

# Galilee Energy targets shallow oil in Illinois



18 July 2014

- **Galilee takes the first step in building a growth portfolio in North America**
- **Entry into the prolific Illinois Basin - produced over 4 billion barrels of oil to date**
- **Targeting low cost, high return shallow oil**
- **Partnered with highly regarded Gruy LLC**
- **Plan to commence drilling in fourth quarter 2014**

Galilee Energy Limited (ASX: **GLL**) ("**Galilee**" or the "**Company**") announces that it has entered into a Joint Venture agreement under which it will work with a group of experienced US based oil and gas professionals to carry out exploration drilling targeting large, high return, shallow oil prospects in the Illinois Basin, Illinois USA.

*"We are continuing to build our portfolio of projects consistent with our strategy. We expect the dry hole costs for these wells to be less than \$200,000 each, allowing very inexpensive tests for what are significant targets. Our partners are highly regarded in the US, and we hope to continue to build this relationship into other projects", Managing Director Peter Lansom said.*

This exploration programme will target Paleozoic reservoirs ranging between 300m and 1200m deep in one of the oldest and most prolific oil provinces in the United States. The Illinois Basin is a shallow, intracratonic basin that has already yielded over 4 billion barrels of oil. It is well known for its Silurian and Devonian aged reservoirs that commonly yield initial flow rates of up to 1500 barrels of oil per day from reservoirs only 600m deep and reserve sizes commonly in the multi-million barrel range. While the project is focused on Silurian and Devonian targets, objectives in the underexplored shallow Mississippian sands around 300m deep, and the deeper Ordovician Trenton between 1000 - 1200m deep have also been identified.

Galilee and its Joint Venture partners have to date acquired almost 3000 acres of leases in an active and ongoing leasing program focused in the Sangamon, Shelby, Bond, Logan, Macon, Christian and Clark counties. High potential prospects have been identified utilizing a combination of surface mapping, modern aerial photography, recently updated coal mapping, gravity, magnetics, existing seismic data and subsurface mapping. All of the prospects have multi-pay potential.

Several of the leased prospects have been finalized, with three currently being permitted ahead of drilling and another 16 currently under advanced assessment. This should allow for the initial drilling campaign to commence in the fourth quarter of this year.

Galilee has enlisted Enhanced Energy Partners Corporation to carry out field operations. Technical support will come from Dr James Henderson of Dallas, Texas, Peter Lehle of Houston, Texas and Gruy LLC of Dallas, Texas, all of whom have significant experience over many years in the Illinois Basin.

Under the agreement, Galilee will fund 100% of the dry hole cost (DHC) for the first well on each prospect to earn a 75% working interest in the prospect. All completion costs, and future wells in any successful prospect would be carried by each Working Interest holder, with Galilee having between 65% and 75% in each prospect.

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