GALILEE ENERGY

MAJOR OIL UPSIDE TRANSFORMS ZYDECO SIDETRACK

Five stacked oil targets totalling up to 422.6 kbbl* now the clear priority – fully funded to complete drilling, with the sidetrack designed as an oil producer

- **Five stacked oil targets the priority –** containing gross Prospective Oil Resources* of 422.6 kbbl (3U), located above original gas-condensate targets and accessible from the existing wellbore
- **Zydeco-1 delivers game-changing bonus –** shallow oil opportunity was not primary target pre-drill and materially broadens Zydeco development potential beyond original Tweedel gas-condensate objective, creating multiple pathways to commercial success
- **Oil delivers far superior economics –** prevailing oil pricing delivers materially stronger economics than gas, making the five shallow zones the clear commercial priority and offering a potential fast-track to production and cash flow
- **A new regional oil play –** success in the shallow oil zones at Zydeco-1 would also open the potential for further lookalike oil targets to be identified in the vicinity of this well
- **Designed to produce –** sidetrack now designed as a potential oil production well, fast tracking a successful test into first production; Stafford and Tweedel to be tested with a dedicated future gas-condensate well, to avoid compromising shallow oil completion
- **Fully funded & ready to go –** oil-focused sidetrack and testing program is funded from Galilee's recent A$3.5 million placement, no additional capital required to test the targets

Galilee Energy Limited (ASX:GLL) (Galilee or the Company) is delighted to announce this development update at its 100%-owned Zydeco Oil & Gas Project in Louisiana, with the planned Zydeco-1 sidetrack now redesigned around the five prospective shallow oil zones identified and quantified from the original well data.

Galilee Energy Managing Director Joseph Graham commented: *"This is an outstanding result for Zydeco and a genuine step-change for Galilee. We went into Zydeco-1 with Tweedel as the primary target, but the original well has delivered something even better in the shallower section. We now have five prospective oil zones with a combined 3U gross Prospective Resource of 422,600 barrels sitting above the deeper gas-condensate targets – and every one of them is reachable from the wellbore we already own. Oil commands materially stronger economics than gas, so our priority is clear: test the oil and, if successful, bring this well on as an oil producer. The Stafford and Tweedel remain important targets in their own right and can be pursued with a dedicated future well. We are fully funded to do it – the recent capital raising covers the Zydeco sidetrack and the revised oil-focused testing program in full. This opportunity was not even part of our original pre-drill case. Zydeco now has two distinct potential commercial pathways – shallow oil now, and gas-condensate to follow – and we intend to pursue both."*

***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.

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FIVE STACKED OIL ZONES – THE NEW PRIORITY

The five shallow targets – Borsum, Richie, Discorbis gravelli, First Het and Homeseeker B – were identified and quantified from the original-hole LWD data and integrated seismic and offset-well interpretation. As announced on 25th August 2026, these zones contain an aggregate gross Prospective Resource* of 264.1 kbbl (1U), 317.0 kbbl (2U), 334.6 kbbl (mean) and 422.6 kbbl (3U).

Zone	1U (low)	2U (best)	Mean	3U (high)
Borsum Sand	54.1	65.0	68.6	86.6
Richie Sand	18.0	21.6	22.8	28.8
Discorbis gravelli Sand	64.0	76.8	81.1	102.4
First Het Sand	40.0	48.0	50.7	64.0
Homeseeker B Sand	88.0	105.6	111.5	140.8
TOTAL	**264.1**	**317.0**	**334.6**	**422.6**

*Table 1: Gross Prospective Oil Resources before royalties (kbbl)**

On a net-after-royalty basis, the aggregate estimate is 184.9 kbbl (1U), 221.9 kbbl (2U), 234.2 kbbl (mean) and 295.8 kbbl (3U). The total Prospective Resource has been calculated by arithmetic summation across the five formations. The resource estimate is unrisked and has not been adjusted for chance of discovery or chance of development.

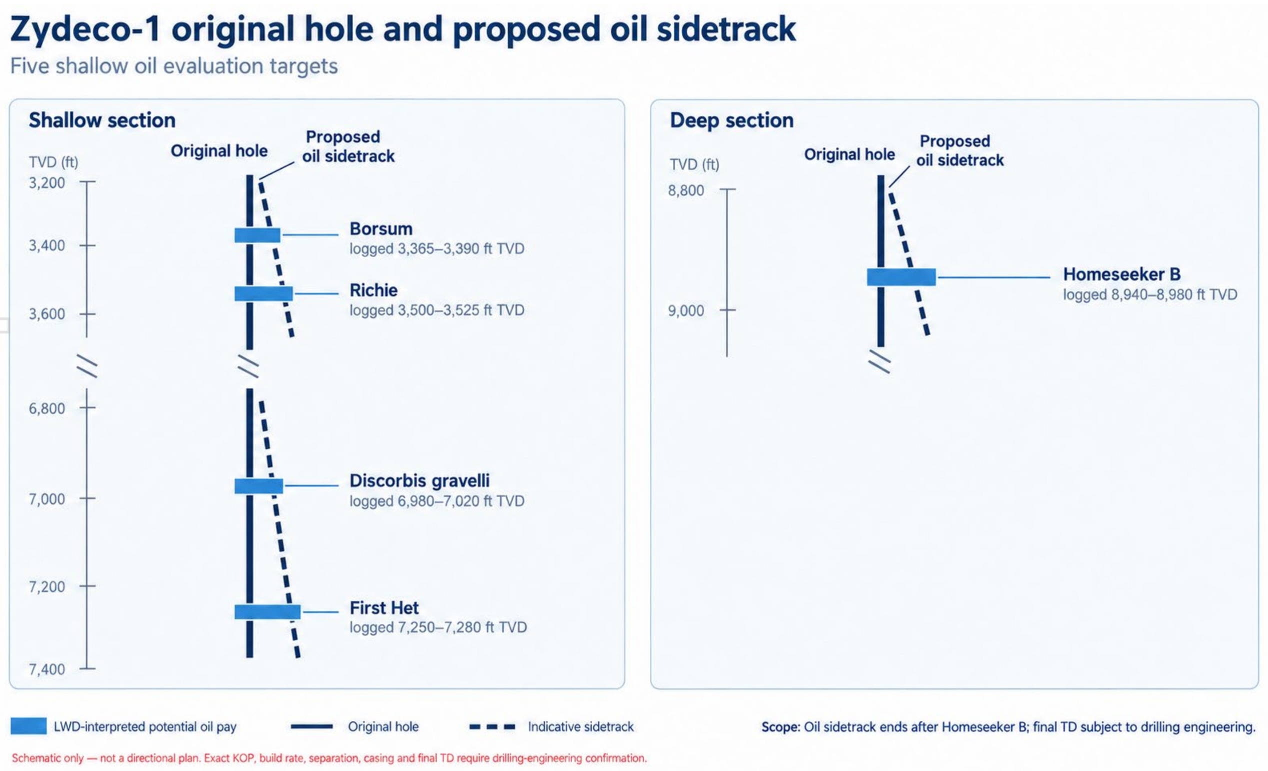

Figure 1: Integrated original-hole and proposed-sidetrack schematic showing the five shallow oil intervals. Trajectory is indicative and subject to final engineering approval

WHY OIL COMES FIRST

The original Zydeco-1 program was designed around the Upper and Lower Tweedel gas-condensate objectives. Drilling and subsequent analysis have materially expanded that opportunity set. The Company now has five quantified oil targets in the shallower section, creating an entirely new potential development pathway that was not part of the original pre-drill case – effectively a second opportunity within the existing wellbore.

In commercial terms, the Company considers the oil opportunity to warrant priority because prevailing oil economics are materially stronger than those for natural gas. If testing confirms movable hydrocarbons and commercial deliverability, an oil development would therefore have the potential to generate greater value per unit of production and provide the most direct pathway toward near-term cash flow for Galilee.

The Company notes that oil produced from the Project will be sold into established United States Gulf Coast markets. LLS and WTI are widely used as the benchmark pricing references for crude oil produced in Louisiana and the broader U.S. Gulf Coast region. The following chart highlights the enormous price differential between the price that is currently realised for oil versus natural gas sales in the Gulf Coast region.

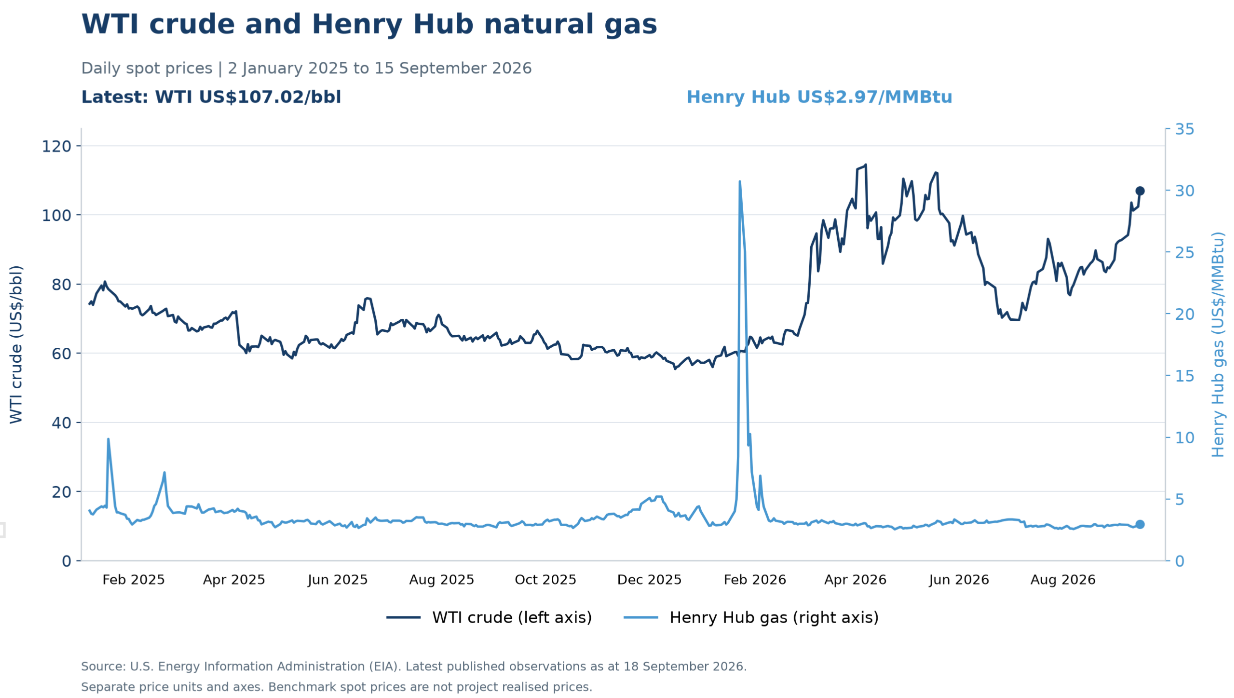

Figure 2: WTI crude and Henry Hub natural gas daily spot prices to 15 September 2026. Source: EIA.

WHY OIL AND GAS ARE NOT BEING TESTED IN THE SAME WELLBORE

The shallow oil zones and the deeper Stafford and Tweedel gas-condensate targets require different well-completion and production configurations. In simple terms, once a well is prepared for production, its casing, perforations and production equipment are configured around the reservoir or reservoirs it is intended to produce.

Under the current Zydeco well design, taking the sidetrack deeper and configuring the bore to evaluate and potentially produce the gas-condensate targets would complicate and potentially compromise the ability to optimise the five shallower oil zones. The Company has therefore elected to preserve the sidetrack as a potential oil production well if the oil testing is successful, rather than design the same bore around two materially different production objectives.

This does not diminish the substantial technical potential of Stafford or Tweedel. Stafford delivered standout gas indications in the original hole, while Upper and Lower Tweedel retain the previously reported Prospective Resource estimate. These deeper objectives remain a valuable part of the Zydeco inventory and may be targeted by a dedicated future well designed specifically for gas-condensate evaluation and production.

TWEEDEL AND STAFFORD: SIGNIFICANT GAS-CONDENSATE UPSIDE RETAINED

The Upper and Lower Tweedel were the original primary targets at Zydeco and retain gross unrisked Prospective Resources of up to 13.7 Bcf of gas and 610,000 barrels of condensate on a 3U basis, as previously disclosed. Stafford, which was not part of the original target inventory, recorded gas readings across the full interval that exceeded the 5,000-unit upper detection limit of the rig gas detector. No Prospective Resource is currently attributed to Stafford.

The decision to stop the current sidetrack above these deeper objectives is therefore purely a sequencing decision, not a downgrade of the deeper targets. Galilee is prioritising the newly identified oil opportunity in this well while retaining the full deeper gas-condensate potential – up to 13.7 Bcf of gas and 610,000 barrels of condensate (3U) – for a future dedicated well.

FULLY FUNDED PROGRAM AND NEXT STEPS

The Company's immediate priorities are to:

- Finalise the oil-focused sidetrack trajectory, casing and completion design to preserve the well as a production candidate in the event of success;
- Finalise the formation evaluation and testing program across the five shallow oil zones, including logging, pressure and fluid data acquisition;
- Complete contractor arrangements and mobilisation planning for the sidetrack and oil testing program; and
- Commence the sidetrack subject to final engineering approval, contractor availability, regulatory requirements and normal operating conditions.

The Company expects the revised sidetrack and oil testing program to be funded from the proceeds of the recently announced A$3.5 million placement, with no additional funding currently anticipated for this program. Galilee looks forward to updating shareholders as this exciting program advances and material results become available.

ZYDECO PROJECT OVERVIEW

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 325.3-acre Zydeco Oil & Gas Project. The project is covered by 3D seismic and is located close to established Gulf Coast oil and gas infrastructure.

The original wellbore reached a measured depth of 9,393 feet before drilling was interrupted by a mechanical issue in the open-hole section. The existing surface casing, wellhead, drilling location and permits remain available for reuse, allowing the Company to pursue the sidetrack as the fastest and most capital-efficient path to test the five shallower oil zones and, subject to success, preserve a pathway to oil production.

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

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.

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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)
Borsum Sand	54.1kbbls oil	65kbbls oil	68.6kbbls oil	86.6kbbls oil
Richie Sand	18kbbls oil	21.6kbbls oil	22.8kbbls oil	28.8kbbls oil
Disc Grav Sand	64kbbls oil	76.8kbbls oil	81.1kbbls oil	102.4kbbls oil
1st Het Sand	40kbbls oil	48kbbls oil	50.7kbbls oil	64kbbls oil
Homeseeker B Sand	88kbbls oil	105.6kbbls oil	111.5kbbls oil	140.8kbbls oil
Upper Tweedel	3.3 Bcf and 160kbbls oil	5.6 Bcf and 280kbbl oil	6.0 Bcf and 310kbbls oil	9.3 Bcf and 470kbbls oil
Lower Tweedel	0.9 Bcf and 40kbbls oil	2.0 Bcf and 100kbbls oil	2.4 Bcf and 120kbbls oil	4.4 Bcf and 240kbbls oil
TOTAL	4.2 Bcf and 464kbbls oil	7.6 Bcf and 697kbbls oil	8.4 Bcf and 765kbbls oil	13.7 Bcf and 1033kbbls oil

Zydeco Net Prospective Gas Resource Estimate (net after royalty)

	1U (low)	2U (best)	Mean	3U (high)
Borsum Sand	37.9kbbls oil	45.5kbbls oil	48kbbls oil	60.6kbbls oil
Richie Sand	12.6kbbls oil	15.1kbbls oil	16kbbls oil	20.2kbbls oil
Disc Grav Sand	44.8kbbls oil	53.8kbbls oil	56.7kbbls oil	71.7kbbls oil
1st Het Sand	28kbbls oil	33.6kbbls oil	35.5kbbls oil	44.8kbbls oil
Homeseeker B Sand	61.6kbbls oil	73.9kbbls oil	78kbbls oil	98.6kbbls oil
Upper Tweedel	2.31 Bcf and 112kbbls oil	3.92 Bcf and 196kbbl oil	4.2 Bcf and 217kbbls oil	6.51 Bcf and 329kbbl oil
Lower Tweedel	0.63 Bcf and 28kbbls oil	1.4 Bcf and 70kbbls oil	1.68 Bcf and 84kbbls oil	3.08 Bcf and 168kbbls oil
TOTAL	2.94 Bcf and 325kbbls oil	5.32 Bcf and 488kbbls oil	5.88 Bcf and 535kbbls oil	9.59 Bcf and 793kbbls oil

Interpretation of seismic data across the area, combined with analysis of the well data from MacCabees-1, JD Sittig 1 and regional wells, forms the basis of the assessment. A probabilistic methodology has been used to estimate prospective hydrocarbon volumes in accordance with the SPE PRMS 2018 Guidelines, with mean volumes also included. The estimates are current as of August 2026, are un-risked, and have not been adjusted for either an associated chance of discovery or chance of development, which GLL assesses to be 65%. Reported volumes are net after royalties and within lease areas. Drilling of JD Sitting 1 Sidetrack will determine the existence of a commercial quantity of potentially moveable hydrocarbons. Total Prospective Resource for the formations has been calculated by arithmetic summation. Effective as at the date of this announcement.

ASX Listing Rule 5.43.2

Galilee Energy Ltd confirms that it is not aware of any new information or data that materially affects the information included in this market announcement and that all material assumptions and technical parameters underpinning the estimates in this market announcement continue to apply and have not materially changed.