GALILEE ENERGY

PLACEMENT TO FUND ZYDECO-1 SIDETRACK AND TEST THREE GAS-CONDENSATE TARGETS – RIG ON SITE READY TO GO

Sidetrack to test 13.7 BCFG primary Tweedel gas-condensate objective plus Homeseeker B and the newly identified Stafford target

- **Firm commitments received to raise A$3.5 million (before costs) from new and existing sophisticated and professional investors. Galilee Directors have agreed to subscribe for $135,000, subject to shareholder approval**
- **Project vendors and insiders participating in the capital raise indicating high confidence in the final well results**
- **Placement proceeds will fund the Zydeco-1 sidetrack and evaluation of Homeseeker B, Stafford and the primary Upper Tweedel objective**
- **Stafford delivered standout hydrocarbon indications, recording gas readings across the full interval that exceeded the 5,000-unit upper detection limit of the rig's gas detector**
- **The proposed sidetrack is shorter and better informed, with the rig on site, existing surface casing, wellhead and drilling pad retained and all exploration targets below the kick-off point**
- **Tweedel remains the company-making primary objective, targeting gross unrisked prospective resources* of up to 13.7 Bcf of gas and 610,000 barrels of condensate, with no prospective resource currently attributed to either Homeseeker B or Stafford, leaving both as additional upside[1]**
- **The proposed sale of Glenaras is an important strategic reset: it removes ongoing capital demands and future project obligations, while allowing Galilee to concentrate its management, technical and financial resources on the US Gulf Coast**

Galilee Energy Limited (ASX:GLL) (**Galilee** or the **Company**) is pleased to announce it has received firm commitments to raise A$3.5 million (before costs), through a placement of shares to new and existing sophisticated and professional investors.

***Cautionary Statement:** "The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons."

[1] See Appendix 1 Page 8 – Zydeco-1 3U (high) Gross Prospective Gas Resource Estimate (before royalties).

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The Company will issue 777.8 million new fully paid ordinary shares at A$0.0045 per share, together with one free-attaching listed option for every new share subscribed for (**Placement**). Included in the firm commitments are $135,000 of subscriptions from Directors (or nominees) of the Company that are subject to shareholder approval at an Extraordinary General Meeting (**EGM**) that is expected to be held in October 2026.

Galilee Energy Managing Director Joseph Graham commented: *"This Placement provides the funding required to move directly into the next phase of Zydeco-1 and continue the evaluation of all three gas-condensate targets. The original wellbore encountered Homeseeker B on prognosis, identified the previously unmodelled Stafford interval as an additional target and closely matched our geological model, increasing our confidence in the position of the primary Tweedel objective.*

The sidetrack is designed to retain the value of the work already completed, reuse the existing well infrastructure and evaluate all three prospective intervals through a shorter and more capital-efficient well path. Together with the proposed sale of Glenaras, this funding marks a decisive change in Galilee's strategy. Subject to completion, the Glenaras transaction removes competing capital demands and future rehabilitation obligations, allowing the Company to direct its capital and management focus toward building a scalable US Gulf Coast oil and gas business."

USE OF PROCEEDS

The proceeds of the Placement are intended to be applied principally toward:

- Execution of the Zydeco-1 sidetrack drilling program, including directional drilling, casing, logging, formation-pressure testing and fluid sampling
- Evaluation of the Homeseeker B, Stafford and the primary Upper Tweedel objectives
- Associated contractor, technical, operating and contingency costs
- General working capital and costs of the Placement
- Tranche 1 (~AUD$0.94m) will be used to reinstate the drill rig over the Zydeco-1 well in preparation for operational readiness with drilling to commence post completion of EGM and receipt of Tranche 2 funds.

ZYDECO-1 DRILLING UPDATE

Zydeco-1, known as the J.D. Sittig #1 well at location, is situated in Acadia Parish, Louisiana. Galilee holds a 100% working interest and a 70% net revenue interest in the Zydeco Oil & Gas Project.

The original wellbore reached a measured depth of 9,393 feet before drilling was interrupted by stuck pipe within the open-hole section. Following recovery operations and technical review, the Company determined that a sidetrack from the existing well represents the most efficient way to complete the geological evaluation. The mechanical issue is confined to the open-hole section; the existing surface casing, wellhead, drilling location and permits remain intact and available for reuse.

Results obtained before the interruption have broadened the opportunity at Zydeco-1:

- Homeseeker B was encountered at the forecast depth with elevated hydrocarbon indications. The interval correlates with the B-1 offset well approximately 300 feet away and is structurally updip of B-1's historical oil test

- The Stafford interval, which was not part of the original target inventory, recorded gas readings across the full interval that exceeded the 5,000-unit upper limit of the rig's detector

- The stratigraphic sequence encountered closely matched the pre-drill model, reducing uncertainty around the depth and structural position of the deeper Tweedel target

Subject to final technical planning, approved costing, contractor availability and receipt of EGM approvals and Tranche 2 funds, the proposed sidetrack will kick off at approximately 2,760 feet, re-drill and evaluate Homeseeker B and Stafford, and continue to the Upper and Lower Tweedel objectives to a planned total depth of approximately 9,800 feet measured depth. The revised design includes a shallower casing point and a shorter planned well path to reduce exposure to the lost-circulation interval encountered in the original hole.

Tweedel remains the principal objective, with gross unrisked prospective resources of up to 13.7 Bcf of gas and 610,000 barrels of condensate across the Upper and Lower Tweedel targets.[2] No prospective resource estimate has been assigned to Homeseeker B or Stafford, which represent additional exploration upside to be evaluated by the sidetrack.

[2] See Appendix 1 Page 8 – Zydeco-1 3U (high) Gross Prospective Gas Resource Estimate (before royalties).

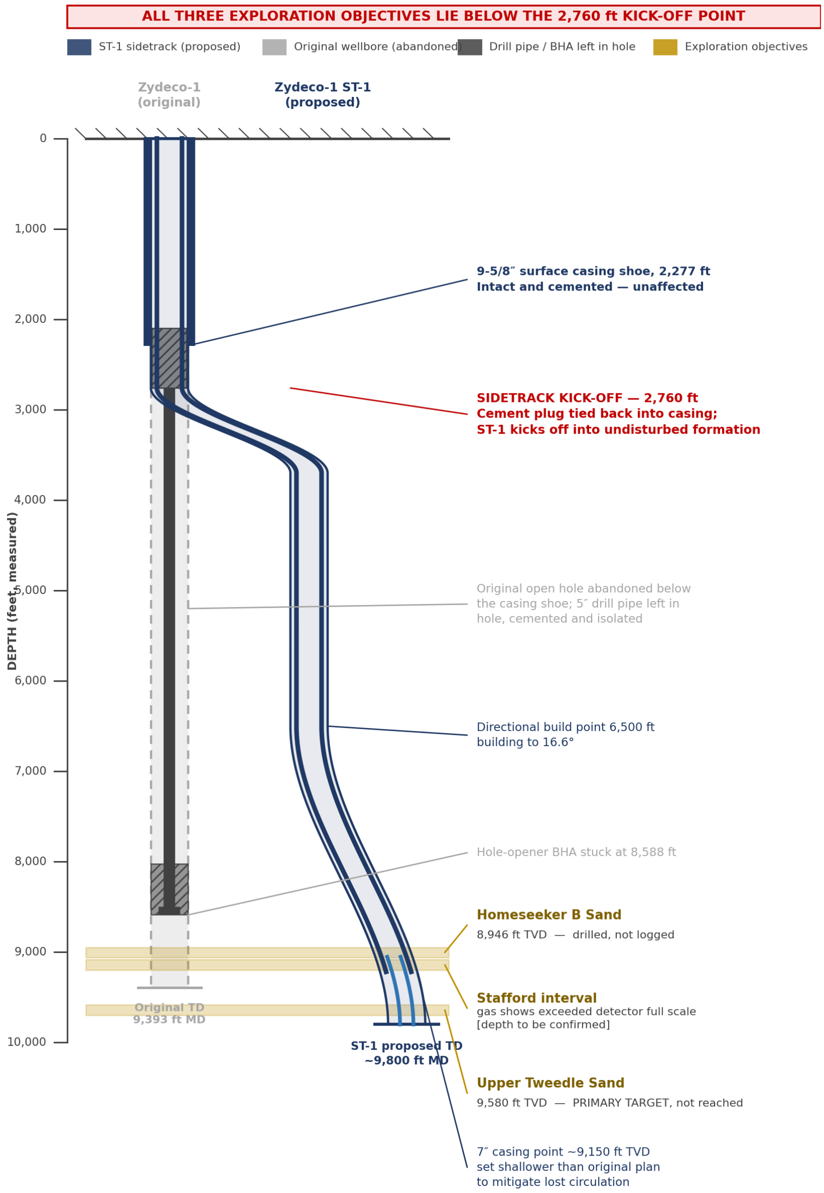

Figure 1: Proposed Zydeco-1 sidetrack plan. All exploration objectives lie below the proposed kick-off point of 2,760 feet

STRATEGIC FOCUS FOLLOWING PROPOSED GLENARAS SALE

On 31 July 2026, Galilee announced to the ASX that it had entered into a binding agreement for the sale of Galilee Resources Pty Ltd and all of its subsidiaries (**Glenaras Group**), the group which holds the Glenaras Gas Project, to Novus Energy Production Company Pty Ltd (**Novus**). Completion remains subject to customary conditions, including regulatory approvals and third-party consents.

Subject to completion, Novus will own 100% of the shares on issue of the Glenaras Group companies together with the project's future funding, operational, environmental, plugging and abandonment, decommissioning and rehabilitation obligations. Galilee will retain exposure to the future success of the Glenaras Gas Project through a 2% net overriding royalty and may receive reimbursement of approximately A$1.34 million of cash-backed security deposits and A$500,000 of deferred consideration, subject to the terms and conditions of the transaction.

The transaction separates the long-dated capital requirements of Glenaras from Galilee's strategy of pursuing lower-cost, near-term production and cash flow opportunities in the United States. Combined with the Placement, it positions Galilee to concentrate its available capital, management attention and technical capability on Zydeco and the execution of its broader US Gulf Coast growth strategy.

As previously announced, Galilee will continue to leverage its access to ASX public capital markets and alternative non-dilutionary financing structures, which may include project level transactions, as and when opportunities present and additional funding is required.

PLACEMENT DETAILS

Galilee has received firm commitments from Lead Manager and Broker to the Issue CPS Capital Group Pty Ltd to raise A$3.5 million (before costs) from new and existing sophisticated and professional investors.

Under the Placement, the Company will issue 777,777,778 new fully paid ordinary shares at A$0.0045 per share (**New Shares**), together with 777,777,778 free-attaching listed options exercisable at A$0.011 each on or before 20 February 2029 (**Placement Options**).

The Placement will be carried out in two tranches:

- Tranche One, comprising the issue of up to 208,144,764 New Shares to raise approximately A$936,651 (before costs), under the Company's available 7.1 placement capacity (**Tranche One**); and
- Tranche Two, comprising the issue of up to 569,633,014 New Shares to raise approximately A$2,563,349 (before costs), which will be subject to shareholder approval at the EGM (**Tranche Two**).

Galilee will seek Shareholder approval for the issue of the New Shares proposed to be issued under Tranche Two of the Placement and all of the Placement Options at the EGM. The issue of Placement securities to the participating Directors is subject to shareholder approval pursuant to Listing Rule 10.11, the Company will seek shareholder approval under Listing Rule 7.1 for the other participants in Tranche Two and for the issue of the Placement Options.

Funds raised from the Placement will be used to advance the Zydeco Oil and Gas Project along with general working capital requirements.

LEAD MANAGER

The Company has agreed to issue 50,000,000 listed options (**Broker Options**) on the same terms as the Placement Options and 25,000,000 new fully paid ordinary shares to CPS Capital Group Pty Ltd (**CPS Capital**), which acted as Lead Manager and Bookrunner to the Placement. In addition, CPS Capital have agreed to convert $82,500 of their 6% capital raising fees to shares equating to the issuance of a further 18,333,333 new fully paid ordinary shares (together, **Broker Shares**). The Broker Options and Broker Shares will be issued subject to shareholder approval pursuant to Listing Rule 7.1, which is intended to be obtained at the EGM. Refer to Appendix 3B dated 14 August 2026 for further details of the fees paid to CPS Capital.

INDICATIVE TIMETABLE

Event	Date
Announcement of completion of the Placement	14-Aug-26
Settlement of New Shares under Tranche One	25-Aug-26
Issue, quotation and trading of New Shares under Tranche One	26-Aug-26
EGM to approve New Shares under Tranche Two, Placement Options, Broker Options, Broker Shares and Director Shares	Early Oct-26
Settlement of New Shares under Tranche Two, Placement Options, Broker Options, Broker Shares and Director Shares	Early Oct-26
Issue and quotation of New Shares under Tranche Two, Placement Options, Broker Options, Broker Shares and Director Shares	Early Oct-26

NEXT STEPS

The Company's immediate priorities are to:

- Finalise sidetrack and directional drilling design;
- Finalise drilling cost and contractor arrangements;
- Mobilise to commence sidetrack drilling.

The Board remains committed to completing the evaluation of Zydeco-1, and Galilee will provide further updates as material information becomes available.

EXECUTING A SCALABLE GULF COAST GROWTH STRATEGY

Zydeco represents the first stage in executing Galilee's strategy to build a scalable US Gulf Coast oil and gas business focused on:

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

The strategy is supported by Galilee's US Advisory Board, which comprises experienced US oil and gas operators, technical specialists and commercial advisors with extensive Gulf Coast experience. The Advisory Board has already assisted in advancing Zydeco from acquisition to drilling within a relatively short timeframe and has been instrumental in sourcing and evaluating additional opportunities.

FOUNDATION ASSET: ZYDECO GAS PROJECT – OVERVIEW

Zydeco-1 is primarily testing the Upper and Lower Tweedel objectives within a proven Gulf Coast gas-condensate fairway. The project has gross unrisked prospective resources of up to 13.7 Bcf of gas and 610,000 barrels of condensate across those two Tweedel targets. Homeseeker B and Stafford are additional targets and are not included in the current resource estimate. No resource estimate has been assigned to either interval. The sidetrack will evaluate all three intervals and determine whether potentially moveable hydrocarbons are present in commercial quantities. In the event of success, Galilee intends to progress the project toward rapid commercialisation using existing regional infrastructure, including a short connection to the Texas Gas Pipeline.

- 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
- Exposure to both US Gulf Coast Natural Gas and Condensate/Oil Pricing
- Simple development facilities including condensate stripping, storage and truck loading
- Targeting up to 13.7 Bcf of gas and 0.610 MMbbl of condensate/oil across multiple reservoir targets in the Tweedel[3]
- The existing gross unrisked prospective resource relates only to the Tweedel objectives; no prospective resources are currently attributed to Homeseeker B or Stafford, which represent additional exploration upside to be evaluated by the sidetrack.

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

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About Galilee Energy Limited
Galilee Energy is focused on building a scalable US Gulf Coast oil and gas business, commencing with the evaluation and potential development of the Zydeco Oil & Gas Project in Acadia Parish, Louisiana. The Company has entered into a binding agreement for the proposed sale of the Glenaras Gas Project in Queensland, subject to completion conditions, and will retain a 2% net overriding royalty over future production from Glenaras.

Directors

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

[3] See Appendix 1 Page 8 – Zydeco-1 3U (high) Gross Prospective Gas Resource Estimate (before royalties). Refer to Galilee Energy ASX announcement dated 24 June 2026, "Zydeco-1 Drilling Pad Complete Ahead of 13.7 BCFG Prospective Gas Test" and Appendix 1. Prospective resource estimates are unrisked and have not been adjusted for chance of discovery or chance of development. The drilling of Zydeco-1 will determine the existence of a commercial quantity of potentially moveable hydrocarbons.

Cautionary Statement: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. Prospective resource estimates in this announcement are unrisked and have not been adjusted for an associated chance of discovery or chance of development. Geological observations and gas readings are preliminary exploration indicators only and do not establish the presence, size, composition, recoverability or commercial significance of a hydrocarbon accumulation. The proposed sidetrack remains subject to approved costing, final technical planning, contractor availability, funding and normal operational and regulatory risks. Refer to Appendix 1 for all the relevant technical data.

Resources Estimates

The prospective resource estimates for the Zydeco Oil & Gas Project in this announcement were first reported in the Company's ASX announcement dated 2 December 2025 titled *"Transformative Acquisition of High Impact Gas Project in Louisiana, USA, and Successful A$6.5m Placement"*. The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

Competency Statements

The technical information in this document relating to resources is based on an evaluation by Ms Jenni Kessler, an external consultant to the Company and Vice President – Geology at Canyon Creek Energy. Ms Kessler is a petroleum geologist and holds an M.S. in Geology from the University of Oklahoma. Ms Kessler has extensive experience in Lafayette, Louisiana and onshore USA, including Oklahoma and Texas.

Forward-Looking Statements

This announcement contains forward-looking statements concerning the proposed sidetrack, funding requirements, costs, timing, the proposed sale of Glenaras and future exploration and development activities. Actual outcomes may differ materially due to funding availability, contractor availability, drilling conditions, equipment performance, geological uncertainty, regulatory requirements, satisfaction of transaction conditions and other operational and commercial risks. The Company gives no assurance that the sidetrack or the proposed Glenaras sale will be completed, or that further drilling will identify a commercially recoverable hydrocarbon accumulation.

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-I	Primary targets: Upper Tweedel and Lower Tweedel.
	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 Tweedel	3.3 Bcf and 160kbbls condensate	5.6 Bcf and 280kbbl condensate	6.0 Bcf and 310kbbls condensate	9.3 Bcf and 470kbbls condensate
Lower Tweedel	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 380kbbls condensate	8.4 Bcf and 430kbbls condensate	13.7 Bcf and 610kbbls condensate

Zydeco Net Prospective Gas Resource Estimate (net after royalty)

	1U (low)	2U (best)	Mean	3U (high)
Upper Tweedel	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 Tweedel	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 MacCabees-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.

TERMS AND CONDITIONS – LISTED BROKER AND FREE ATTACHING OPTIONS – AUGUST 2026

1.	**Entitlement**	Subject to paragraph 12, each Option entitles the holder to subscribe for one Share upon exercise of the Option.
2.	**Exercise Price**	Subject to paragraphs 9 and 11, the amount payable upon exercise of each Option will be $0.011 (**Exercise Price**).
3.	**Expiry Date**	Each Option will expire at 5.00pm (WST) on 20 February 2029 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
4.	**Exercise Period**	The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
5.	**Exercise Notice**	The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
6.	**Exercise Date**	A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
7.	**Timing of issue of Shares on exercise**	Within 15 Business Days after the later of the following: (□) the Exercise Date; and (□) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information, (□) but in any case no later than 20 Business Days after the Exercise Date, the Company will: (□) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; (□) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and (□) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

		(□) If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
8.	**Shares issued on exercise**	Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
9.	**Reorganisation**	If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of the holder will be changed to the extent necessary to comply with the ASX Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.
10.	**Participation in new issues**	There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
11.	**Change in exercise price/Adjustment for rights issue**	In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the Exercise Price will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
12.	**Adjustment for bonus issues of Shares**	If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment): (□) the number of Shares or other securities which must be issued on the exercise of an Option will be increased by the number of Shares or other securities which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and (□) no change will be made to the Exercise Price.
13.	**Transferability**	The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
14.	**Quotation of Shares issued on exercise**	If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.