

CO-OPERATION AGREEMENT ENTERED WITH LOUISIANA BASED PARTNER

- To support development of the Zydeco Gas Project (Project) and capture growth opportunities in nearby areas, GLL has entered into a co-operation agreement with a proven Louisiana based prospecting group, Kitty Hawk LLC.
- Under the agreement Kitty Hawk will support GLL through provision of proprietary subsurface data and technical expertise covering the Project and nearby exploration opportunities in an area of mutual interest.
- GLL and Kitty Hawk will work together to identify and secure other development and production opportunities in Louisiana.
- This agreement provides GLL with key technical support for the Project and access to immediate new growth opportunities consistent with the Board's strategic objective to grow the operation into a mid-tier US producer.

Galilee Energy Limited's Managing Director and CEO Joseph Graham said:

"We are very excited to have secured the technical and commercial expertise of the Kitty Hawk team. This agreement provides us with additional data and subsurface insights to optimize Project drilling, as well as identifying low risk step out drilling opportunities nearby the Project. Working with a proven partner in Louisiana provides GLL the opportunity to turbo charge its capability and growth prospects"

Galilee Energy Limited (**Galilee or the Company**) (ASX: GLL) is pleased to announce it has entered into a co-operation agreement with Louisiana based Kitty Hawk LLC. This agreement ensures that the Company has access to additional subsurface data and technical insights covering the Project as well as adjacent exploration opportunities. Technical support from Kitty Hawk will allow the Company to optimize Project drilling, and to work jointly to deliver follow-up opportunities.

SEISMIC DATA AGREEMENT

Galilee has landed another key service provider critical to fast-tracking developing the Zydeco Gas Project, with Kitty Hawk Energy LLC agreeing to licence proprietary seismic data over the acreage.

Kitty Hawk Energy's seismic data will enable Galilee's sub-surface team (including geologists, geophysicists and petroleum engineers) to optimise the location for the Zydeco-1 Production Well in order to maximise gas extraction from the field.

This milestone further builds momentum as Galilee's team move closer towards signing up all key service providers and ensuring logistics are in place ahead of starting to drill Zydeco-1 Production Well. Although not yet finalised, Galilee's team preferred rig to drill Zydeco-1 Production Well is highlighted in Figure 1 below.



Figure 1: Preferred drill rig (Rig 14) for Zydeco Gas Project

ZYDECO GAS PROJECT – KEY POSITIVES

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

Background on Zydeco Project

The Zydeco 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.

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

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