

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2025**

Galilee Energy Limited

ABN 11 064 957 419

and controlled entities



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Directors' Report

In accordance with a resolution of the Board, the directors present their report on the consolidated entity ("Galilee" or "Group") consisting of Galilee Energy Limited and the entities it controlled at the end of or during the half-year ended 31 December 2025. The financial statements have been reviewed and approved by the directors based on the recommendation of the Audit Committee.

1. Directors

The directors of Galilee in office during the half year and up to the date of this report were:

Current Directors

Eduardo Robaina	Non-Executive Chairman - appointed 19 December 2025
Dale Hanna	Non-Executive Director - appointed 19 December 2025
Joseph Graham	Managing Director - appointed 19 December 2025 (appointed CEO on 3 November 2025)

Former Directors

Ray Shorrocks	Non-Executive Chairman – appointed 2 December 2013 (Executive Chairman from 6 September 2023 to 3 November 2025), resigned 19 December 2025
Stephen Kelemen	Non-Executive Director - appointed 31 March 2018, resigned 19 December 2025
Greg Columbus	Non-Executive Director – appointed 17 September 2020, resigned 19 December 2025
Gordon Grieve	Non-Executive Director - appointed 6 September 2019, resigned 24 July 2025

2. Principal activities and Strategy

Galilee Energy Limited (The Company) is targeting to become a mid-tier US producer through developing the Zydeco Gas Project in Louisiana, USA. In Australia, the company is the 100% owner of one of the largest uncontracted natural gas resources on the east coast of Australia, located within the Glenaras Gas Project in Queensland's Galilee Basin.

3. Results from operations

The net loss for the half-year from continuing operations was \$1,493,744 (2024: \$593,766).

The loss for the half-year primarily reflects expenditure on Glenaras pilot operating costs, in addition to staff costs and overheads, totalling \$1,557,918 (2024: \$2,590,471). The reason of decline of Glenaras pilot operating costs is the company is implementing a rotation strategy on the pilot and further details are contained in the Review of Operations.

4. Dividends

No dividends have been declared, provided for, or paid in respect of the half year ended 31 December 2025 (2024: Nil).

5. Review of operations

The Company's Glenaras Gas Project ("Glenaras" or the "Project") is located within ATP 2019 in Queensland's Galilee Basin and is 100% owned and operated by Galilee Energy Limited. The permit covers an area of approximately 3,200 km² and hosts a significant coal seam gas Contingent Resource position within the Betts Creek and Aramac coal measures, with certified Contingent Resources of 308 PJ (1C), 2,508 PJ (2C) and 5,314 PJ (3C).

During the half-year, operational activity at Glenaras was focused on ongoing monitoring of reservoir pressure across the pilot area to further enhance the Company's understanding of reservoir behaviour. All wells were offline during the period, consistent with the Company's disciplined approach to expenditure while continuing to advance subsurface knowledge.

The integrated subsurface model for Glenaras continues to be reviewed and refined, incorporating a comprehensive suite of contemporary pressure data together with the Glenaras Pad 3D seismic dataset, which has significantly improved resolution of the Betts Creek Beds. Analysis to date confirms that the coals are approaching critical desorption pressure, a key threshold for the onset of material gas rates.

Directors' Report (continued)

This updated model remains central to understanding the pathway to achieving commercial gas production and to maturing the substantial Contingent Resource position within ATP 2019. Work continues to utilise model outputs to inform future development concepts and well design scenarios. During the period, the Board elected to not continue with the Novus engagement to explore solutions for key reservoir challenges at the Glenaras Gas Project.

On 2 December 2025, the Company announced that it had entered into a binding heads of agreement (Agreement) with the shareholders of Mineral U Pty Ltd, ("Mineral U"), whereby the Vendors agreed to grant the Company an exclusive and binding option to acquire 100% of the fully paid ordinary shares in the capital of Mineral U ("Proposed Acquisition").

Mineral U is the ultimate parent company of United States incorporated entities, Mineral U USA LLC, Mineral U Operating, LLC and Mineral U Acadia, LLC that have acquired an interest in mineral leases for the exploration and production of gas referred to as the Zydeco Gas and Condensate Project in Louisiana, USA.

Subsequent to the end of the half-year, Galilee shareholders approved the acquisition of the Zydeco Gas Project, representing a strategic step toward the Company's objective of becoming a mid-tier US gas producer. In conjunction with this acquisition, the Company obtained approval for a \$6.5 million capital raise, with \$1,225,000 under Tranche 1 completed during December 2025 and the balance following shareholder approval obtained on 27 January 2026.

As at 31 December 2025, Galilee held a cash balance of approximately \$2.93 million (inclusive of funds received from Tranche 1 of the December 2025 capital raising), and a further \$5.2 million received under Tranche 2 in January 2026. The Company remains well funded to progress its strategic priorities while maintaining a prudent approach to expenditure.

6. Matters subsequent to the end of the half-year

Aside from the matters stated under the Review of operations and Note 13 to the Financial Statements, there were no other matters or circumstances that have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial periods.

7. Environmental regulations and performance statement

The Company conducts its operations in compliance with the Queensland Petroleum and Gas (Production and Safety) Act 2004. These activities are subject to relevant exploration licences, permits and environmental approvals which specify the environmental regulations applicable to the exploration, construction, and operations of petroleum activities as appropriate. Environmental considerations of any activities not already covered by a specific regulation or directive are reviewed with and approved by the Queensland Department of Environment and Science under the Environmental Protection Act 1994. The Company has not recorded or aware of any breaches of any of its environmental licence conditions nor has it been notified of any material environmental breaches by any government agency during the half-year ended 31 December 2025.

8. Shares under option and/or Rights to Shares

As at the date of this report, the following Performance Rights (approved by shareholders) were issued to Directors on 3 February 2026:

DIRECTOR	CLASS A	CLASS B	CLASS C	CLASS D	TOTAL
Eduardo Robaina	6,000,000	6,000,000	6,000,000	6,000,000	24,000,000
Dale Hanna	6,000,000	6,000,000	6,000,000	6,000,000	24,000,000
Joseph Graham	6,000,000	6,000,000	6,000,000	6,000,000	24,000,000

The vesting conditions and expiry dates associated with the Performance Rights are as follows:

Directors' Report (continued)

CLASS	VESTING CONDITION	EXPIRY DATE
Class A	Performance Rights will vest upon the spudding of the Zydeco-1 Well as confirmed by the Company releasing an announcement to ASX. For the purposes of this Vesting Condition, spudding means the commencement of drilling operations evidenced by the setting of the surface conductor being the large pipe which starts the drilling from the surface.	5 years from the date of issue.
Class B	Performance Rights will vest on the Zydeco-1 Well achieving its first commercial gas production as confirmed by the Company releasing an announcement to ASX. For the purposes of this Milestone, first commercial gas means the point at which gas produced from the Zydeco-1 well first flows through the facilities, including the processing stage where the liquids (condensate) are separated from the gas stream and flows through the gas meter into the sales pipeline.	5 years from the date of issue.
Class C	Performance Rights will vest if the volume weighted average price (VWAP) of the Company's fully paid ordinary shares equals or exceeds \$0.025 over any 20 consecutive trading days.	5 years from the date of issue.
Class D	Performance Rights will vest if the VWAP of the Company's fully paid ordinary shares equals or exceeds \$0.045 over any 20 consecutive trading days.	5 years from the date of issue.

9. Shares issued on the exercise of options and/or rights

No options or rights have been exercised during the half year ended 31 December 2025 and up to the date of this report.

Auditor's independence declaration

The auditor's independence declaration is included on Page 5 of the financial report for the year.

Signed in accordance with a resolution made pursuant to s306(3) of the Corporations Act 2001.

On behalf of the Directors



Eduardo Robaina
Chairman

Subiaco, 3 March 2026

Auditor's Independence Declaration



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DECLARATION OF INDEPENDENCE BY C R JENKINS TO THE DIRECTORS OF GALILEE ENERGY LIMITED

As lead auditor for the review of Galilee Energy Limited for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Galilee Energy Limited and the entities it controlled during the period.



C R Jenkins
Director

BDO Audit Pty Ltd

Brisbane, 3 March 2026

Consolidated Statement of Profit or Loss & Other Comprehensive Income

for the half-year ended 31 December 2025

Revenue and other income

Interest received
Other income

Note	Consolidated	
	31 Dec 25	31 Dec 24
	\$	\$
10	64,174	89,918
10	-	1,906,787
	64,174	1,996,705

Expenses

Exploration and evaluation costs
Employee benefits expense
Contractors' & consulting fees
Software licence consulting costs
Administration & other expenses

Total expenses

Loss before income tax

Income tax benefit/(expense)

Loss for the half year

Other comprehensive (loss)/income, net of income tax

Total other comprehensive income, net of income tax

TOTAL COMPREHENSIVE LOSS

LOSS PER SHARE

Basic loss per share

Diluted loss per share

	Cents	Cents
9	0.20	0.13
9	0.20	0.13

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 31 December 2025

	Note	Consolidated	
		31 Dec 25	30 Jun 25
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	5	2,934,361	2,789,826
Trade and other receivables	6	168,059	497,135
Financial assets		<u>347,846</u>	<u>278,277</u>
Total current assets		<u>3,450,266</u>	<u>3,565,238</u>
Non-current assets			
Trade and other receivables	6	1,361,143	1,357,218
Property, plant and equipment		<u>83,917</u>	<u>103,582</u>
Total non-current assets		<u>1,445,060</u>	<u>1,460,800</u>
Total assets		<u>4,895,326</u>	<u>5,026,038</u>
LIABILITIES			
Current liabilities			
Trade and other payables	7	270,080	141,379
Provisions		-	554,836
Total current liabilities		<u>270,080</u>	<u>696,215</u>
Non-current liabilities			
Provisions		<u>4,668,925</u>	<u>4,114,089</u>
Total non-current liabilities		<u>4,668,925</u>	<u>4,114,089</u>
Total liabilities		<u>4,939,005</u>	<u>4,810,304</u>
NET ASSETS/(LIABILITIES)		<u>(43,679)</u>	<u>215,734</u>
EQUITY			
Issued capital	8	138,512,531	137,278,200
Reserves		(1,004,702)	(1,004,702)
Accumulated losses		<u>(137,551,508)</u>	<u>(136,057,764)</u>
TOTAL EQUITY/(DEFICIENCY)		<u>(43,679)</u>	<u>215,734</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the half-year ended 31 December 2025

	Issued Capital	Accumulated Losses	Non- controlling Interests Elimination Reserve	Foreign Currency Translation Reserve	Share- based Payments Reserve	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2025	137,278,200	(136,057,764)	(7,656,400)	(48,456)	6,700,154	215,734
Loss for the period	-	(1,493,744)	-	-	-	(1,493,744)
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive loss	-	(1,493,744)	-	-	-	(1,493,744)
Contributions of equity net of transaction costs	1,234,331	-	-	-	-	1,234,331
Share-based payments expense	-	-	-	-	-	-
Balance at 31 December 2025	138,512,531	(137,551,508)	(7,656,400)	(48,456)	6,700,154	(43,679)
Balance at 1 July 2024	134,087,081	(132,889,749)	(7,656,400)	(48,456)	6,719,358	211,834
Loss for the period	-	(593,766)	-	-	-	(593,766)
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive loss	-	(593,766)	-	-	-	(593,766)
Contributions of equity net of transaction costs	2,377,635	-	-	-	-	2,377,635
Share-based payments expense	-	-	-	-	(19,648)	(19,648)
Balance at 31 December 2024	136,464,716	(133,483,515)	(7,656,400)	(48,456)	6,699,710	1,976,055

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

for the half-year ended 31 December 2025

	Note	Consolidated	
		31 Dec 25	31 Dec 24
		\$	\$
Cash flows from operating activities			
Payments for exploration (including GST)		(450,688)	(767,646)
Payments to suppliers and employees (including GST)		(732,421)	(1,601,843)
GST refunds received		1,658	163,136
Other income received		-	1,906,787
Interest received		98,297	113,101
Interest paid		-	-
Net cash used in operating activities		(1,083,154)	(186,465)
Cash flows from investing activities			
Short term loans		-	(200,000)
Refunds of/(Payments for) bonds and deposits		-	(46,607)
Net cash provided by/ (used in) investing activities		-	(246,607)
Cash flows from financing activities			
Proceeds from issue of shares	8	1,325,000	2,580,438
Share issue costs	8	(97,311)	(202,803)
Payment for principal portion of lease liabilities		-	(28,256)
Net cash provided/ (used in) by financing activities		1,227,689	2,349,379
Net increase/(decrease) in cash and cash equivalents		144,535	1,916,307
Cash and cash equivalents at the beginning of the period		2,789,826	2,470,870
Cash and cash equivalents at the end of the period		2,934,361	4,387,177

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2025

1. Principal Activities

The principal activities of Galilee Energy Limited (the Company) and its wholly owned Subsidiaries (together, the Group) are to carry out oil and gas exploration and appraisal. In Australia, the company is the 100% owner of one of the largest uncontracted natural gas resources on the east coast of Australia, located within the Glenaras Gas Project in Queensland's Galilee Basin.

On 2 December 2025, the Group announced it had entered into an option agreement to acquire 100% of the interests in Minerals U Pty Ltd (MUPL), which holds rights to the Zydeco Gas and Condensate Project located in Louisiana, USA. The acquisition was approved by the Group's shareholders on 27 January 2026, and with this acquisition Galilee Energy Limited is targeting to become a mid-tier US producer through developing the Zydeco Gas Project.

The Group also announced a Board refresh on 19 December 2025, with the appointment of Eduardo Robaina, Dale Hanna and Joseph Graham as Directors of the Group.

There have been no other significant changes in the nature of the Group's principal activities during the half-year.

2. Basis of preparation

The interim consolidated financial statements are for the six months ended 31 December 2025 and are presented in Australian Dollar (\$AUD) which is the functional currency of the Parent Company. The interim financial statements are a general-purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 134 "Interim Financial Reporting".

The financial statements have been prepared on an accruals basis and are based on historical costs.

The interim financial statements do not include all the notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report of the Group together with any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity has net cash inflows for the half year of \$144,535 (Dec 2024: Net cash outflows: \$1,916,307) and as at 31 December 2025 has cash and cash equivalents of \$2,934,361 (Dec 2024: \$4,387,177). The consolidated entity also generated a loss after tax of \$1,493,744 (Dec 2024: \$593,766).

The ability of the consolidated entity to continue as a going concern is principally dependent upon one or more of the following conditions:

- the ability of the consolidated entity to raise sufficient capital and when necessary; and
- the ability to complete successful development and commercialisation of its projects in a manner that generates sufficient operating cash inflows.

Subsequent to half-year end, \$5,162,000 was received under Tranche 2 of the Placement capital raise on 2 February 2026 (refer to Note 13).

These conditions give rise to material uncertainty which may cast significant doubt over the consolidated entity's ability to continue as a going concern. The directors believe that the going concern basis of preparation is appropriate due to the Company's proven history of successfully raising funds.

Should the consolidated entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the consolidated entity be unable to continue as a going concern.

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2025

3. Accounting policies

The accounting policies adopted in the preparation of this interim financial report are consistent with those of the previous financial year and corresponding interim reporting period other than for the impact of the new and amended Accounting Standards that became applicable for the current reporting period. The accounting policies have been applied consistently throughout the Group for the purpose of preparation of the interim financial statements.

Several new or amended standards became applicable for the current reporting period but there is no new standard that has an impact on the group's accounting policies and did not require retrospective adjustments.

4. Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the geographic location of its respective areas of interest (tenements). For the reporting period, all assets of the group are located in Australia, with initial payments also made during the period to acquire oil, gas & mineral leases for the Zydeco Gas Project in Louisiana, USA.

The internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources are prepared on the same basis.

The principal operating activities of the Group are the exploration and evaluation of its tenements for oil and gas reserves. Other than the expensing of exploration and evaluation expenditure, income and expenditure as per the statement of profit or loss and other comprehensive income consists of incidental revenue including interest and corporate overhead expenditure which are not allocated to the Group's operating segments.

Unless otherwise stated, all amounts reported to the Board of Directors (as the chief decision makers) with respect to operating segments are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

5. Cash and cash equivalents

	Consolidated	
	31 Dec 25	30 Jun 25
Current	\$	\$
Cash at bank and on hand	1,048,096	618,359
Deposits at call	1,886,265	2,171,467
	<u>2,934,361</u>	<u>2,789,826</u>

6. Receivables

	Consolidated	
	31 Dec 25	30 Jun 25
Current	\$	\$
GST receivable	24,262	9,456
Interest receivable	20,606	51,373
Prepayments	114,576	427,691
Rental bond	8,615	8,615
	<u>168,059</u>	<u>497,135</u>
Non-Current		
Environmental bonds and deposits	1,361,143	1,357,218
	<u>1,361,143</u>	<u>1,357,218</u>
	<u>1,529,202</u>	<u>1,854,353</u>

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2025

7. Trade and other payables

	Consolidated 31 Dec 25	Consolidated 30 Jun 25
Current		
Trade payables	194,949	59,051
Other payables	48,055	71,832
Employee benefits	27,076	10,496
	<u>270,080</u>	<u>141,379</u>
Non-Current		
Employee benefits	-	-
	<u>-</u>	<u>-</u>
	<u>270,080</u>	<u>141,379</u>

8. Issued Capital

	Consolidated	
	31 Dec 25	30 Jun 25
	\$	\$
Ordinary shares - fully paid 898,859,547 shares (30 June 2025: 707,192,880 shares)	144,333,605	143,008,605
Share issue transaction costs (net of tax)	(5,821,074)	(5,730,405)
	<u>138,512,531</u>	<u>137,278,200</u>

The movement of ordinary shares during the reporting period are as follows:

Share issues	Date of Issue	Number of Shares	\$
Opening balance, 1 July 2025		707,192,880	137,278,200
Placement issued at \$0.006 per share	08-Dec-2025	16,666,667	100,000
Placement issued at \$0.007 per share (Tranche 1)	08-Dec-2025	175,000,000	1,225,000
Share issue transaction costs, (net of tax)		-	(90,669)
Closing Balance, 31 December 2025		<u>898,859,547</u>	<u>138,512,531</u>

The weighted average number of shares used to calculate the basic and diluted loss per share was 719,270,506 (30 June 2025: 546,701,259)

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2025

9. Revenue and other income

Interest received
R&D Tax Incentive

Consolidated	
31 Dec 25	31 Dec 24
\$	\$
64,174	89,918
-	1,906,787
64,174	1,996,705

10. Share based payments

Share-based payments expense

The share-based payments expense included in the financial statement with respect to performance rights issued during the half- year is as follows:

Statement of profit or loss and other comprehensive income

Share based payments expense
Reversal of unvested share-based payments

Consolidated	
31 Dec 25	31 Dec 24
\$	\$
-	(8,519)
-	28,167
-	19,648

Employee Performance Share Rights

Employee Performance Rights are provided to certain employees via the Galilee Energy Limited Performance Rights Plans for employees and contractors. Performance Rights are granted on terms determined by the directors.

The object of the plans is to:

- provide an incentive for employees/contractors to remain in their employment and continue to provide services to the Group in the long-term; and
- recognise the ongoing efforts and contributions of employees/contractors to the long-term performance and success of the Group; and
- provide employee/contractors with the opportunity to acquire performance rights and ultimately shares in Galilee Energy Limited.

Performance Rights are issued for no consideration and provide an equity-based reward for employees that is linked with achieving performance conditions determined when the Performance Rights are granted. The performance criteria are determined on a case-by-case basis by the Board. These performance criteria are likely to be matters such as length of employment, successful operational results and/or direct increase in shareholder value linked to the share price of the Company or performance targets.

The following table shows the movement in the number of performance rights granted in prior periods and the balance at 31 December 2025.

Grant date	Assumed Vesting date	Opening balance	Granted during the period	Vested during the period	Forfeited during the period	Expired during the period	Closing balance	% Vested
16-Aug-22	30-Jun-25	133,333	-	-	(80,000) *	-	53,333	100%
16-Aug-22	30-Jun-25	41,666	-	-	(41,666) **	-	-	0%
		174,999	-	-	(121,666)	-	53,333	

* Forfeited as market condition was not met.

* Forfeited as service condition was not met.

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2025

11. Contingent liabilities

The directors are not aware of any contingent assets or liabilities.

12. Commitments

Bank guarantees

National Australia Bank Limited have provided a bank guarantee totalling \$1,336,867 (June 2025: \$1,332,942) to the State of Queensland in respect of the Group's exploration permits and environmental guarantees.

The bank guarantees are secured by term deposits.

Exploration expenditure

In order to maintain its interests in the exploration permits in which the Group is involved, the Group is required to meet certain conditions imposed by the various statutory authorities granting the exploration permits or that are imposed by the various joint arrangements entered into by the Group. These conditions include minimum expenditure commitments.

At reporting date, the Group's minimum work program commitments for the Galilee Basin permit (ATP 2019) have been met. The Springsure (ATP 2050) permit was surrendered during the period.

Actual expenditure may vary significantly from the minimum commitment obligations and will be dependent on the outcome of exploration activity currently being planned.

Aside from the Zydeco Gas Project (the majority of works commencing following shareholder approval on 27 January 2026), there are no other commitments beyond 31 December 2025 for the United States of America and South America (June 2025: \$ Nil).

13. Events occurring after reporting date

On 27 January 2026, shareholders of the Company approved the acquisition of Minerals U Pty Ltd, which holds rights to the Zydeco Gas and Condensate Project in Louisiana, USA. Shareholders also approved the Placement capital raise for up to \$6.5 million, of which \$1,225,000 was received prior to half-year end under Tranche 1. A further \$5,162,000 was received on 2 February 2026, with the remaining \$113,000 to be raised. In addition, on 20 February 2026 the Company issued 456,214,198 listed options, which were a free attaching option on a 1:2 basis associated with Placement capital raise. The Company also issued 175,000,000 ordinary shares on 2 February 2026 as consideration for the acquisition of Minerals U Pty Ltd, as approved by shareholders.

Shareholders also approved the issue of 24,000,000 Performance Rights to each of the Managing Director and Non-Executive Directors, which were issued on 3 February 2026 as detailed below:

DIRECTOR	CLASS A	CLASS B	CLASS C	CLASS D	TOTAL
Eduardo Robaina	6,000,000	6,000,000	6,000,000	6,000,000	24,000,000
Dale Hanna	6,000,000	6,000,000	6,000,000	6,000,000	24,000,000
Joseph Graham	6,000,000	6,000,000	6,000,000	6,000,000	24,000,000

The vesting conditions and expiry dates associated with the Performance Rights are as follows:

CLASS	VESTING CONDITION	EXPIRY DATE
Class A	Performance Rights will vest upon the spudding of the Zydeco-1 Well as confirmed by the Company releasing an announcement to ASX. For the purposes of this Vesting Condition, spudding means the commencement of drilling operations evidenced by the setting of the surface conductor being the large pipe which starts the drilling from the surface.	5 years from the date of issue.
Class B	Performance Rights will vest on the Zydeco-1 Well achieving its first commercial gas production as confirmed by the Company releasing an announcement to ASX. For the purposes of this Milestone, first commercial gas means the point at which gas produced from the Zydeco-1 well first flows through the facilities, including the processing stage where the liquids (condensate) are separated from the gas stream and flows through the gas meter into the sales pipeline.	5 years from the date of issue.
Class C	Performance Rights will vest if the volume weighted average price (VWAP) of the Company's fully paid ordinary shares equals or exceeds \$0.025 over any 20 consecutive trading days.	5 years from the date of issue.
Class D	Performance Rights will vest if the VWAP of the Company's fully paid ordinary shares equals or exceeds \$0.045 over any 20 consecutive trading days.	5 years from the date of issue.

There were no matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial periods.

14. Related party transactions

There are no related party transactions for the period ended 31 December 2025.

Directors' declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 10 to 15 are in accordance with the Corporations Act 2001, including:
 - (i) complying with AASB 134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Eduardo Robaina

Chairman

Subiaco, 3 March 2026

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Galilee Energy Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Galilee Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd



C R Jenkins
Director

Brisbane, 3 March 2026