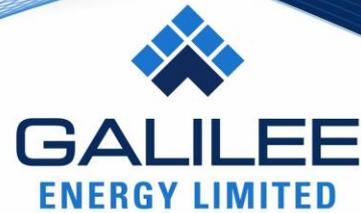


Illinois Drilling Update

ASX/MEDIA ANNOUNCEMENT

30 October 2014



Galilee Energy Limited (ASX: **GLL**) ("**Galilee**" or the "**Company**") is pleased to provide an update on drilling activities in Illinois.

The third well, Cunningham 1 located in Sangamon County, has been drilled to a total depth ("TD") of 2,556 ft measured depth ("MD"). The well encountered the primary Silurian Racine Formation at 1,477 ft MD, with weak oil shows scattered throughout and the zone was not tested. The secondary target Ordovician Galena Group (Trenton Limestone / Black River Formation) was intersected at 1,936 ft MD. Good live oil shows were encountered in the upper portion of the formation. A drill stem test ("DST") conducted on the upper 82 ft of the formation found the zone to be tight and did not recover commercial hydrocarbons. The well was then deepened intercepting the St Peter Sandstone at 2,320 ft MD and encountered trace to fair oil shows throughout until drilling terminated at 2,556 ft MD. On the inspection of logs following drilling, no further testing was conducted, and the well is currently being plugged and abandoned.

Similar to the previous two wells, both drilled within approximately 10 miles, continuous oil shows were noted in the shale of the Maquoketa Group, further extending the area of interest for the resource play study. The lower New Albany Group shales were also found to contain strong gas shows over a 50 ft high porosity interval extending the area for a gas resource play identified in the Kramer 1 well.

The rig has now moved onto Wenzel 1, the fourth and final well of the current program. This well is located approximately 75 miles south of Cunningham 1 in Bond County and on the southern extension of a nearby oil and gas field. The well will target stratigraphically shallower sandstone targets in the Mississippian Cypress, Bethel, Benoist and Renault sandstones thought to drape over Silurian reefal structures at depths of 1,000 ft to 1,500 ft. These meandering sandstones are typically productive where they overly paleo-highs. The nearby Courson and Ready Husmann 1 well drilled in 1964 southwest of the proposed location, reported an oil show in the Benoist sand from 1,116 ft - 1,121 ft. Wenzel 1 will also be deepened to again test the same targets as the previous wells at slightly deeper depths with the Silurian Racine Formation expected at 2,400 ft, Ordovician Galena (Trenton) Group at 3,200 ft (productive 6 miles north in the Woburn Consolidated field) and Shakopee (Knox) Dolomite at approximately 3,900 ft. Wenzel 1 is prognosed to drill to a total depth of 4,500 ft.

Further information will be provided in due course.

For further information contact:

Peter Lansom
Managing Director
Galilee Energy Limited
+61 (0) 7 3211 8555

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 – 54.48% *
Directors and Management – 6.22%

*As at 26 August 2014