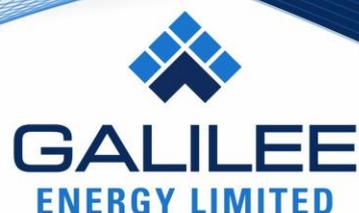


ATP 529P Resource Assessment Significantly Expands Project



1 September 2015

- **MHA Petroleum Consultants LLC Resource Assessment updates ATP 529P Contingent Resources to 308 PJ (1C), 2,507 PJ (2C) and 5,314 PJ (3C)**
- **New Resource Assessment includes extensive additional new data from 8 step out wells and pilot data which significantly expands the project area**

Galilee Energy Limited (ASX:GLL) (“Galilee” or the “Company”) is pleased to announce the upgrade of its coal seam gas Contingent Resource estimation at ATP 529P located within the Galilee Basin in Queensland.

As a result of the step out drilling and pilot production testing completed in the permit the 2015 Contingent Resource estimation completed by MHA Petroleum Consultants LLC (MHA) covers a significantly larger area than previously assessed. This includes data from 8 step out wells as well as the pilot and pressure monitoring data from the Glenaras Pilot production completed subsequent to the 2011 SRK Consulting Report.

MHA have attributed the increase in the Contingent Resources to Galilee’s net equity interest (being 100%) in ATP 529P using the deterministic method to prepare the estimates of the Contingent Resources as at 31 August 2015.

The updated ATP 529P 2015 Contingent Resource estimation increases contingent resources by 868% (2C) and 388% (3C). The following table summarises the changes to the ATP 529P Contingent Resource.

ATP 529P	Units	2011 (SRK)	2015 (MHA)
Low estimate Contingent Resources (1C)	PJ	11.8	307.8
Best estimate Contingent Resources (2C)	PJ	258.9	2,507.5
High estimate Contingent Resources (3C)	PJ	1,089.9	5,314.1

Source: SRK Consulting (2011), MHA Petroleum Consultants LLC (2015) * See Notes to Table below

Managing Director Peter Lansom said “The ATP 529P resource upgrade highlights its significant potential to become an economic gas supplier into the Australian east coast gas market. The larger resource greatly improves the projects economics and feasibility as a high quality gas supplier to meet the forecasted east coast gas shortage.”

Galilee intends to expedite the R1 coal seam test program at ATP 529P. The R1 coal seam test will target the production potential of the uppermost R1 coal seam, allowing pressure drawdown of the coal without any contribution from neighbouring sands. Testing is planned to commence early in the 4th quarter 2015.

Competent person's statement

The estimates of contingent resource estimates were determined by Mr Tim Hower, a full time employee of MHA Petroleum Consultants LLC., Denver, Colorado, USA, on 1 September 2015, in accordance with Petroleum Resources Management System guidelines. Mr Tim Hower is a Licensed Petroleum Engineer in the State of Colorado, a qualified person as defined under the ASX Listing Rule 5.41 and has consented to the use of the contingent resource figures in this announcement.

***Listing Rule 5 - Reporting of Oil & Gas Activities**

Contingent Resource estimates appearing in the Table have been prepared in accordance with the Society of Petroleum Engineers ("SPE") 2007 Petroleum Resource Management System ("PRMS") Guidelines as well as the 2011 Guidelines for Application of the PRMS approved by the SPE.

Contingent Gas Resources are (100%) Unrisked Gross

The previous assessment of Contingent Resources attributed to ATP 529 was prepared by SRK Consulting (Australasia) Pty Ltd and details of these were released to the market in the company's announcement on 30 June 2011 (2011SRK).

SRK the author of the report attributing contingent resources to Galilee Energy as at 30 June 2011 has consented to the reporting of these resource figures in the context and manner in which they appear in this announcement.

For the purposes of Listing Rule 5.25.3 the Table records the total estimate of contingent resources attributable to Galilee Energy. No petroleum reserves have been attributed to Galilee Energy.

In accordance with Listing Rule 5.34.3, Galilee Energy confirms that it is not aware of any new information or data that materially affects the information in the announcement to the market of the Contingent Resources 30 June 2011 and that all of the material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

For further information contact:

Peter Lansom
Managing Director
Galilee Energy Limited
+61 7 3177 9970
plansom@galilee-energy.com.au

About Galilee

Galilee's Board and management are focused on building and expanding its asset mix to create a mid-tier exploration and production company. Galilee has a clear plan to grow shareholder value and the capacity to execute.

- Strong Balance sheet
- Proven successful Board and Management
- New strategic direction

Directors

Chairman - David King

Managing Director – Peter Lansom

Executive Director – Paul Bilston

Non-executive Director – Ray Shorrocks

Shares

Shares on issue – 152,140,466

Top 20 holders – 55.51% *

Directors and Management – 7.23%

*As at 6 July 2015