

The Glenaras Gas Project is located in ATP 2019, which is 100% owned and operated by Galilee. The Permit covers an area of approximately 3,200km². During the past quarter, operational activity was focused on monitoring the reservoir pressure for the Glenaras pilot to continue to expand our understanding of reservoir behaviour. At the time of this release all wells were offline.

Galilee's other tenement, Springsure Project (ATP 2050) located in the Bowen Basin Denison Trough, was relinquished during the quarter.

CORPORATE MATTERS

The appointment of Joseph Graham as Chief Executive Officer was announced on 3 November 2025, and following this appointment a refresh of the Board was announced on 19 December 2025 which saw the appointment of Eduardo Robaina as Chairman and Non-Executive Director, Dale Hanna as Non-Executive Director and Joseph Graham as Managing Director. The new Board bring fresh perspectives and relevant experience to support and advance Galilee's new strategic direction. In addition, Galilee relocated its registered office and place of business to Western Australia, where the new Board are based.

Galilee's quarterly and year to date cash flow results for the period to 31 December 2025 are presented in the accompanying Appendix 5B report.

The cash position as at 31 December 2025 was \$2.93 million, inclusive of funds received for Tranche 1 of the Placement (refer above). The Appendix 5B includes an amount in item 6.1 of \$87k, which constitutes director's fees paid to the previous Board in the December quarter.

This announcement was authorised for release by the Board of Directors.

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About Galilee Energy Limited

Galilee Energy is targeting to become a mid-tier US producer through developing the Zydeco Gas Project in Louisiana, USA. In Australia, the company is the 100% owner of one of the largest uncontracted natural gas resources on the east coast of Australia, located within the Glenaras Gas Project in Queensland's Galilee Basin.

Directors

Non-Executive Chairman – Eduardo Robaina

Non-Executive Director – Dale Hanna

Managing Director – Joseph Graham

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow

Name of entity

GALILEE ENERGY LIMITED

ABN

11 064 957 419

Quarter ended ("current quarter")

31 December 2025

Consolidated statement of cash flows

	Current quarter (31 Dec 2025) \$A'000	Year to date (6 months) \$A'000
1. Cash flows related to operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for:		
(a) exploration & evaluation	(79)	(305)
(b) development		-
(c) production		-
(d) staff costs	(317)	(574)
(e) administration and corporate costs	(13)	(157)
1.3 Dividends received (see note 3)		-
1.4 Interest received	21	98
1.5 Interest and other costs of finance paid		-
1.6 Income taxes paid		-
1.7 Government grants and tax incentives		-
1.8 Other - Licence fee		-
1.9 Net cash from / (used in) operating activities	(388)	(938)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		-
(b) tenements		-
(c) property, plant and equipment		-
(d) exploration & evaluation	(50)	(145)
(e) investments		-
(f) other non-current assets		-
2.2 Proceeds from the disposal of:		
(a) entities		-
(b) tenements		-
(c) property, plant and equipment		-
(d) investments		-
(e) other non-current assets		-
2.3 Cash flows from loans to other entities		-
2.4 Dividends received (see note 3)		-
2.5 Other - Rental bonds received		-
2.6 Net cash from / (used in) investing activities	(50)	(145)
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	1,225	1,325
3.2 Proceeds from issue of convertible debt securities		-
3.3 Proceeds from exercise of options		-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(97)	(97)
3.5 Proceeds from borrowings		-
3.6 Repayment of borrowings		-
3.7 Transaction costs related to loans and borrowings		-
3.8 Dividends paid		-
3.9 Other - Payment for principal portion of lease liabilities		-
3.10 Net cash from / (used in) financing activities	1,128	1,228

Consolidated statement of cash flows**4. Net increase/ (decrease) in cash and cash equivalents for the period**

	Current quarter \$A'000	Year to date (6 months) \$A'000
4.1 Cash and cash equivalents at beginning of period	2,244	2,789
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(388)	(938)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(50)	(145)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,128	1,228
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	2,934	2,934

5. Reconciliation of cash and cash equivalents

at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,048	59
5.2 Call Deposits	1,886	2,185
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,934	2,244

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
 6.2 Aggregate amount of payments to related parties and their associates included in item 2
 Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Current quarter \$A'000
87
-

6.1 - Directors' fees.

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.
 Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	-	-

7.5 Unused financing facilities available at quarter end

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8. Estimated cash available for future operating activities

	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(388)
8.2 (Payments for exploration & evaluation classified as investing activities (item 2.1(d))	(145)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(533)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,934
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,934
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.50

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be provided.

- 8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:
 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30-Jan-26

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee"
- 5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.