

ZYDECO-1 WELL LOCATION FINALIZED FOLLOWING DRILLING ENGINEERING REVIEW

Planned Spud 2Q 2026 - targeting up to 8 Bcf gas and 0.5 MMbbl of condensate

- Final bottom-hole location confirmed targeting Upper and Lower Tweedel reservoirs
- Surface drilling location optimised to reduce site preparation costs and environmental disturbance
- Minor directional drilling planned to intersect optimal reservoir target
- Additional upside potential identified in the Homeseeker B sand interval, where previously unmodeled oil is likely to be trapped
- Well provides exposure to both US Gulf Coast Natural Gas and Oil Pricing
- Zydeco-1 remains on track to spud in 2Q 2026

Galilee Energy Limited (**Galilee** or **the Company**) (ASX: GLL) is pleased to provide an operational update on the planned Zydeco-1 appraisal / production well at its 100%-owned Zydeco Gas Project in Acadia Parish, Louisiana.

Following completion of detailed drilling engineering and operational planning, the Company has finalised the well location and drilling configuration for Zydeco-1. The final Bottom Hole Location (BHL) has been confirmed following integration of the recent 3D seismic interpretation and geological modelling. The selected location maximises exposure to the Upper and Lower Tweedel reservoir intervals, which represent the primary targets for the well.

The Company's drilling team has also reviewed the optimal Surface Hole Location (SHL) for the drilling rig in order to improve operational efficiency and minimise site preparation requirements.

MANAGING DIRECTOR COMMENT

Galilee Energy Managing Director Joseph Graham commented: *"Finalising the well location is another important step as we move toward drilling the Zydeco-1 well. Our technical work confirms the optimal Bottom Hole Location targeting the Tweedel reservoirs, while the surface location optimisation improves operational efficiency and reduces site preparation costs. Importantly, the well will also evaluate the Homeseeker B sand interval, which presents a previously unmodelled opportunity of oil entrapment within the broader stratigraphic section. With infrastructure nearby, strong local technical partnerships and funding secured, Galilee is well positioned to execute its first US drilling program, which the Company expects to be the first in a series of value accretive wells to follow."*

SURFACE LOCATION OPTIMISATION

As part of the final well planning process, Galilee evaluated alternative surface locations to reduce construction complexity and environmental disturbance associated with the drilling pad.

The preferred surface location has been positioned within an adjacent agricultural field rather than the wooded area originally considered for the rig location.



This adjustment significantly reduces the requirement for vegetation clearing, stump removal and earthworks, enabling a more efficient and cost-effective pad construction while maintaining access to the optimal geological target.

The well will incorporate a minor directional component to ensure the borehole intersects the previously defined Bottom Hole Location. Directional drilling of this magnitude is common practice in modern Gulf Coast drilling operations and introduces minimal operational risk.

The planned drilling pad is expected to measure approximately 250 feet by 200 feet, representing a disturbance footprint of approximately 1.25 acres.

ADDITIONAL UPSIDE POTENTIAL – HOMESSEEKER B SAND OIL TARGET

While the primary targets of the well remain the Upper and Lower Tweedel gas formations, the Zydeco-1 well will also evaluate the Homeseeker B sand interval. Regional well data and seismic interpretation indicate the Homeseeker B sand may contain potential oil charge within the broader stratigraphic section.

This interval is not currently included in the Company’s prospective resource estimate and represents a very real opportunity to significantly improve the projects economics. The interval will be evaluated through wireline logging and petrophysical analysis during drilling campaign.

US GULF COAST NATURAL GAS AND OIL PRICING BENCHMARKS

The Company notes that hydrocarbons produced from the Project will be sold into established United States Gulf Coast markets for both natural gas and condensate. Pricing for hydrocarbons produced from the Project is expected to reference widely recognized industry benchmarks with adjustments for location, quality and transportation.

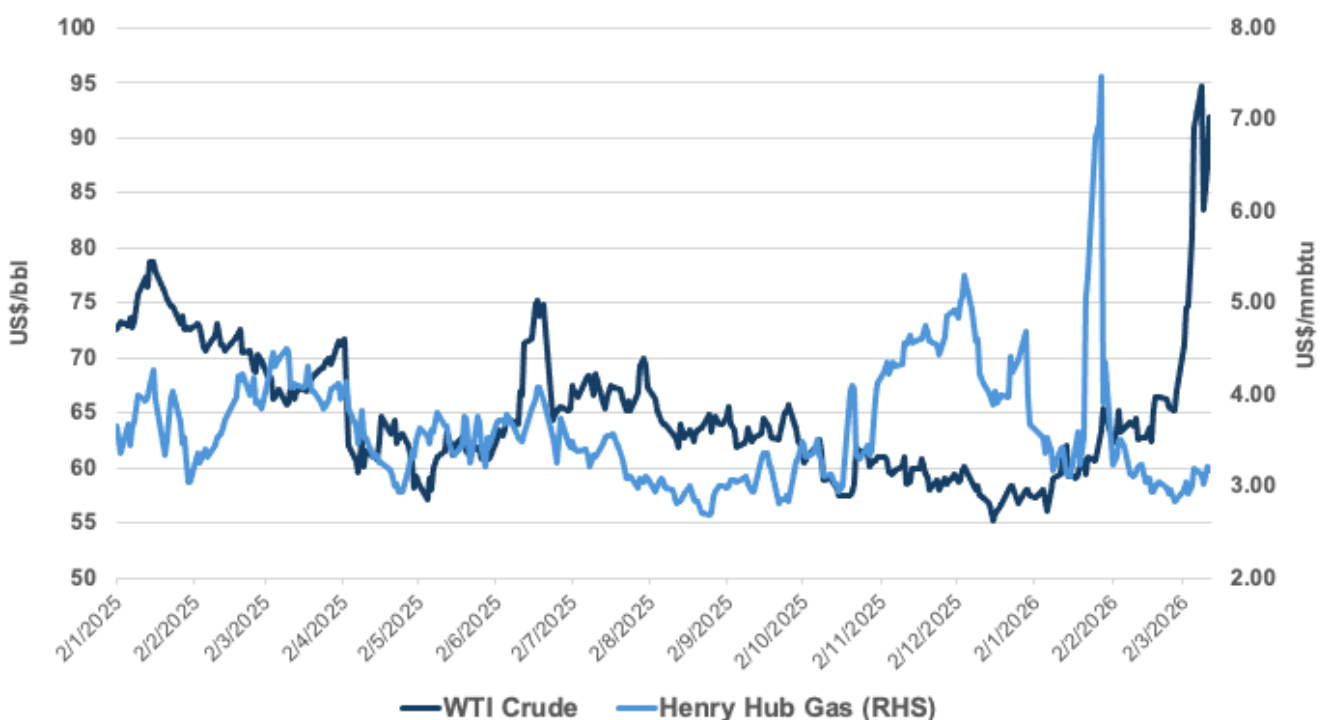


Figure 1: US Gulf Coast Crude and Natural Gas Benchmarks. Source: CME Group.

Natural Gas Pricing

Natural gas produced from the Project is expected to be sold referencing the Henry Hub natural gas benchmark, the principal pricing point for natural gas in the United States.

Henry Hub, located in Louisiana, is the primary delivery point for NYMEX natural gas futures contracts and serves as the benchmark price for the majority of U.S. natural gas transactions.

Realized gas prices are expected to be calculated as the Henry Hub index price for the applicable delivery period adjusted for:

- ❖ regional basis differentials
- ❖ gathering and transportation charges
- ❖ gas processing and compression fees (if applicable)
- ❖ fuel and line losses
- ❖ gas quality adjustments where relevant

Accordingly, realised prices for natural gas from the Project are expected to approximate the Henry Hub benchmark price less a modest regional differential and applicable midstream costs.

For illustrative purposes only, natural gas sales pricing would generally be expressed as:

Realised Gas Price = Henry Hub Monthly Index ± Basis Differential – Transportation and Processing Costs

The Company notes that basis differentials in southern Louisiana are typically modest given the proximity of the region to the Henry Hub trading point and the extensive pipeline infrastructure serving the Gulf Coast.

Crude and Condensate Pricing

Condensate production in the Gulf coast region is most commonly priced with reference to Louisiana Light Sweet (LLS), which reflects the pricing of light crude streams delivered to Gulf Coast refineries and export markets.

The Company expects condensate to realise a price at a modest discount to LLS, reflecting quality, stabilisation and transportation adjustments typical for Gulf Coast liquids streams. Actual realised prices may vary depending on:

- ❖ API gravity and stabilisation of the condensate stream
- ❖ transportation tariffs and marketing arrangements
- ❖ regional supply and refinery demand conditions

LLS is widely used as the benchmark pricing reference for crude oil produced in Louisiana and the broader U.S. Gulf Coast region.

In some instances, crude oil marketing arrangements may alternatively reference the West Texas Intermediate (WTI) benchmark with a differential reflecting the typical spread between WTI and LLS Gulf Coast pricing.

For illustrative purposes only, condensate sales pricing would generally be expressed as:

Realised Condensate Price = Louisiana Light Sweet Benchmark – Quality Differential – Transportation Costs

Investors in Australia are more likely to have access to WTI crude pricing data and it can be used as a close reference for LLS. Historically, the LLS benchmark has traded at a premium to WTI reflecting the strong demand for light sweet crude within Gulf Coast refinery systems and export markets.

Pricing Transparency and Market Liquidity

Both Henry Hub natural gas and Louisiana Light Sweet crude oil benchmarks are highly liquid and transparent market pricing references supported by active physical and financial trading markets.

These benchmarks are widely used across the U.S. energy industry and provide transparent price discovery through exchange-traded futures markets and established commodity pricing services.

Sales Arrangements

Hydrocarbon sales from the Project are expected to occur under standard U.S. industry marketing arrangements. These may include:

- ❖ spot sales to refiners or marketing companies
- ❖ short to medium-term physical supply agreements
- ❖ index-linked pricing contracts referencing the relevant benchmark.

The Company expects that the Project's location within the U.S. Gulf Coast energy corridor will allow access to multiple potential purchasers and established pipeline and refining infrastructure.

Note the pricing descriptions outlined above are indicative only and are provided to illustrate the typical pricing mechanisms for hydrocarbons produced in the U.S. Gulf Coast region. Actual realised prices may vary depending on market conditions, contractual arrangements, transportation logistics and product specifications.

ZYDECO GAS PROJECT – OVERVIEW

- ❖ 325.3 acres of mineral leases in Acadia Parish, Louisiana
- ❖ Located within a proven Gulf Coast gas-condensate fairway
- ❖ Nearby producing fields including Indigo (2 km) and Frey (8 km)
- ❖ Short gas spur line to the Texas Gas Pipeline enabling rapid commercialisation
- ❖ Simple development facilities including condensate stripping, storage and truck loading

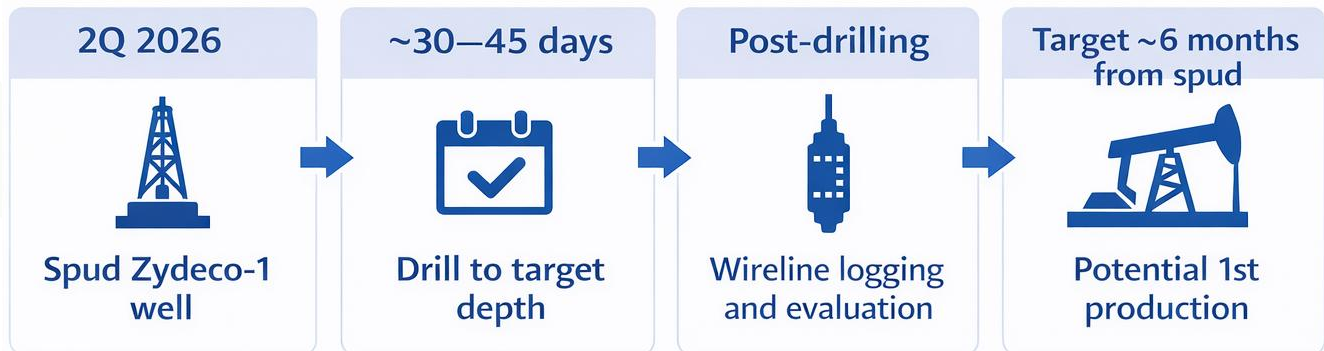
OPERATIONAL READINESS

Zydeco-1 represents a key catalyst for Galilee as the Company progresses its strategy to establish production in the United States, which the Company expects to be the first in a series of value accretive wells to follow.

The well is designed as a multi-objective appraisal and production well capable of testing and, if successful, completing both Tweedel reservoirs and the Homeseeker B sand within a single borehole.

Rig inspections have been completed and the Company has shortlisted its preferred drilling contractor. Galilee continues to target spudding the Zydeco-1 well during 2Q 2026, subject to final regulatory approvals.

FORWARD PLANS



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 Oil & Gas producer, commencing with the development of 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 Glenarar Gas Project in Queensland's Galilee Basin.

Directors

Non-Executive Chairman – Eduardo Robaina

Non-Executive Director – Dale Hanna

Managing Director – Joseph Graham

Cautionary Statement: The estimated quantities of hydrocarbons that may potentially be recovered by the application of a future development project(s) relate to accumulations requiring further exploration, appraisal and evaluation. These estimates have both an associated risk from discovery and appraisal and a risk of development.

Competency Statements

The technical information in this document relating to resources is based on evaluation by Mr Stuart King, an external consultant and works for SK Exploration and Geoscience. Mr King is a Petroleum Geologist and has a Bachelor of Science in Geology and Geography (Hons) from the University of Western Australia and a Masters of Business Administration in Oil & Gas Management from Robert Gordon University. He is a member of the Society of Petroleum Engineers (SPE), the American Association of Petroleum Geologists (AAPG), the South East Asian Petroleum Exploration Society (SEAPEX), The Petroleum Exploration Society of Australia (PESA) and the Australian Geothermal Association (AGA) and has +25 years' experience in the industry in exploration, appraisal, field development planning, reserves and resources assessment, commercial valuations and business development. Mr King has consented to the inclusion in this announcement of the matters on the information in the form and context in which they originally appear. The estimates of potential oil and gas resources are our genuine opinion and the product of our professional judgment. The estimate is based on, and fairly represents, information and supporting documentation reviewed by Mr King.

Appendix 1: Zydeco Gas Project Technical Data

Item	Comments
Location	The project area is 325.3 acres over multiple leases located in Louisiana, USA. The leases are located in the North Half of the Southwest Quarter N1 of SW4 of Section 20, Township 7 South, Range 1 West, Acadia Parish.
Proposed well and Data Acquisition	Zydeco-1 to be drilled in vicinity of MacCabees et al-1 which was drilled in 1950 and is Plugged and Abandoned. Extensive wireline logging will be undertaken which will assist in determining the extent and prospectivity of the two zones. Following interpretation of wireline logging the well will be tested and completed for production.
MacCabees et al -1	Exploration well drilled 1950 Discovered gas in the Upper Tweedel Sandstone, at 9638 feet well kicked and flowed 3 MMscf/d. Zone overpressured and well controlled with 16 ppg (pound per gallon) mud. Completion test over Upper Tweedel flowed 1.15 MMscf/d and recovered 290 bbls fluid. Well test interpretation unknown and not available. Upper Tweedel gross pay thickness 80 feet, net pay 30 feet (low-high range 16-36 feet) Upper Tweedel P&A'd and well completed and produced from shallower oil zones.
Zydeco-1	Primary targets: Upper Tweedel and Lower Tweedle.
	Well Depth: ~9800 feet
	Upper Tweedel was drilled by MacCabees et al 1 and will be redrilled for production.
	Lower Tweedel has been intersected and is productive in offset wells, and will be drilled and evaluated in Zydeco-1.
	There is no gas composition from the MacCabees et al 1 well. Offset wells in the area producing from the Upper and Lower Tweedel sands provide pipeline specification gas after dehydration and separation.

Zydeco Gross Prospective Gas Resource Estimate (before royalties)

	1U (low)	2U (best)	Mean	3U (high)
Upper Tweedle	3.3 Bcf and 160kbbls condensate	5.6 Bcf and 280kbbl condensate	6.0 Bcf and 310kbbls condensate	9.3 Bcf and 470kbbl condensate
Lower Tweedle	0.9 Bcf and 40kbbls condensate	2.0 Bcf and 100kbbls condensate	2.4 Bcf and 120kbbls condensate	4.4 Bcf and 240kbbls condensate
TOTAL	4.2 Bcf and 200kbbls condensate	7.6 Bcf and 380 kbbls condensate	8.4 Bcf and 430 kbbls condensate	13.7 Bcf and 610 kbbls condensate

Zydeco Net Prospective Gas Resource Estimate (net after royalty)

	1U (low)	2U (best)	Mean	3U (high)
Upper Tweedle	2.31 Bcf and 112kbbls condensate	3.92 Bcf and 196kbbl condensate	4.2 Bcf and 217kbbls condensate	6.51 Bcf and 329kbbl condensate
Lower Tweedle	0.63 Bcf and 28kbbls condensate	1.4 Bcf and 70kbbls condensate	1.68 Bcf and 84kbbls condensate	3.08 Bcf and 168kbbls condensate
TOTAL	2.94 Bcf and 140kbbls condensate	5.32 Bcf and 266kbbls condensate	5.88 Bcf and 301kbbls condensate	9.59 Bcf and 497kbbls condensate

Interpretation of seismic over the area combined with analysis of the well data from MaCabees-1 and regional data from surrounding wells forms the foundation of the analysis. A probabilistic method has been employed to estimate prospective hydrocarbon volumes in accordance with the SPE PRMS 2018 Guidelines, a mean volume has also been included. They are current as at May 2025 are un-risked and have not been adjusted for either an associated chance of discovery or chance of development, which GLL assesses to be 75%. They are net after royalties and within lease areas. The Drilling of Zydeco 1 will determine the existence of a commercial quantity of potentially moveable hydrocarbons.

Total Prospective Resource for the two formations has been calculated by arithmetic summation.