ASX ANNOUNCEMENT
25 August 2026

GALILEE ENERGY

ZYDECO SIDETRACK TO UNLOCK SEVEN OIL AND GAS TARGETS

Five newly quantified shallow oil targets add significant near-term upside ahead of Stafford gas-condensate and primary Upper Tweedel objectives

- **Zydeco sidetrack expanded into a seven-target oil and gas evaluation program, providing multiple potential pathways to commercial success from a single wellbore**
- **Technical analysis of data acquired from the original Zydeco-1 well has identified and quantified five additional shallow oil targets above the previously targeted Stafford and Upper Tweedel intervals**
- **The five shallow targets contain a combined gross Prospective Resource* of 317.0 kbbl on a 2U basis and 422.6 kbbl on a 3U basis, materially increasing the number of potential hydrocarbon-bearing intervals available for evaluation during the sidetrack**
- **Gas readings while drilling indicate the original well was terminated in the Stafford Formation. A direct Lower Frio Stafford analogue to the Stafford, R.L. Bucklin #1, tested 1.2 MMscf/d of gas and 48 bbl/d of condensate from an 8-ft interval**
- **The result is a substantially broader Zydeco opportunity than existed prior to drilling, with potential oil targets in the shallower section, gas-condensate potential at Stafford and the high-impact Upper Tweedel gas objective**

Galilee Energy Limited (ASX:GLL) is pleased to announce a significant expansion of the opportunity at its 100%-owned Zydeco Oil & Gas Project in Louisiana, with the planned Zydeco-1 sidetrack now designed to evaluate seven separate oil and gas targets from a single wellbore.

Galilee Energy Managing Director Joseph Graham commented: *"The original Zydeco well has given us substantially more information than we had before drilling. The sidetrack is now designed to capture that value by testing a broader, stacked target inventory from the shallow oil zones through Stafford and into the Upper Tweedel. The new shallow-zone resource estimate adds another dimension to Zydeco. We now have five prospective oil intervals above Stafford and Tweedel, all within the same compact lease position and close to existing Gulf Coast infrastructure. Our immediate focus is to finalise the sidetrack design and evaluation program so that if we encounter movable hydrocarbons, we will collect the pressure, fluid and petrophysical data needed to make a disciplined commercial decision."*

***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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NEW SHALLOW OIL PROSPECTIVE RESOURCE

Five shallow targets – Borsum, Richie, Discorbis gravelli, First Het and Homeseeker B – have been identified from original-hole LWD data. The five zones have been assessed using seismic interpretation together with data from MacCabees-1, J.D. Sittig #1 and regional wells. The estimate was prepared probabilistically in accordance with SPE-PRMS 2018 and is current as at the date of this announcement. The figures are unrisked and have not been adjusted for chance of discovery or chance of development.

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.

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SEVEN-TARGET SIDETRACK

The proposed sidetrack is intended to preserve and re-evaluate the five shallow intervals before continuing to Stafford at approximately 9,391.5 ft TVD and Upper Tweedel at approximately 9,579.5 ft TVD.

Exact kick-off point, trajectory, casing design and final total depth remain subject to final drilling-engineering approval.

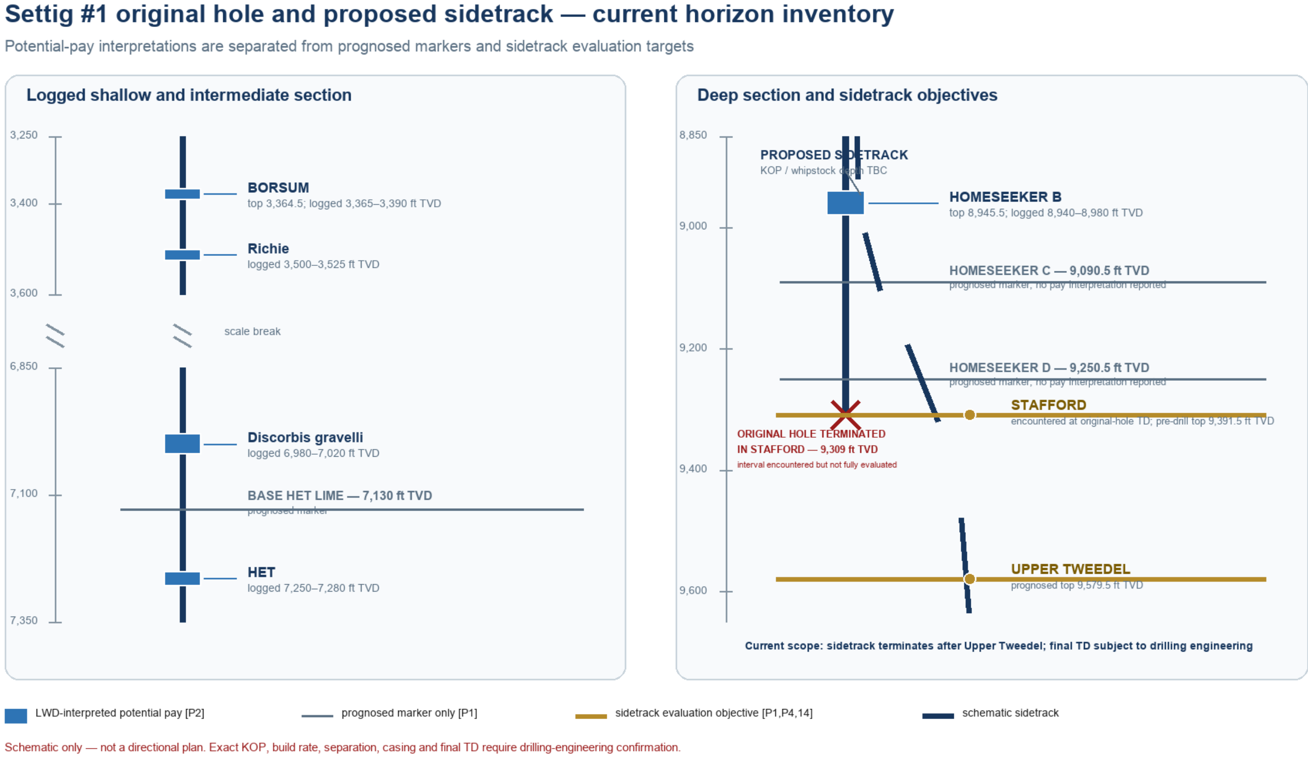

Figure 1: Integrated original-hole and proposed-sidetrack schematic showing the five shallow intervals, Stafford and Upper Tweedel objectives. Trajectory is indicative and subject to final engineering approval.

STAFFORD - ADDITIONAL GAS-CONDENSATE UPSIDE

Stafford delivered standout hydrocarbon indications, recording gas readings across the full interval that exceeded the 5,000-unit upper detection limit of the rig's gas detector.

The strongest direct producing analogue identified in the technical review is R.L. Bucklin #1 in Jefferson Davis Parish, Louisiana, where an 8-ft Lower Frio Stafford interval tested 1.2 MMscf/d of gas and 48 bbl/d of condensate at 4,790 psi flowing tubing pressure through an 8/64-in choke.

This analogue demonstrates that a locally named Lower Frio Stafford sand can produce gas and condensate, but it does not establish reservoir continuity, pressure, pay thickness or deliverability at Zydeco. No Prospective Resource is currently attributed to Stafford.

UPPER TWEEDEL REMAINS THE PRIMARY DEEP OBJECTIVE

Upper Tweedel remains the principal deep target in the current sidetrack program. The original wellbore closely matched the pre-drill stratigraphic model before drilling was interrupted, improving the Company's confidence in the expected depth and structural position of Upper Tweedel. The current sidetrack scope is planned to terminate after evaluation of Upper Tweedel.

The existing Zydeco Prospective Resource estimate for the Upper and Lower Tweedel targets remains unchanged from previous disclosures.

NEXT STEPS

The Company's immediate priorities are to:

- Complete final sidetrack and directional drilling design and independent engineering review;
- Finalise the data-acquisition program, including logging, formation-pressure testing and fluid sampling across candidate intervals;
- Finalise contractor arrangements and mobilisation planning; and
- Progress the sidetrack subject to approvals, contractor availability and normal operating conditions.

The Board remains committed to completing the evaluation of Zydeco-1, and Galilee will provide further updates as material information becomes 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 Zydeco Oil & Gas Project. The 325.3-acre lease is covered by 3D seismic and is located close to existing gas infrastructure.

The original wellbore 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 a sidetrack as the most efficient path to complete the geological evaluation.

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

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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.

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 of the 21st of August 2026.