ASX ANNOUNCEMENT
31 July 2026

GALILEE AGREES SALE OF GLENARAS PROJECT TO FOCUS ON US GULF COAST OPPORTUNITIES

Transaction releases cash, removes capital demands, transfers future project obligations while retaining exposure through a 2% net royalty

- **Galilee has entered a binding agreement with Novus Energy Production Company Pty Ltd (‘Novus’) for the sale of its wholly owned subsidiary, Galilee Resources Pty Ltd**
- **Galilee Resources and its subsidiaries hold the Glenaras Gas Project, comprising ATP 2019 and the associated environmental authority in Queensland’s Galilee Basin**
- **Galilee will receive reimbursement of ~A$1.34 million cash-backed security deposits currently supporting the project’s environmental financial assurance, payable on the earlier of renewal of ATP 2019 or the date three years after signing**
- **Galilee may receive a further A$500,000 in deferred cash consideration following the achievement of an agreed project financing milestone**
- **Galilee will retain material exposure to the future success of Glenaras through a 2% net overriding royalty**
- **The purchaser will assume the Glenaras group of companies together with the project’s future funding requirements, rehabilitation obligations and associated liabilities**
- **The transaction removes the ongoing capital demands associated with Glenaras and allows Galilee to concentrate its management, technical and financial resources on building a scalable US Gulf Coast oil and gas business**
- **Glenaras will move into a dedicated ownership structure able to pursue project-specific funding, appraisal and development pathways**
- **Completion remains subject to customary conditions, including regulatory approvals and third-party consents**

Galilee Energy Limited (**Galilee** or **the Company)** (ASX: GLL) is pleased to announce that it has entered into a binding Share Sale Agreement (‘SSA’) with Novus Energy Production Company Pty Ltd (Novus or the Purchaser) for the sale of 100% of the issued capital of Galilee Resources Pty Ltd.

Galilee Resources Pty Ltd, through its subsidiaries Capricorn Energy Pty Ltd and Beaconsfield Energy Development Pty Ltd, holds the Glenaras Gas Project, comprising ATP 2019 and its associated environmental authority in Queensland’s Galilee Basin.

The transaction represents an important step in Galilee’s transformation into a focused US Gulf Coast oil and gas company. It provides a clear separation between the capital requirements and development

Registered Address
Galilee Energy Limited
ACN 064 957 419

Suite 5, 420 Bagot Rd
Subiaco WA 6008
PO Box 839, West Perth
WA 6872

E: admin@galilee-energy.com.au
P: +61 8 6400 6222
galilee-energy.com.au

pathway of Glenaras and the Company's strategy of pursuing lower-cost, near-term production and cash flow opportunities in the United States.

Galilee Energy Managing Director Joseph Graham commented: *"Glenaras is a substantial Australian gas resource which has required significant investment by Galilee over many years. However, its scale and development pathway require a level of dedicated funding and management focus that is no longer aligned with Galilee's strategic direction.*

Galilee is now focused on establishing a scalable oil and gas business in the US Gulf Coast, targeting opportunities with the potential for shorter development timeframes, access to existing infrastructure and earlier production and cash flow.

The sale provides a cleaner and more focused corporate structure, releases approximately A$1.34 million of restricted cash at completion and transfers the future expenditure and rehabilitation obligations associated with Glenaras to the purchaser.

Importantly, Galilee will retain exposure to the longer-term potential of Glenaras through a 2% net overriding royalty, without being required to fund its future appraisal and development.

We believe Glenaras will be better positioned within a dedicated ownership structure capable of pursuing project-specific funding and determining the most appropriate appraisal and commercialisation pathway for the asset. This transaction therefore provides benefits for both parties while allowing Galilee to direct its resources toward executing its US Gulf Coast growth strategy."

TRANSACTION STRUCTURE

Under the Share Sale Agreement, Galilee has agreed to sell all the issued shares in Galilee Resources Pty Ltd to Novus.

Galilee Resources Pty Ltd owns 100% of Capricorn Energy Pty Ltd and Beaconsfield Energy Development Pty Ltd, which together hold ATP 2019 and the associated environmental authority comprising the Glenaras Gas Project.

At completion of the transaction, the Purchaser will acquire the Glenaras corporate group and assume responsibility for the asset, including its future funding, operational, environmental, plugging and abandonment, decommissioning and rehabilitation obligations.

The key financial terms of the transaction are:

- Reimbursement to Galilee of the cash-backed security deposits supporting the project's environmental financial assurance, totalling approximately A$1.34 million as at the date of the agreement, payable on the earlier of renewal of ATP 2019 or the date three years after signing (**Security Refund Date**);
- Deferred cash consideration of A$500,000, payable following the achievement of the agreed financing milestone; and
- The grant to Galilee, or its nominee, of a 3% net overriding royalty over future production from the Glenaras Gas Project. At completion Galilee will retain 2% net overriding royalty, with the remaining royalty being assigned by Galilee to advisors to the transaction (see below).

The deferred cash consideration becomes payable within 30 days after the earlier of:

- The Purchaser raising cumulative equity funding of at least A$20 million for the appraisal or development of Glenaras; and
- The Purchaser completing its first equity raising following independent certification of proved and probable reserves for the project.

The final terms of the net overriding royalty will be documented in a formal royalty deed to be executed at completion.

ADVISER AND TRANSACTION COSTS

Galilee has engaged Miro Capital Pty Ltd (**Miro**) as its financial adviser in connection with the divestment. Miro's fees comprise a monthly retainer and a transaction fee payable on completion of the transaction.

Under the engagement, Galilee has agreed to grant Miro a 1% overriding royalty over ATP 2019 (calculated on gross wellhead revenue). Accordingly, the net royalty exposure retained by Galilee over future production from Glenaras will be reduced by the 1% overriding royalty payable to Miro. The 1% royalty is payable only if and when there is production, and its value is subject to the same uncertainties as the net overriding royalty retained by Galilee.

BENEFITS FOR GALILEE

The transaction delivers several important strategic and financial benefits for Galilee.

Release of restricted cash

Galilee currently has approximately A$1.34 million held in term deposits as cash-backed security for the bank guarantee supporting the Glenaras environmental financial assurance.

The Purchaser will reimburse this amount to Galilee on the Security Refund Date, and will subsequently be responsible for procuring the replacement and release of the existing bank guarantee and associated financial support arrangements.

When received, this refund will convert restricted cash into available corporate funds that can be directed toward Galilee's US operations and general working capital requirements.

Removal of future funding obligations

The Glenaras Project requires further appraisal, technical work and substantial development funding before it could be advanced toward commercial production.

Following completion, the future capital requirements of Glenaras will be the responsibility of the Purchaser. This enables Galilee to avoid competing capital demands between Glenaras and its growing US Gulf Coast portfolio.

Transfer of rehabilitation liabilities

The Purchaser will acquire the Glenaras corporate entities with the project and will assume the associated plugging and abandonment, decommissioning, rehabilitation, restoration and environmental obligations.

The agreement provides for the Purchaser to release and indemnify Galilee and its remaining group companies from those liabilities following completion.

Retained exposure without ongoing funding

The net overriding royalty allows Galilee shareholders to retain exposure to future production and commercial success at Glenaras without Galilee being required to fund the project's ongoing appraisal and development.

The potential A$500,000 deferred payment provides additional value to Galilee if the Purchaser secures the funding necessary to materially advance the project.

WHY GLENARAS IS BETTER POSITIONED WITH A DEDICATED OWNER

Glenaras is a large-scale project with a development pathway, funding profile and timetable distinct from the opportunities Galilee is pursuing in the United States.

Following completion, Glenaras will sit within a dedicated ownership structure whose principal focus can be the appraisal, financing and development of ATP 2019.

This structure will allow the Purchaser to:

- Pursue funding specifically for the Glenaras appraisal and development program;
- Establish a development timetable based on the requirements of the asset rather than competing priorities within a geographically diversified portfolio;
- Engage strategic, technical and financial partners specifically suited to a large Australian gas development opportunity; and
- Retain project funding within the Glenaras corporate group.

Galilee believes separating Glenaras from its US portfolio creates a clearer strategic proposition for both assets. Glenaras can be advanced through a dedicated project-specific strategy, while Galilee can focus its capital and management resources on opportunities within its chosen US Gulf Coast operating region.

SHARPENING GALILEE'S US GULF COAST STRATEGY

The disposal is consistent with Galilee's stated strategy of building a scalable US Gulf Coast oil and gas business focused on:

- Lower-risk development and redevelopment opportunities;
- Near-term production and cash flow generation;
- Disciplined capital allocation; and
- Repeatable growth through reinvestment and acquisition.

Galilee's initial US foundation asset is the Zydeco Gas Project in Acadia Parish, Louisiana. The Company is also actively evaluating further Gulf Coast opportunities through its experienced US Advisory Board and technical team.

The disposal of Glenaras will simplify Galilee's asset portfolio and allow the Company to direct a greater proportion of its available capital, management attention and technical capability toward the execution and expansion of its US strategy.

Following completion, Galilee will be positioned as a dedicated US-focused oil and gas company while retaining royalty exposure to the future development of Glenaras.

CONDITIONS AND COMPLETION

Completion of the transaction is conditional upon:

- The parties obtaining or making all regulatory approvals, consents and notifications required in connection with the change of control of the Glenaras entities;
- Receipt of all necessary third-party approvals and consents; and
- The parties agreeing to the terms of the royalty deed.

The conditions are required to be satisfied or waived by the date falling one month after execution of the Share Sale Agreement, unless otherwise agreed by the parties.

Completion is expected to occur five business days after satisfaction or waiver of the final condition precedent.

Galilee will provide a further update when the conditions have been satisfied and the transaction has completed.

IMPORTANT NOTICES

Forward-Looking Statements

This announcement contains forward-looking statements concerning Galilee Energy Limited's plans, strategies, objectives, expectations and intentions, including statements regarding:

- The proposed sale of Galilee Resources Pty Ltd and the Glenaras Gas Project;
- Satisfaction or waiver of the conditions precedent and completion of the transaction;
- The timing of completion;
- Reimbursement of the security deposits;
- Payment of the deferred cash consideration;
- The establishment, terms and potential future value of the net overriding royalty;
- The release or replacement of the existing bank guarantee and associated financial support arrangements;
- The transfer of future funding, environmental, rehabilitation, decommissioning and other obligations;
- The future appraisal, financing, development or commercialisation of the Glenaras Gas Project by the Purchaser;
- The anticipated strategic and financial benefits of the transaction;
- Galilee's ability to deploy capital and management resources toward its US Gulf Coast strategy; and
- The Company's future operations, growth opportunities, production, cash flow and commercial objectives in the United States.

These statements are based on the information available to Galilee as at the date of this announcement and on assumptions, expectations and assessments considered reasonable by the Company at that time. Forward-looking statements are subject to known and unknown risks, uncertainties, assumptions and other factors, many of which are outside the control of Galilee and its directors and management.

Actual outcomes may differ materially from those expressed or implied in any forward-looking statement. Factors that may cause actual outcomes to differ include, but are not limited to:

- The conditions precedent not being satisfied or waived within the required timeframe;
- The transaction being delayed, varied or terminated;
- Required regulatory approvals, notifications or third-party consents not being obtained;
- Due diligence not being completed to the Purchaser's satisfaction;
- Changes in applicable laws, regulations, government policy or regulatory requirements;
- The Purchaser not replacing or procuring the release of the existing bank guarantee or related security arrangements within the anticipated timeframe;
- The Purchaser not achieving the financing milestone required for payment of the deferred cash consideration;
- The Glenaras Gas Project not being financed, appraised, developed or brought into production;
- No production occurring from Glenaras and therefore no amounts becoming payable under the royalty;
- Changes in commodity prices, capital markets, operating costs, project economics or funding availability;
- Risks associated with oil and gas exploration, appraisal, development, production and infrastructure;
- The performance of Galilee's existing and future US assets; and
- General economic, market, financial, political and operational conditions.

No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forward-looking statement. Except as required by law or the ASX Listing Rules, Galilee does not undertake to update or revise any forward-looking statement to reflect events, circumstances or information arising after the date of this announcement.

Transaction Completion Risk

The proposed disposal remains subject to the satisfaction or waiver of the conditions precedent contained in the Share Sale Agreement, including completion of due diligence, receipt of required regulatory approvals and notifications, and receipt of necessary third-party consents.

There is no certainty that all conditions precedent will be satisfied or waived, that completion will occur on the anticipated timetable, or that the transaction will complete at all.

Until completion occurs, Galilee remains the owner of Galilee Resources Pty Ltd and the Glenaras Gas Project.

Deferred Consideration

The A$500,000 deferred cash consideration is contingent upon the Purchaser achieving the financing milestone specified in the Share Sale Agreement.

There is no certainty that the financing milestone will be achieved or that the deferred cash consideration will become payable. Accordingly, shareholders should not treat the deferred cash consideration as an unconditional or presently receivable amount.

Royalty

The proposed net overriding royalty is subject to the execution of a formal royalty deed at completion.

The value of the royalty will depend on a range of factors, including whether the Glenaras Gas Project is successfully financed, appraised, developed and brought into commercial production, the volume and timing of any future production, applicable project costs and deductions, commodity prices and the final terms of the royalty deed.

There is no certainty that commercial production will occur or that Galilee will receive any future royalty payments.

Glenaras Development

Any future appraisal, development, financing, production or commercialisation of the Glenaras Gas Project following completion will be under the control of the Purchaser.

Galilee will not control the Purchaser's funding decisions, development timetable, technical programs, operating decisions or commercial strategy for Glenaras. References in this announcement to the potential future advancement of Glenaras should not be interpreted as a forecast or assurance that the project will be developed or brought into production.

US Gulf Coast Strategy

Statements regarding Galilee's US Gulf Coast strategy, including potential production, development, acquisitions, cash flow generation and portfolio growth, are strategic objectives only.

The successful execution of this strategy will depend on a number of factors, including drilling and operational results, access to capital, commodity prices, infrastructure availability, regulatory approvals, commercial negotiations, acquisition opportunities and general market conditions.

There is no assurance that the Company's US projects or future opportunities will result in commercial discoveries, production, revenue or positive cash flow.

No Investment Advice

This announcement has been prepared for information purposes only and does not constitute financial product advice, investment advice or an offer, invitation, solicitation or recommendation to acquire or dispose of securities in Galilee.

The announcement does not take into account the investment objectives, financial circumstances or particular needs of any person. Before making an investment decision, investors should consider the appropriateness of the information having regard to their own objectives, financial circumstances and needs and should obtain professional advice appropriate to their circumstances.

Reliance on Information

All financial amounts in this announcement are stated in Australian dollars unless otherwise indicated.

The amount of the security deposits reimbursement is based on the aggregate balance of the relevant security deposits as at the date of the Share Sale Agreement. The final amount received on the Security

Refund Date may be adjusted to reflect the actual aggregate balance at that time in accordance with the transaction documents.

References to the benefits of the transaction represent the Company's current assessment of the anticipated strategic and financial effects of the disposal. Those benefits may not be realised in full or within the anticipated timeframe.

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

For further information, contact:

Joseph Graham – Managing Director

P: +61 8 6400 6222
Email: admin@galilee-energy.com.au

Dale Hanna – NED & Company Secretary

m: +61 437 800 974
Email: dhanna@galilee-energy.com.au

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 Glenaras Gas Project in Queensland's Galilee Basin.

Directors

Managing Director	Non-Executive Chairman	Non-Executive Director
Joseph Graham	Eduardo Robaina	Dale Hanna