ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

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 ("Company") and the entities it controlled at the end of or during the year ended 30 June 2026. 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 year and up to the date of this report were:

Current Directors	
Eduardo Robaina	Non-Executive Chairman – appointed 19 December 2025
Joseph Graham	Managing Director – appointed 19 December 2025 (appointed CEO on 3 November 2025)
Dale Hanna	Non-Executive Director – appointed 19 December 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 has been 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. Further details are contained within the Review of Operations below.

3. Results from operations

The net loss for the year from continuing operations was $5,417,361 (2025: $3,168,015).

The loss for the year primarily reflects preliminary drilling expenditure incurred on the Zydeco Gas Project, expenditure on production optimisation at the Glenaras multi well pilot and Glenaras pilot operating costs totalling $3,893,402 (2025: $1,316,802).

4. Dividends

No dividends have been declared, provided for, or paid in respect of the financial year ended 30 June 2026 (2025: Nil).

5. Review of operations

FY2026 marked a significant transition for Galilee Energy Limited ("Galilee" or the "Company"), with the Company establishing a new US-focused oil and gas growth strategy centred on the Gulf Coast and advancing its first asset, the Zydeco Oil & Gas Project in Louisiana, from acquisition through to drilling.

During the year, Galilee acquired Zydeco and progressed the Project through acreage consolidation, subsurface interpretation, engineering, permitting, contractor selection and site construction. By 30 June 2026, the drilling pad and associated site infrastructure had been completed and RFC Drilling Rig 103 had been mobilised to site ahead of the commencement of drilling.

Zydeco represents the first execution of Galilee's strategy to build a scalable US Gulf Coast oil and gas business. The strategy is focused on acquiring lower-risk opportunities in mature fields, drilling and developing these assets to generate production and cash flow, and reinvesting into additional wells and assets to build scale.

Directors' Report (continued)

5. Review of operations (continued)

The Company's US strategy is supported by an experienced US Advisory Board providing expertise across asset identification and evaluation, drilling and development execution, commercial structuring and capital efficiency. The Advisory Board also provides Galilee with access to additional Gulf Coast opportunities that may support the Company's longer-term regional growth strategy.

Zydeco Oil & Gas Project – Louisiana, USA

The acquisition and advancement of Zydeco represented Galilee's principal operational focus during FY2026.

The Project comprises 325.3 acres of mineral leases in Acadia Parish, Louisiana and is located within a proven Gulf Coast gas-condensate fairway. Galilee holds a 100% working interest and 70% net revenue interest in the Project.

Zydeco was selected as Galilee's foundation US asset due to its relatively low entry and development cost, defined reservoir targets, access to existing infrastructure and potential pathway to production following successful drilling. This profile is consistent with the Company's broader strategy of targeting development and redevelopment opportunities capable of generating earlier production and cash flow.

The Project benefits from established regional infrastructure, including proximity to the Texas Gas Pipeline. The proposed development concept comprises relatively simple surface facilities including gas dehydration and metering, condensate stripping, storage and truck loading, together with a short gas spur line to existing infrastructure.

During FY2026, Galilee completed detailed interpretation of available 3D seismic data and integrated historical well information to refine the geological model and optimise the Zydeco-1 well location.

Zydeco-1 was designed to primarily test the Upper and Lower Tweedel formations. At year end, these targets contained gross unrisked prospective resources ranging from 4.2 Bcf of gas and 200,000 barrels of condensate at the 1U case to 13.7 Bcf of gas and 610,000 barrels of condensate at the 3U case, with a 2U best estimate of 7.6 Bcf of gas and 380,000 barrels of condensate.

The Upper Tweedel target is supported by historical drilling approximately 300 feet from Zydeco-1, where the MacCabees et al. No. B-1 well encountered gas within the formation. The location also provided exposure to the Homeseeker B interval, which represented additional exploration potential.

During the June quarter, Galilee completed the Zydeco-1 wellbore schematic and directional drilling plan, received the required state regulatory approval and executed a drilling contract with RFC Drilling, LLC for Rig 103.

Site construction commenced during June and included preparation of the drilling pad, access road, drainage infrastructure and equipment staging areas. Construction was completed by 24 June, with Rig 103 subsequently mobilised to site and the derrick raised over the well centre ahead of drilling.

This progression was consistent with the development pathway outlined by Galilee during the year, under which Zydeco was intended to move from drilling and evaluation through to tie-in and potential production using existing regional infrastructure.

Subsequent to year end, Zydeco-1 spudded on 1 July 2026, marking the commencement of Galilee's first drilling campaign in the US Gulf Coast.

Glenaras Gas Project – Queensland

During FY2026, Galilee continued to hold a 100% interest in the Glenaras Gas Project, located within ATP 2019 in Queensland's Galilee Basin.

Directors’ Report (continued)

5. Review of operations (continued)

Operational activity at Glenaras remained limited during the year, with the Company maintaining a disciplined approach to expenditure as its operational and financial focus increasingly shifted towards the execution of its US Gulf Coast strategy.

The Company continued monitoring reservoir pressure at the Glenaras pilot to further its understanding of reservoir behaviour, with the wells remaining offline during this period.

Subsequent to year end, on 31 July 2026, Galilee entered into a binding Share Sale Agreement with Novus Energy Production Company Pty Ltd for the sale of Galilee Resources Pty Ltd and its subsidiaries, which hold the Glenaras Gas Project. Completion remains subject to customary conditions, including regulatory approvals and third-party consents.

Subject to completion, the purchaser will assume responsibility for Glenaras, including its future funding, operational, environmental, plugging and abandonment, decommissioning and rehabilitation obligations. Galilee will retain exposure to the future success of Glenaras through a 2% net overriding royalty. The Company may also receive reimbursement of approximately A$1.34 million of cash-backed security deposits and A$500,000 of deferred consideration, subject to the terms and conditions of the transaction.

The proposed transaction separates the longer-dated capital requirements of Glenaras from Galilee’s strategy of pursuing lower-cost, near-term production and cash flow opportunities in the United States and, subject to completion, will allow the Company to concentrate its management, technical and financial resources on Zydeco and its broader US Gulf Coast growth strategy.

Outlook

Galilee enters FY2027 focused on completing the evaluation of Zydeco-1 and progressing its broader US Gulf Coast growth strategy.

The immediate priority is to finalise the sidetrack and directional drilling design, drilling costs and contractor arrangements before commencing sidetrack drilling. The program is designed to evaluate Homeseeker B, Stafford and the primary Upper and Lower Tweedel objectives.

In the event of drilling success, Galilee intends to progress Zydeco towards commercialisation using existing regional infrastructure, including a short connection to the Texas Gas Pipeline.

Beyond Zydeco, the Company intends to continue pursuing a repeatable Gulf Coast growth strategy focused on lower-risk development and redevelopment opportunities, near-term production and cash flow generation, disciplined capital allocation and growth through reinvestment and acquisition. Galilee’s US Advisory Board has already assisted in identifying and evaluating additional opportunities across the region.

Subject to completion of the proposed Glenaras sale, Galilee will be positioned as a more focused US Gulf Coast oil and gas company, with its capital, technical capability and management attention directed towards the evaluation of Zydeco and the development of a broader portfolio of US opportunities.

6. Risk Management

The Company manages both operational and corporate risk in accordance with its risk management policy to ensure that the risks associated with oil and gas exploration activities are identified, measured and mitigated to the lowest practicable level. Risk assessments across the Companies’ business are conducted on a regular basis by the management team and are reported through to the Risk Committee. The Board and delegated Risk Committee are responsible for overseeing the risk management framework. Policies and procedures are continually developed, reviewed, and enhanced as appropriate to manage the current and changing operational and corporate risks of the business.

Directors' Report (continued)

6. Review of operations (continued)

Risk Management (continued)

Risk	Description	Mitigation Strategy
People	Key executives may leave. Shortage of quality, experienced personnel and loss of key staff may adversely impact on operations.	Key potential replacements identified. Critical staff succession planning. Competitive remuneration including incentives offered. Staff development and retention prioritised.
Cybersecurity	Data breach or cyber-attack.	Protections in place to protect data and mitigate security breaches. Regular internal testing and checks carried out on data retrieval by independent 3rd parties.
Funding	Given the nature of an exploration company, the requirement exists to raise additional funds to support future exploration, appraisal and operations prior to cashflow. Inability to obtain funding would delay future capital programmes and likely adversely impact the Company's strategy.	Close and active management of the Company's capital requirements. Deep relationships and experience amongst the Board with capital markets in Australia and internationally. Strong relationships maintained with the current shareholder register.
Supply chain risks for operations	The Company imports a number of key items for drilling activities and pilot production facilities from overseas markets and these suppliers may suffer materials shortages which could lead to delay in the Company executing drilling programmes and pilot production operations. No guarantee that even the highest quality third parties will not be impacted by these risks.	The Company works very closely with suppliers and pro-actively to order items, where possible, in advance. Special attention given to maintaining sufficient levels of redundancy in operations. The Company maintains constant dialogue with suppliers and keeps abreast of alternative suppliers should changes in vendor be required.
Land access	Compensation and access agreements are not able to be reached with landowners thereby delaying project.	Good relationships have been fostered with current landowners over many years. Ensure strict compliance with procedures to minimise delays in gaining access. Early engagement with landowners and stakeholders before activities commence.

Directors' Report (continued)

6. Review of operations (continued)

Risk Management (continued)

Risk	Description	Mitigation Strategy
Geopolitical factors and anti-industry sentiment	Government in Australia or USA intervening in the gas market and imposing reservation policies, fracture stimulation bans, gas price restrictions. Loss of licences due to non-compliance with permit obligations or government obstruction to progressing exploration and development activities. Change in regulation or legislation rendering compliance difficulty.	Pro-active engagement across all levels of government. Responses provided where possible to proposed gas market intervention. Shareholder engagement to ensure that clear narrative is understood by investors. Compliance with all regulatory obligations - work programmes, environmental approvals and permit approvals. The federal government has released the Mandatory Gas Code of Conduct. Galilee qualifies as a small domestic supplier under the Gas Code (gas production of less than 100 PJ per annum) and is therefore exempt from the A$12/GJ price cap for any sale of gas made from 2024 onwards. Galilee has worked closely with the government and the ACCC during the consultation periods as part of the development of the Gas Code, stressing the Company's commitment to existing and growing future domestic gas supply.
Exploration, appraisal and contingent resources.	Exploration and appraisal operations have inherent geological and engineering risks. They are an industry wide activity used to discover petroleum resources and mature them to reserves.	The Company has exploration licences in Louisiana, USA, and in the Galilee and Bowen basins in Queensland to mitigate the risk of single basin activity. These licences are across established unconventional and conventional hydrocarbon plays which either have contingent resources or are in close proximity to existing discoveries. The Company's primary project is the Zydeco oil & gas project which contains defined reservoir targets. Secondly the Glenaras gas project contains certified contingent resources, estimated consistent with the Society of Petroleum Engineers (SPE) Petroleum Resources Management System (PRMS). To ensure the pathway to be able to mature the material Contingent Resource certified in ATP2019 is well understood, the integrated subsurface model was refined with the extensive reservoir pressure data collected in FY26

Directors' Report (continued)

6. Review of operations (continued)

Risk Management (continued)

Risk	Description	Mitigation Strategy
Operations	Operating in the oil and gas industry is associated with a number of risks, including but not limited to explosions, blow outs, equipment and facility failure, people safety, environmental hazards and accidents.	The Company manages operational risk via a separate risk register which is regularly reviewed to ensure operations are being conducted with residual risk as low as reasonably practical, and in accordance with legislative and regulatory standards.
Climate and sustainability	Galilee recognises that direct physical and indirect non-physical impacts of climate change may impact on our operations and the markets into which we sell our future potential gas. Potential direct risks include those arising from increased severe weather events, longer-term changes in climate patterns, sea level rise, and increased frequency and severity of bushfires. Indirect risks arise from a variety of legal, policy, technology, and market responses to the challenges that climate change poses as society transitions to a lower emissions future. These risks may impact the demand for and competitiveness of Galilee's products and the attractiveness of Galilee as an investment as well as an employer and member of the local communities in which we operate.	The Company assesses and responds to these risks in the following ways: • Understanding, managing and mitigating the risks presented by direct physical impacts; • Understanding, managing and mitigating the impact of climate change and emissions policy on the demand for the Company's products; • Identification of the means by which the Company can reduce its direct emissions and lessen its overall emissions impact. In respect of market risk, the Company's strategy means its gas assets possess a low exposure to the possibility of demand loss from climate change. A favourable market for sale of the Company's gas resources has been confirmed and is expected to continue given the current demand and supply forecasts for its chosen market of the east coast of Australia and the role gas is expected to play as a transitional energy source for firming variable renewable power generation in a lower emissions world.

7. Matters subsequent to the end of financial year

The following events have arisen in the interval between the end of the year and the date of this report of a material nature:

Sale of Glenaras Gas Project

Subsequent to year end, on 31 July 2026, Galilee entered into a binding Share Sale Agreement with Novus Energy Production Company Pty Ltd for the sale of Galilee Resources Pty Ltd and its subsidiaries, which hold the Glenaras Gas Project. Completion remains subject to customary conditions, including regulatory approvals and third-party consents.

Subject to completion, the purchaser will assume responsibility for Glenaras, including its future funding, operational, environmental, plugging and abandonment, decommissioning and rehabilitation obligations. Galilee will retain exposure to the future success of Glenaras through a 2% net overriding royalty. The Company may also receive reimbursement of approximately A$1.34 million of cash-backed security deposits and A$500,000 of deferred consideration, subject to the terms and conditions of the transaction.

Directors' Report (continued)

7. Matters subsequent to the end of financial year (continued)

Spudding of the Zydeco-1 Well

Subsequent to year end, Zydeco-1 well spudded on 1 July 2026, marking the commencement of Galilee's first drilling campaign in the US Gulf Coast.

On 3 August 2026, the Company announced that drilling was interrupted by a mechanical issue within the open-hole section and that a sidetrack is proposed as the most effective way to complete the geological evaluation. In addition, on 14 August 2026, the Company announced that the sidetrack will be expanded to target five newly quantified shallow oil and gas targets from the single wellbore before continuing to evaluate Stafford and the primary Upper and Lower Tweedel objectives.

Share Placement

On 14 August 2026, the Company announced a placement to raise approximately $3.5 million before costs in two tranches from the issue of 777,777,778 fully paid ordinary shares for $0.0045 per share, together with 777,777,778 free-attaching listed options exercisable at $0.011 each on or before 20 February 2029.

On 25 August 2026, 207,769,051 ordinary shares were issued under Tranche One to raise $936,651.42 before costs. Tranche Two will be subject to shareholder approval at an EGM on 29 September 2026.

Other than the above, there has not arisen in the interval between the end of the year and the date of this report any item, transaction, or event of a material and unusual nature likely, in the opinion of directors, to affect significantly the operation of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

8. Environmental regulations and performance statement

The Company conducts its Queensland operations in compliance with the Petroleum and Gas (Production and Safety) Act 2004 and its Louisiana operations in compliance with the Louisiana Environmental Quality Act and the regulations of the Office of Conservation of the Louisiana Department of Energy and Natural Resources. Louisiana drilling and production activities are conducted under permits issued by the Office of Conservation and are subject to Statewide Order 29-B governing drilling, waste handling and well plugging, together with air, water discharge and waste requirements administered by the Louisiana Department of Environmental Quality. Environmental considerations of any Queensland 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 become aware of any breaches of its environmental licence or permit conditions, nor has it been notified of any material environmental breach by any government agency during the year.

9. Shares under option

As at 3 September 2026, unissued ordinary shares under options or rights are as follows:

	Date granted	Expiry date	Exercise price ($)	Number under option or performance rights
Performance rights	16-Aug-22	30-Jun-27	-	53,333
Performance rights	27-Jan-26	2-Feb-31	-	96,000,000
Performance rights	24-Mar-26	24-Mar-28	-	1,774,227
Performance rights	24-Mar-26	24-Mar-29	-	1,774,227
Unlisted share options	27-Jan-26	3-Feb-29	0.011	90,000,000
Unlisted share options	24-June-26	17-June-29	0.011	18,000,000
Unlisted share options	24-June-26	17-June-29	0.016	18,000,000
Listed share options	20-Feb-26	20-Feb-29	0.011	456,214,198
Listed share options*	14-Aug-26	20-Feb-29	0.011	777,777,778
				1,003,379,565

*Subject to shareholder approval at an EGM on 29 September 2026

Directors' Report (continued)

10. Shares issued on the exercise of options

No options have been exercised during the year ended 30 June 2026 and up to the date of this report.

11. Directors and officer's insurance

The Company has agreed to indemnify the directors, officers and secretaries of the Company and its subsidiaries against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as a director or officer of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

During the financial year, the Company paid premiums for directors' and officers' liability insurance. The contract prohibits disclosure of the details of the nature of the liabilities covered or the premium paid.

The Company has not indemnified its auditors, BDO Audit Pty Ltd.

12. Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or any part of those proceedings.

Meetings of directors

The number of meetings of the Company's board of directors and its sub-committees held during the year ended 30 June 2026, and the number of these meetings attended by each appropriate director were:

Name	Meetings of Directors		Meetings of Audit Committee		Meetings of Risk Committee	
	A	B	A	B	A	B
Eduardo Robaina	4	4				
Dale Hanna	4	4				
Joseph Graham	4	4				
Ray Shorrocks	6	6	*	*	1	1
Stephen Kelemen	6	6	1	1	1	1
Gordon Grieve	-	-	-	-	-	-
Greg Columbus	6	5	1	1	1	1

A = Number of meetings eligible to attend
B = Number of meetings attended
* = Not member of committee

13. Information on Directors and Company Secretary

Eduardo Robaina

Non-Executive Chairman – appointed on 19 December 2025
Eduardo Robaina is a Managing Director and Engineering Consultant with over two decades of experience in the resources sector, spanning both technical and leadership positions at companies including Woodside, Mineral Resources, Santos and most recently Add Energy (part of ABL Group). In his most recent position as Managing Director at Add Energy, Mr Robaina was responsible for overseeing the business operating model, which saw the Company achieve significant financial growth over a 4-year period. He was an active member in Add Energy's Executive team during its 2022/23 acquisition and integration into ABL Group. Eduardo holds a Bachelor of Science in Mechanical Engineering from Metropolitan University in Venezuela.

Other Directorships in Australian listed public companies – current

New Frontier Minerals Limited (ASX: NFM)	Appointed 14 March 2024
Yari Resources Limited (ASX: YAR)	Appointed 22 May 2025

Directors' Report (continued)

13. Information on Directors and Company Secretary(continued)

Eduardo Robaina

Former Directorships of Australian listed public companies in the last three years
MacArthur Minerals Limited (ASX: MIO) Appointed October 2024, resigned 15 July 2026

Special responsibilities
Chairman

Interest in Galilee Energy Limited shares and options as at 1 September 2026
10,428,572 ordinary shares
714,285 listed options
24,000,000 performance rights

Joseph Graham

Managing Director – appointed on 19 December 2025 (appointed CEO on 3 November 2025)
Joseph is a highly experienced petroleum engineer and energy executive, combining broad technical capability with proven project delivery across the oil and gas sector. With more than two decades' experience, Joseph has led and supported numerous field start-ups in the USA, UK and Australia. Joseph holds a Postgraduate Diploma in Petroleum Engineering from Curtin University and a Bachelor of Science in Mining and Engineering from the Western Australian School of Mines.

Other Directorships in Australian listed public companies – current
Nil

Former Directorships of Australian listed public companies in the last three years
Nil

Special responsibilities
Managing Director and Chief Executive Officer (CEO)

Interest in Galilee Energy Limited shares and options as at 1 September 2026
24,000,000 performance rights

Dale Hanna

Non-Executive Director – appointed on 19 December 2025 & Company Secretary – appointed 3 March 2026
Dale is a highly qualified finance professional with 20 years of experience in Chief Financial Officer, Company Secretary, Director and corporate advisory and governance roles. He has worked at many listed-ASX groups, primarily involved in the mining and natural resources sectors, ranging from exploration, development and production phases. Dale commenced his career with Ernst & Young and is a Chartered Accountant and Secretary, with current memberships at the Institute of Chartered Accountants and Governance Institute of Australia respectively. He holds a Bachelor of Commerce degree in Accounting and Finance from Curtin University.

Other Directorships in Australian listed public companies – current
PLC Resources Limited (ASX: PLC) Appointed 7 November 2025

Former Directorships of Australian listed public companies in the last three years
Barys Resources Limited (ASX: BRY) Appointed 31 January 2025, resigned 9 April 2025

Special responsibilities
Nil

Interest in Galilee Energy Limited shares and options as at 1 September 2026
24,000,000 performance rights

Directors' Report (continued)

13. Information on Directors and Company Secretary (continued)

Ray Shorrocks

Non-Executive Chairman – appointed on 6 September 2023, resigned 19 December 2025 (Executive Chairman from 6 September 2023 to 3 November 2025)
With over 20 years' experience working in the investment banking industry, Ray is highly conversant and experienced in all areas of mergers and acquisitions and equity capital markets, including a significant track record of transactions in the metals and mining, industrials, and property sectors.

Other Directorships in Australian listed public companies – current

Great Bear Exploration Limited (ASX: GBL)	Appointed 12 January 2016
Cygnus Metals Limited (ASX: CY5)	Appointed 30 June 2020
Sinclair Gold Limited (ASX: SGC)	Appointed 7 August 2020
Andean Silver Limited (ASX: ASL)	Appointed 7 February 2023

Former Directorships of Australian listed public companies in the last three years

FireFly Metals Limited (ASX: FFM)	Appointed 28 January 2020, resigned 19 March 2024

Special responsibilities

Former Chairman

Interest in Galilee Energy Limited shares and options as at 19 December 2025

31,635,957 ordinary shares

Stephen Kelemen

Non-Executive Director – appointed 31 March 2018, resigned 19 December 2025
Stephen has a diverse petroleum industry experience across reservoir, development, operations and exploration activities in conventional oil & gas, CSG and other unconventional resources from his 40-year career in the industry. Notably he led Santos Ltd's CSG team from its inception in 2004 and drove the growth that enabled Santos to develop a substantial CSG portfolio. Stephen has a Bachelor of Engineering degree from the University of Adelaide. He is an Adjunct Professor at University of Queensland Gas & Energy Transition Research Centre and is the Deputy Chair of the Petroleum for Queensland Exploration Council.

Other Directorships in Australian listed public companies – current

Elixir Energy Limited (ASX: EXR)	Appointed 6 May 2019

Former Directorships of Australian listed public companies in the last three years

Nil

Special responsibilities

Former Chairman of Risk Committee and former member of Audit and Remuneration Committees

Interest in Galilee Energy Limited shares and options as at 19 December 2025

1,872,079 ordinary shares

Directors' Report (continued)

13. Information on Directors and Company Secretary (continued)

Gordon Grieve

Non-Executive Director – appointed 6 September 2019, resigned 24 July 2025
Gordon has over 30 years' experience as a solicitor and legal counsel working with energy and resources companies in Australia and overseas. He is the current Chairman of Partners at Piper Alderman, leading both their International and Energy & Resources Groups. Gordon is a skilled advisor in relation to corporate governance and compliance issues, company takeovers and schemes of arrangement and has represented companies and directors on all facets of major corporate transactions and commercial litigation.

Other Directorships in Australian listed public companies – current
Nil

Former Directorships of Australian listed public companies in the last three years
Nil

Special responsibilities
Former Chairman of Audit Committee and former member of Risk and Remuneration Committees

Interest in Galilee Energy Limited shares and options as at 24 July 2025
1,528,937 ordinary shares

Greg Columbus

Non-Executive Director – appointed 17 September 2020, resigned 19 December 2025
Greg has over 30 years of experience in the Energy, Oil and Gas sectors including technical, commercial and executive roles. He is an experienced director with commercial, strategy, corporate finance and legal experience. Greg has gained valuable business experience in delivering large, complex oil and gas projects and has along the course of his career also carved out strong strategic vision and been involved in numerous M&A activities.

Greg was the non-executive Chairman of Warrego Energy Limited, Talon Energy Limited and he has also been the Managing Director and a Main Board Director for Clarke Energy Group (A Kohler Company) for the past 20 years. Clarke Energy are a privately owned, multinational power solutions company specialising in the engineering, installation and maintenance of power plants and gas compression stations, operating in 28 countries. He is also currently Chairman of Young Presidents Organisation Gold (YPOG) Chapter in South Australia and D3 Energy Limited.

Other Directorships in Australian listed public companies – current

D3 Energy Limited (ASX: D3E)	Appointed 7 April 2021

Former Directorships of Australian listed public companies in the last three years

Warrego Energy Limited (ASX: WGO)	Appointed 22 October 2018, resigned 17 February 2023
Talon Energy Limited (ASX: TPD)	Appointed 3 April 2023, acquired 27 December 2023
Noble Helium Limited (ASX: NHE)	Appointed 20 September 2023, resigned 17 February 2026

Special responsibilities
Chairman of Remuneration Committee and member of Audit Committee

Interest in Galilee Energy Limited shares and options as at 19 December 2025
19,973,097 ordinary shares

Andrew Ritter

Company Secretary – resigned 3 March 2026
Andrew is an experienced Company Secretary, a Chartered Company Secretary and Fellow of the Chartered Governance Institute with more than 25 years' experience, having worked with many ASX listed companies across a variety of industry sectors.

Directors' Report (continued)

14. Remuneration Report (audited)

This report details the FY26 remuneration and fees of the Key Management Personnel (KMP) of the Company, who are listed in the table below. For the remainder of this Remuneration Report, the KMP are referred to as either Executive KMP or Non-Executive Directors.

Eduardo Robaina	Non-executive Chairman since 19 December 2025
Joseph Graham	Managing Director since 19 December 2025, CEO since 3 November 2025
Dale Hanna	Non-executive Director since 19 December 2025 and Company Secretary since 3 March 2026
Ray Shorrocks	Non-Executive Chairman (Executive Chairman from 6 September 2023 to 3 November 2025) since 6 September 2023, resigned on 19 December 2025
Stephen Kelemen	Non-executive Director since 31 March 2018, resigned on 19 December 2025
Gordon Grieve	Non-executive Director since 6 September 2019, resigned 24 July 2025
Greg Columbus	Non-executive Director since 17 September 2020, resigned on 19 December 2025

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration
B Details of remuneration
C Service agreements
D Share-based compensation
E Key management personnel shareholdings

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders and conforms to market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management

A Principles used to determine the nature and amount of remuneration

In consultation with external remuneration consultants when required, the Board determines the remuneration policies of the Company, reviews the remuneration of senior management and determines the remuneration of executive directors. Non-executive director remuneration is considered by the Board within the overall limits approved by shareholders. It was not necessary to engage external remuneration consultants during the year.

Alignment to shareholders' interests

The Company has economic profit as a core component of plan design, focuses on sustaining medium to long term growth in shareholder wealth and delivering a return on assets, as well as focusing the executive on key non-financial drivers of value, designed to attract and retain high calibre executives.

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards

The framework provides a mix of fixed and variable pay, and long-term incentives.

Non-executive directors

Fees and payments to non-executive directors reflect the demands that are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board to ensure fees are appropriate and in line with the market.

Directors' Report (continued)

14. Remuneration Report (audited) (continued)

Directors' fees

The Chairman's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. In accordance with the provisions of Listing Rule 10.11 of the Official Listing Rules of the ASX Limited, a meeting of shareholders held on 27 November 2009 approved the sum of $600,000 per annum to be the total aggregate annual remuneration payable to non-executive Directors of the Company. The current total of base non-executive director and remuneration is $135,000. Cash bonuses and other forms of remuneration may be paid to directors at the discretion of the Board in recognition of the achievement of certain key performance indicators and the provision of services outside of the usual role and commitments of a non-executive director.

Executive pay

The executive remuneration and reward framework have the following components:

- base pay and non-monetary benefits
- short term incentives
- share based payments, and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Base pay and non-monetary benefits

Structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

Share-based payments

Share based payments – options or rights are issued to executives generally over a period based on a long-term incentive basis and short-term incentives basis. These long-term and short-term incentives may include specific price and/or performance targets that relate to the expected outcomes from strategies that have been given a high level of importance in relation to the future growth of the Company.

Superannuation and long service leave

Included in the employment package for key management personnel is the statutory obligation for superannuation and long service leave.

Relationship between remuneration and Company performance

Other than as described in D below (options) there is no direct link between the remuneration of the key management personnel and Company performance. The Company is currently focused on the exploration stage across its projects. Consequently, opportunities for broad performance-based incentives are limited.

Given that remuneration must be commercially reasonable to attract the right calibre of directors and executives, there can be no direct link between remuneration, Company performance and shareholder wealth at the Company's current stage of development.

The Company issues options or rights to provide an incentive for directors and key management personnel to align their interests with the medium to long term interests of shareholders.

Directors' Report (continued)

14. Remuneration Report (audited) (continued)

The table below sets out summary information about the Company's revenues, earnings, and movements in shareholders' wealth for the five years to 30 June 2026:

Item	Unit	2026	2025	2024	2023	2022
Other income – continuing operations		918,560	1,906,787	4,999,053	7,771,971	6,152,711
Net profit/(loss) before tax		(5,417,361)	(3,168,015)	(3,538,522)	(8,940,474)	(19,759,475)
Net profit(loss) after tax		(5,417,361)	(3,168,015)	(3,538,522)	(8,940,474)	(19,759,475)
Basic loss per share	cents	(0.5)	(0.6)	(1.0)	(2.6)	(6.3)
Last traded share price -30 June	cents	0.6	0.5	1.9	9.5	31.0
Remuneration - salary and fees		814,041	651,700	1,059,585	1,397,302	1,624,563

There were no dividends paid or returns of capital by the company in the five years.

B Details of remuneration

Details of the remuneration of the directors and the other key management personnel of Galilee Energy Limited and the Galilee Energy Group (Group) are set out in the following tables:

	Short-term benefits & fees		Post Employment benefits	Other employee benefits	Share-based Payments		%
30 June 2026	**Salary & fees**	**Short term incentive**	**Super-annuation**	**Non-monetary benefits**	**Performance rights**	**Total**	**Performance Based**
	$	**$**	**$**	**$**	**$**	**$**	
Executives:							
Joseph Graham	183,630	36,518	21,757	4,059	91,720	337,684	37.98%
R Shorrocks	88,113	-	10,574	-	-	98,687	0.00%
Non-Executive Directors:							
Eduardo Robaina	71,754	-	-	-	91,720	163,474	56.11%
Dale Hanna	51,935	-	-	-	91,720	143,655	74.17%
G Grieve	4,947	-	594	-	-	5,541	0.00%
G Columbus	32,500	-	-	-	-	32,500	0.00%
S Kelemen	32,500	-	-	-	-	32,500	0.00%
Total	465,379	36,518	32,925	4,059	275,160	814,041	

	Short-term benefits & fees		Post Employment benefits	Other employee benefits	Share-based Payments		%
30 June 2025	**Salary & fees**	**Short term incentive**	**Super-annuation**	**Non-monetary benefits**	**Performance rights**	**Total**	**Performance Based**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Executives:							
R Shorrocks	223,470	-	25,699	-	-	249,169	0.00%
M Cooper	219,545	-	14,966	-	(28,167)	206,344	0.00%
Non-Executive Directors:							
S Kelemen	65,000	-	-	-	-	65,000	0.00%
G Grieve	59,361	-	6,826	-	-	66,187	0.00%
G Columbus	65,000	-	-	-	-	65,000	0.00%
Total	632,376	-	47,491	-	(28,167)	651,700	

Directors' Report (continued)

14. Remuneration Report (audited) (continued)

C Service agreement

Remuneration and other terms of employment for the key management executives are as follows:

Joseph Graham, Managing Director – appointed 19 December 2025

Terms of agreement:

- Base salary of $290,000 including 12% superannuation
- Short-term incentive payments of up to 45% of base salary (the Board has determined the cash bonus of $36,518 is payable based on its discretion in accordance with the employment agreement)
- Performance rights as determined by the Company
- Medical insurance benefits
- Entitlement to annual leave, personal leave and long service leave

Ray Shorrocks, Executive Chairman – resigned 19 December 2025

Terms of agreement:

- Director fees $152,053 including 11.5% superannuation, no additional short-term and long-term incentives.
- Additional salary $8,000 per month (including 11.5% superannuation) for advisory services.
- Not entitled to annual leave, personal leave and long service leave

Other than a Letter of Appointment confirming the terms of their office, the non-executive directors of the Company do not have any formal service or contracting agreement in place with the Company.

D Share based compensation

Directors' share options

During the year, there were no share options granted to the Directors.

Performance rights

During the year, there were performance rights granted to directors as part of their remuneration with service and market conditions. The balance of performance rights at year end and the movements during the year are as follows:

Director name	Balance at start	Granted as remuneration	Exercised	Vested	Expired	Forfeited	Balance at end
Eduardo Robaina	-	24,000,000	-	-	-	-	24,000,000
Joseph Graham	-	24,000,000	-	-	-	-	24,000,000
Dale Hanna	-	24,000,000	-	-	-	-	24,000,000
	-	72,000,000	-	-	-	-	72,000,000

The terms and conditions of above performance rights granted during the year are as following:

Nature	Number	Grant date	Vesting conditions	Fair value per right	% vested during the year	% forfeited during the year
Performance rights – Class A	18,000,000	27-Jan-26	The spudding of the Zydeco-1 Well as confirmed by the Company releasing an announcement to the ASX.	$0.01000	0%	0%
Performance rights – Class B	18,000,000	27-Jan-26	The Zydeco-1 Well achieving its first commercial gas production as confirmed by the Company releasing an announcement to the ASX.	$0.01000	0%	0%
Performance rights – Class C	18,000,000	27-Jan-26	If the VWAP of the Company's shares equals or exceeds $0.025 over any 20 consecutive trading days.	$0.00898	0%	0%
Performance rights – Class D	18,000,000	27-Jan-26	If the VWAP of the Company's shares equals or exceeds $0.045 over any 20 consecutive trading days.	$0.00814	0%	0%

Directors' Report (continued)

14. Remuneration Report (audited) (continued)

E Key Management Personnel shareholdings

The number of ordinary shares in Galilee Energy Limited held by each KMP of the Group during the financial year is as follows:

30 June 2026	Position	Balance at beginning of year	Granted as remuneration during the year	Shares acquired	Other changes	Balance at end of year
Eduardo Robaina*	Non-Executive Chairman	-	-	10,428,572	-	10,428,572
Joseph Graham	Managing Director	-	-	-	-	-
Dale Hanna	Non-Executive Director	-	-	-	-	-
Ray Shorrocks**	Executive Chairman	31,635,957	-	-	(31,635,957)	-
Stephen Kelemen**	Non-executive Director	1,872,079	-	-	(1,872,079)	-
Gordon Grieve**	Non-executive Director	1,528,937	-	-	(1,528,937)	-
Greg Columbus**	Non-executive Director	3,306,430	-	-	(3,306,430)	-
Total KMP		38,343,403	-	10,428,572	(38,343,403)	10,428,572

* Shares acquired represents 289,161 shares held at appointment and 10,139,411 shares acquired during the period.

** Gordon Grieve resigned from the Company on 24 July 2025 and Ray Shorrock, Stephen Kelemen and Greg Columbus resigned from the Company on 19 December 2025.

F Loans to Key Management Personnel

Nil

G Transactions with Directors or Director related entities

Nil

End of audited Remuneration Report

15. Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important. Details of the amounts paid or payable to the auditor (BDO Audit Pty Ltd) for audit and non-audit services provided during the year are set out below.

The Board of directors has considered the position and, in accordance with the advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent Company, its related practices and non-related audit firms. The professional tax services rendered relate to advice on tax compliance.

Directors’ Report (continued)

15. Non-audit services (continued)

	30 Jun 26	30 Jun 25
	$	$
Non-audit services		
- Tax consulting and compliance services	**16,663**	20,422

16. Auditor’s independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report. Signed in accordance with a resolution made pursuant to s306(3) of the Corporations Act 2001.

On behalf of the Directors

Eduardo Robaina
Non-Executive Chairman

Perth,3 September 2026

Audit Independence Declaration

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 18, 360 Queen Street
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

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

As lead auditor of Galilee Energy Limited for the year ended 30 June 2026, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

C R Jenkins
Director

BDO Audit Pty Ltd

Brisbane, 3 September 2026

Consolidated Statement of Profit or Loss & Other Comprehensive Income
for the year ended 30 June 2026

	Note	Consolidated 30 June 26 $	30 June 25 $
Revenue and other income			
Interest received		**150,573**	182,746
Other income	3	**918,560**	1,906,787
		1,069,133	2,089,533
Expenses			
Exploration and evaluation costs	4 (a)	**(3,893,402)**	(1,316,802)
Employee benefits expense	4 (b)	**(807,962)**	(768,934)
Consulting fees	4 (c)	**(355,727)**	(703,731)
Business development		-	(1,200)
Software licence fee & costs	4 (d)	**(472,161)**	(1,126,498)
Administration expenses	4 (e)	**(957,242)**	(1,340,383)
Total expenses		**(6,486,494)**	(5,257,548)
Loss before income tax		**(5,417,361)**	(3,168,015)
Income tax benefit/(expense)	5	**-**	-
Loss for the year		**(5,417,361)**	(3,168,015)
Other comprehensive income, net of income tax			
Exchange differences on translation of foreign operations		**84,565**	-
TOTAL COMPREHENSIVE LOSS		**(5,332,796)**	(3,168,015)
LOSS PER SHARE		**Cents**	Cents
Basic and diluted loss per share		**(0.5)**	(0.6)

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 30 June 2026

	Note	Consolidated	
		30 June 26	30 June 25
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	9	**2,197,709**	2,789,826
Trade and other receivables	10	**3,007,489**	497,135
Inventories	11	**956,745**	-
Financial assets	28	**139,135**	278,277
Total current assets		**6,301,078**	3,565,238
Non-current assets			
Trade and other receivables	10	**1,361,993**	1,357,218
Property, plant and equipment	12	**64,219**	103,582
Right of use asset	13(a)	**28,227**	-
Total non-current assets		**1,454,439**	1,460,800
Total assets		**7,755,517**	5,026,038
LIABILITIES			
Current liabilities			
Trade and other payables	14	**279,145**	141,379
Provisions	15	**-**	554,836
Lease liability	13(b)	**15,285**	-
Total current liabilities		**294,430**	696,215
Non-current liabilities			
Provisions	15	**4,920,623**	4,114,089
Lease Liability	13(b)	**7,874**	-
Total non-current liabilities		**4,928,497**	4,114,089
Total liabilities		**5,222,927**	4,810,304
NET ASSETS		**2,532,590**	215,734
EQUITY			
Issued capital	16	**143,914,743**	137,278,200
Reserves	17	**92,972**	(1,004,702)
Accumulated losses		**(141,475,125)**	(136,057,764)
TOTAL EQUITY		**2,532,590**	215,734

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

GALILEE ENERGY

Consolidated Statement of Changes in Equity
for the year ended 30 June 2026

	Issued Capital	Accumulated Losses	Non-controlling Interests Elimination Reserve	Foreign Currency Translation Reserve	Share-based Payments Reserve	Total
	$	$	$	$	$	$
Consolidated						
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	-	(5,417,361)	-	-	-	(5,417,361)
Other comprehensive income	-	-	-	84,565	-	84,565
Total comprehensive loss	-	(5,417,361)	-	84,565	-	**(5,332,796)**
Contributions of equity net of transaction costs	6,636,543	-	-	-	-	**6,636,543**
Share-based payments expense	-	-	-	-	1,013,109	1,013,109
Balance at 30 June 2026	**143,914,743**	**(141,475,125)**	**(7,656,400)**	**36,109**	**7,713,263**	**2,532,590**
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	-	(3,168,015)	-	-	-	(3,168,015)
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive loss	-	(3,168,015)	-	-	-	(3,168,015)
Contributions of equity net of transaction costs	3,191,119	-	-	-	-	3,191,119
Share-based payments expense	-	-	-	-	(19,204)	(19,204)
Balance at 30 June 2025	137,278,200	(136,057,764)	(7,656,400)	(48,456)	6,700,154	215,734

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

Consolidated Statement of Cash Flows
for the year ended 30 June 2026

	Note	Consolidated 30 June 26 $	30 June 25 $
Cash flows from operating activities			
Payments for exploration (including GST)		**(5,814,653)**	(1,196,897)
Payments to suppliers and employees (including GST)		**(1,969,815)**	(3,871,584)
GST refunds received		**169,118**	193,019
Other income received		**875,828**	1,906,787
Interest received		**178,230**	183,020
Interest paid	26(b)	**(875)**	(8,639)
Net cash used in operating activities	26(a)	**(6,562,167)**	(2,794,294)
Cash flows from investing activities			
Payments for property, plant and equipment		**-**	(3,006)
Payments for bonds and deposits		**(74,904)**	(46,607)
Net cash used in investing activities		**(74,904)**	(49,613)
Cash flows from financing activities			
Proceeds from issue of shares	16	**6,487,100**	3,480,438
Share issue costs	16	**(507,557)**	(289,319)
Payment for principal portion of lease liabilities	26(b)	**(14,477)**	(28,256)
Net cash provided by financing activities		**5,965,066**	3,162,863
Net (decrease)/increase in cash and cash equivalents		**(672,005)**	318,956
Cash and cash equivalents at the beginning of the year		**2,789,826**	2,470,870
Effects of exchange rates on cash		**79,888**	-
Cash and cash equivalents at the end of the year	9	**2,197,709**	2,789,826

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

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Notes to the Consolidated Financial Statements
for the year ended 30 June 2026

1. General information

These financial statements include the consolidated financial statements and Notes of Galilee Energy Limited (the Company) and its controlled entities (Galilee Energy or "the Group"). Galilee Energy Limited is a for-profit entity for the purpose of preparing the financial statements. The financial statements were approved for issue by the Directors on 3 September 2026.

Galilee Energy Limited is a public company limited by shares, incorporated and domiciled in Australia. The registered office and principal place of business is:

Suite 5, 420 Bagot Road
SUBIACO WA 6008

Principal activities

The principal activities of Galilee Energy Limited and Subsidiaries is to carry out oil and gas exploration and appraisal. The Group has tenement interests and exploration and evaluation activities in Australia and the United States.

2. Material accounting policies

The material accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

Compliance with accounting standards

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting standards Board ("AASB") and the Corporations Act 2001, as appropriate for "for-profit" oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB"). The Group is a for-profit entity for financial reporting purposes.

Going concern & judgements

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 operating cash outflows for the full year of $6,525,958 (30 June 2025: $2,794,294) and as at 30 June 2026 has cash and cash equivalents of $2,197,709 (30 June 2025: $2,789,826). The consolidated entity also generated a loss after tax of $5,417,361 (30 June 2025: $4,860,993).

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.

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 for the year ended 30 June 2026 and previous years.

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 (continued)

2. Material accounting policies (continued)

Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement when applying the Group's accounting policies. These estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under present circumstances.

The critical estimates and judgements applied in the preparation of the financial statements are as follows:

Provision for rehabilitation

The Group's exploration activities are subject to various laws and regulations governing the protection of the environment, which require the rehabilitation of permit areas following the completion of exploration and/or production. The Group estimates the future rehabilitation costs at the time of drilling the wells or installation of the assets.

Rehabilitation could involve re-vegetation of the land area affected and the removal of oil and gas wells, and other surface plant and equipment. In some cases, the rehabilitation will occur many years into the future. The Group recognises management's best estimate of the nature, extent and cost of the rehabilitation obligations in the period in which they arise. The Group engages an independent expert to advise on the cost to rehabilitate each well. In addition, future changes to environmental laws and regulations, production estimates and discount rates may affect the calculation of the estimated cost of the rehabilitation estimates. As a result, actual costs incurred in future periods may differ from the estimates.

At 30 June 2026, the cost of the future rehabilitation work on the remaining wells required has been independently assessed by a specialist third party company. These cost estimates have been indexed at CPI (assumed to be 4%) to the future date that the rehabilitation work is expected to be undertaken. The resultant schedule of cash flows is then discounted to obtain a present value of the potential rehabilitation liability. With respect to wells drilled and completed as possible production wells, it is assumed that the rehabilitation will be undertaken beyond 12 months from reporting date with the majority estimated to be in the 2031 financial year. The total of the rehabilitation provision at reporting is $4,920,623 (non-current) (2025: current – $554,836 and non-current – $4,114,089) as disclosed in Note 15.

Joint arrangements

The Group is not active but has interests in a number of joint arrangements in the USA:

In accordance with *AASB 11 Joint Arrangements*, the accounting treatment adopted for these joint arrangements depends upon an assessment of the rights and obligations of the parties to the arrangement that are established in each of the joint operating agreements (JOAs) or the farm-in agreement as the case may be. The JOA or farm-in agreement sets out the voting rights of the parties to the agreement. The voting rights determine who has control i.e. the power to direct the operating activities of the joint arrangement.

Based on an analysis of each JOA and farm-in agreement, the Group has classified each of its joint arrangements as a "joint operation" in accordance with the requirements of AASB 11 in that:

- there is joint control because all decisions about the operating activities requires unanimous consent of all the parties, or a group of the parties considered collectively; and
- each party to the joint operation has rights to its respective interest in the assets and revenue of the arrangement, and obligations for its share of the liabilities and expenditure.

Notes to the Consolidated Financial Statements (continued)

2. Material accounting policies (continued)

Joint arrangements (continued)

As a result, the Group recognises in its financial statements its share of the revenue, expenses, assets and liabilities of each of the joint operations in which it has an interest.

Loans to and investments in subsidiaries

The parent entity has recorded its investments in subsidiaries at cost of $25,466,259 (2025: $24,098,886) less provisions for impairment of $25,466,259 (2025: $24,098,886). The parent entity has also loaned funds to its subsidiaries of $20,171,294 (2025: $14,178,134) primarily to fund exploration activities. The parent entity has impaired the carrying amount of loans by $20,171,294 (2025: $14,178,134).

The impairment of the investments and loans has been based on the underlying net assets of the subsidiaries. In future periods, in the event that the exploration activities progress on the various areas of interest, and with changes in other market conditions, the carrying amounts of investments and loans may need to be reassessed in line with the net asset position of the subsidiaries or as otherwise appropriate.

Deferred tax assets on carried forward tax losses

No deferred tax assets are recognised on carried forward tax losses on the basis that it is not highly probable of recovery as at balance date. Whilst the Group has satisfied itself it has met the requisite tests to carry forward such tax losses, the Group has not recognised a deferred tax asset on the carried forward losses.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 20.

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements.

Principles of consolidation

Subsidiaries

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transaction between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Investments in subsidiaries are accounted for at cost in the individual financial statements of Galilee Energy Limited.

Joint arrangements

Joint arrangements are arrangements in which one or more parties have joint control. Joint arrangements are classified as either joint operations or joint ventures.

Joint operations

The Group has entered into joint arrangements which are classified as joint operations because the parties to the joint arrangements have rights to the assets and obligations for the liabilities, rather than to the net assets, of the joint arrangements. The Group has recognised its direct right to, as well as its share of jointly held, assets, liabilities, revenues and expenses of joint operations which have been included in the financial statements under the appropriate headings.

Notes to the Consolidated Financial Statements (continued)

2. Material accounting policies (continued)

Joint ventures

Interests in joint ventures are accounted for in the consolidated financial statements using the equity method. Under the equity method of accounting, the Group's share of the movements in statement of profit or loss and other comprehensive income of joint ventures are recognised in consolidated statement of profit or loss and other comprehensive income. The cumulative movements are adjusted against the carrying amount of the investment.

When the Group's share of post-acquisition losses in a joint venture exceeds its interest in the joint venture (including any long-term interests that form part of the Group's net investment in the joint venture), the Group does not recognise further losses unless it has obligations to, or has made payments, on behalf of the associate.

Financial assets

Investments at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the profit or loss.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is Galilee Energy Limited's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for the statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for the statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments are recognised in other comprehensive income.

When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Notes to the Consolidated Financial Statements (continued)

2. Material accounting policies (continued)

Government grants

Grants that compensate the Group for expenses incurred e.g., Research and Development grant are recognised in profit or loss when received as other income.

Research and development

Research and development expenditure is recognised as an expense as incurred. Costs incurred on research and development projects (relating to the design and testing of new or improved products or processes) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other developmental expenditures that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised on a straight-line basis over the asset's useful life from the point at which the asset is ready for use.

Income tax

The income tax expense or revenue for the year is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the parent company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Galilee Energy Limited and its wholly owned Australian resident entities have implemented the tax consolidation legislation.

The head entity, Galilee Energy Limited, and the subsidiaries in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Galilee Energy Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from subsidiaries in the tax consolidated group for the purposes of tax consolidation, where considered recoverable.

Notes to the Consolidated Financial Statements (continued)

2. Material accounting policies (continued)

Income tax (continued)

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Cash and cash equivalents

For Statement of Cash Flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less or that are otherwise readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within financial liabilities in current liabilities on the statement of financial position.

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less impairment. Trade receivables are normally due for settlement no more than 30 days from the date of recognition.

Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. For trade receivables the Group applies the simplified approach permitted under AASB 9, which requires expected lifetime losses to be recognised from initial recognition. There were no trade receivables at 30 June 2026.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation and impairment losses if applicable. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

With the exception of certain equipment, which is depreciated on a units of use basis, depreciation is calculated on a declining basis to allocate the cost of each asset, net of its residual values, over its estimated useful life.

The following rates of depreciation are used:

Office equipment	15% - 50%
Plant and equipment	4% - 50%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

Notes to the Consolidated Financial Statements (continued)

2. Material accounting policies (continued)

Inventory

Inventories are stated at the lower of cost or net realisable value on a 'first in first out' basis. Cost includes the cost of purchase net of discounts received and other costs incurred to bring the inventories to their present location and condition. Inventories are drilling and maintenance stocks, which include spares, consumables, maintenance, and drilling tools used for ongoing operations and are valued at cost and expected to be consumed in the next 12 months.

Right of use asset

Under AASB16, as a lessee the Group recognises a right-of-use asset, representing its right to use the underlying asset, and a lease liability, for all leases with a term of more than 12 months; exempting those leases where the underlying asset is deemed to be of a low value. The right-of-use asset are measured at cost, less any accumulated depreciation, and adjusted for any remeasurement of lease liabilities and for impairment losses, assessed in accordance with the Group's impairment policies. The cost of lease assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are depreciated on a straight-line basis over the life of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether purchase, renewal or termination options are reasonably certain to be exercised.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Exploration and evaluation expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of resource. The determination of a mineral resource is itself an estimation process that requires varying degrees of uncertainty, and this directly impacts on the application of full cost for areas of interest. All costs are expensed in the period it is incurred until such time as an economically recoverable resource has been identified.

Provisions

A provision is recognised when the Group has a present legal or constructive obligation because of past events for which it is probable that an outflow of economic benefits will result, and the amount of the outflow can be reliably estimated. Provisions are not recognised for future operating losses.

Rehabilitation

A provision for rehabilitation is recognised when there is a present obligation to rehabilitate an area disturbed, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A development asset is being created, to the extent that the development relates to future production activities, which in turn is offset by a provision for rehabilitation.

Where there are a number of similar obligations, the likelihood that an outflow will be required is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of an independent assessment of the best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Notes to the Consolidated Financial Statements (continued)

2. Material accounting policies (continued)

Employee benefits

Short-term obligations

Provision is made for the Group's liability for wages and salaries, including non-monetary benefits, annual leave and long service leave arising from services rendered by employees up to reporting date. Employee benefits that are expected to be settled within one year are measured at the amounts expected to be paid when the liability is settled.

The liability for annual leave and long service leave expected to be settled with 12 months is recognised in the current payables

Other long-term obligations

The liability for long service leave and annual leave which is not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service is recognised in the non-current payables. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on corporate bonds with terms to maturity that match, as closely as possible, the expected timing of cash flows.

Retirement benefit obligations

The Group makes contributions to defined superannuation funds. The contributions are recognised as an expense as they become payable.

Share-based equity settled benefits

The Group provides additional benefits to employees in the form of share-based compensation, whereby, subject to certain conditions, part of an employee's remuneration includes an entitlement to receive performance rights or options over shares ("equity-settled transactions").

The fair value of the share-based compensation granted to employees and consultants is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options or performance rights.

Fair value of a performance right or option is measured at grant date using a binomial or Black-Scholes pricing model that takes into account the exercise price, the term, any market performance conditions (the impact of non-market performance vesting conditions is excluded), the underlying share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the expected risk free interest rate for the term of the option or performance right.

Non-market vesting conditions are considered in the estimate of the number of rights or options that are expected to ultimately vest. At the end of each reporting period, the number of rights/options expected to vest based on the non-market vesting conditions is revised. The impact of the revision to the original estimates, if any, is recognised in profit or loss with a corresponding adjustment to equity. An expense is still recognised for options that do not ultimately vest because a market condition was not met.

Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

If the company reacquires its own equity instruments, e.g., as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled.

No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

Notes to the Consolidated Financial Statements (continued)

2. Material accounting policies (continued)

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are also presented on a gross GST basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented in the receipts from customers or payments to suppliers.

New Accounting Standards and Interpretations not yet mandatory or early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2025 and have not been early adopted in preparing these financial statements. The Group's assessment of the impact of these new standards and amendments is set out below:

Amendments to the Classification and Measurement of Financial Instruments – Amendments to AASB 9 and AASB 7 (effective for annual periods beginning on or after 1 January 2026)

The AASB issued targeted amendments to AASB 9 and AASB 7 to respond to recent questions arising in practice, and to include new requirements for all reporting entities. Among other amendments, the AASB clarified the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.

AASB 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

The IASB issued the new standard on presentation and disclosure in financial statements, which replaces AASB 101, with a focus on updates to the statement of profit or loss. The key new concepts introduced in AASB 18 relate to:
– the structure of the statement of profit or loss with defined subtotals;
– the requirement to determine the most useful, structured summary for presenting expenses in the statement of profit or loss;
– required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
– enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.
The Group is currently still assessing the effect of the forthcoming standard and amendments. No other new standards or amendments to standards are expected to have a material effect on the financial statements.

Notes to the Consolidated Financial Statements (continued)

3. Other Income

	Consolidated	
	30 Jun 26	30 Jun 25
	$	$
Foreign exchange gains realised	**42,732**	-
R&D Tax Incentive	**875,828**	1,906,787
	918,560	1,906,787

4. Expenses

		Consolidated	
		30 Jun 26	30 Jun 25
Loss before income tax includes the following specific expenses:		**$**	$
(a)	**Exploration and evaluation expenditure**		
	Australia	**(1,291,739)**	(1,316,802)
	United States	**(2,601,663)**	-
		(3,893,402)	(1,316,802)
(b)	**Employee benefits expense**		
	Employee benefits expense	**(17,981)**	(315,975)
	Directors' fees	**(481,898)**	(412,832)
	Share based payments expense	**(275,159)**	19,204
	Superannuation expense	**(32,924)**	(59,331)
		(807,962)	(768,934)

The amount presented above include amounts paid to Key Management Personnel.

(c)	**Contractor and consultants' costs**		
	Consulting fees	**(355,727)**	(703,731)
		(355,727)	(703,731)
(d)	**Software license fee**		
	Technology licence fee	**(472,161)**	**(1,003,279)**
	Seconded contracting costs	**-**	**(123,219)**
		(472,161)	**(1,126,498)**
(e)	**Other expenses include the following specific items:**		
	Auditors remuneration		
	- auditing or reviewing the financial reports	**(73,387)**	(93,719)
	- taxation services	**(16,663)**	(20,422)
	Finance costs associated with lease liabilities	**(705)**	(8,639)
	Other occupancy costs	**(16,182)**	(75,317)
	Depreciation	**(15,623)**	(7,936)
	Insurance	**(166,918)**	(205,267)
	Other administration and office costs	**(530,084)**	(511,730)
	Loss on fair value of investment	**(137,680)**	(417,351)
		(957,242)	(1,340,383)

Notes to the Consolidated Financial Statements (continued)

5. Income tax

	Consolidated	
	30 Jun 26	30 Jun 25
Recognised in the statement of profit or loss and other comprehensive income	$	$
Current tax benefit	**(1,691,922)**	(1,397,661)
De-recognition of deferred tax balances	**1,691,922**	1,397,661
	-	-
Numerical reconciliation of income tax expense to prima facie tax on accounting profit		
Loss before income tax	**(5,417,361)**	(3,168,015)
Tax at the Australian tax rate of 30% (2025 30%)	**(1,625,208)**	(950,405)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	**62,471**	130,540
Share-based payments expensed	**133,563**	(5,761)
Research and development tax offset received	**(262,748)**	(572,036)
Prior year over/under adjustment	**668,081**	-
Effect of different tax rate in foreign jurisdiction	**92,862**	-
Current year moment in deferred tax balances not recognised	**930,979**	1,397,662
Income tax expense/(benefit)	**-**	-
Unused tax losses		
Income losses		
Australian income losses	**96,805,001**	94,363,186
US income losses	**13,090,234**	12,058,436
	109,895,235	106,421,622
Australian capital losses	**3,204,839**	3,204,839
Total unused tax losses	**113,100,074**	109,626,461
Potential tax benefit		
Australian losses @ 30%	**29,041,500**	28,308,956
US Losses @ 21%	**2,748,949**	2,532,272
Capital losses @ 30%	**961,452**	961,452

6. Interests of Key Management personnel

The totals of remuneration paid to Key Management Personnel of the Group during the year are as follows:

	Consolidated	
	30 Jun 26	30 Jun 25
	$	$
Short-term employee benefits	**465,379**	632,376
Cash bonus	**36,518**	-
Post-employment benefits	**32,925**	47,491
Other employee benefits	**4,059**	-
Share based payments	**275,160**	(28,167)
	814,041	651,700

Notes to the Consolidated Financial Statements (continued)

7. Auditor's remuneration

	Consolidated	
	30 Jun 26	30 Jun 25
Remuneration of the auditor of the parent company for:	**$**	$
Audit services – BDO Audit Pty Ltd		
- Auditing or reviewing the financial statements	**73,387**	93,719
Non-audit services		
- Tax consulting and compliance services	**16,663**	20,422
	90,050	114,141

The professional tax services rendered relate to advice on tax compliance.

8. Earnings per share

Performance rights and options are not included in the calculation of earnings per share because they are not considered dilutive as the Group has losses.

		Consolidated	
		30 Jun 26	30 Jun 25
(a)	**Earnings used in calculating basic and diluted earnings per share:**	**$**	$
	Loss for the year	**(5,417,361)**	(3,168,015)
	Loss used in the calculation of the basic and dilutive earnings per share	**(5,417,361)**	(3,168,015)
		Number	Number
(b)	**Weighted average number of ordinary shares used as the denominator**		
	Weighted average number of ordinary shares used in calculating basic earnings per share	**1,182,239,455**	546,701,259
	Adjustments for the calculation of diluted earnings per share:		
	Options/performance rights	**-**	-
	Weighted average number of ordinary shares used in calculating diluted earnings per share	**1,182,239,455**	546,701,259

9. Cash and cash equivalents

	Consolidated	
	30 Jun 26	30 Jun 25
	$	$
Cash at bank and on hand	**2,124,918**	618,359
Deposits at call	**72,791**	2,171,467
Cash at bank and on hand	**2,197,709**	2,789,826

Notes to the Consolidated Financial Statements (continued)

10. Trade and other receivables

	Consolidated	
	30 Jun 26	30 Jun 25
Current	**$**	$
Other receivables	**7,224**	-
GST receivable	**-**	9,456
Interest receivable	**18,755**	51,373
Prepayments[1]	**2,906,605**	427,691
Rental bond	**-**	8,615
Environmental bonds and deposits	**74,905**	-
	3,007,489	497,135
Non-Current	**$**	$
Environmental bonds and deposits	**1,361,993**	1,357,218
	1,361,993	1,357,218
	4,369,482	1,854,353

[1]Prepayments includes $2,631,722 relating to advance payments for the Zydeco drilling program.

11. Inventories

	Consolidated	
	30 Jun 26	30 Jun 25
	$	$
Consumables	**107,236**	-
Consumables-in-transit	**849,508**	-
	956,744	-

12. Property, plant and equipment

	Consolidated	
	30 Jun 26	30 Jun 25
	$	$
Plant and equipment at cost	**879,814**	879,814
Accumulated depreciation	**(826,542)**	(791,872)
	53,272	87,942
Office equipment at cost	**238,682**	218,976
Accumulated depreciation	**(227,735)**	(203,336)
	10,947	15,640
	64,219	103,582

Notes to the Consolidated Financial Statements (continued)

12. Property, plant and equipment (continued)

Movements in carrying amounts of property, plant and equipment

	Office equipment	Plant and equipment	Total
	$	$	$
Balance, 1 July 2025	**15,640**	**87,942**	**103,582**
Additions	**-**	**-**	**-**
Disposals	**-**	**-**	**-**
Depreciation	**(4,693)**	**(34,670)**	**(39,363)**
Balance, 30 June 2026	**10,947**	**53,272**	**64,219**

	Office equipment	Plant and equipment	Total
	$	$	$
Balance, 1 July 2024	21,717	145,362	167,079
Additions	3,006	-	3,006
Disposals	(3,323)	-	(3,323)
Depreciation	(5,760)	(57,420)	(63,180)
Balance, 30 June 2025	15,640	87,942	103,582

13. Leases

(a) Right of use asset

	Consolidated	
	30 Jun 26	30 Jun 25
	$	$
Right of use asset – office accommodation	**37,637**	315,310
Accumulated amortisation	**(9,410)**	(315,310)
	28,227	-

(b) Lease Liability

	Consolidated	
	30 Jun 26	30 Jun 25
	$	$
Balance at the beginning of the year	**-**	28,256
Additions	**37,637**	-
Interest expense related to lease liabilities	**705**	(8,639)
Repayment of lease liabilities	**(15,183)**	(19,617)
Balance at the end of the year	**23,159**	-

The maturity of lease liabilities at 30 June 2026 were as follows:

Current	15,285	-
Non-current	7,874	-
Lease liability 30 June 2026	**23,159**	**-**

Notes to the Consolidated Financial Statements (continued)

14. Trade and other payables

	Consolidated	
	30 Jun 26	30 Jun 25
Current	**$**	$
Trade payables	**202,416**	59,051
Other payables	**73,235**	71,832
Employee benefits	**3,494**	10,496
	279,145	141,379

15. Provisions

	Consolidated	
	30 Jun 26	30 Jun 25
	$	$
Current		
Restoration & rehabilitation	**-**	554,836
	-	554,836
Non-current		
Restoration & rehabilitation	**4,920,623**	4,114,089
	4,920,623	4,114,089
	4,920,623	4,668,925

The amount of restoration and rehabilitation represents the obligation to restore land disturbed during exploration and evaluation activities to the conditions specified in the legislation. As no new wells were drilled at the Glenaras Gas Project during the year, the restoration and rehabilitation provision has been calculated with reference to a previous independent expert report which is considered to remain a reasonable basis for estimating the provision.

	Consolidated	
	30 Jun 26	**30 Jun 25**
Movements in carrying amounts of restoration and rehabilitation provision	**$**	**$**
Balance at the beginning of the year	**4,668,925**	4,530,811
Additional provision	**542,050**	216,555
Increase/(reduction) in amount provided – unwinding of discount rate	**(290,352)**	(78,441)
Balance at the end of year	**4,920,623**	4,668,925

16. Issued Capital

	Consolidated	
	30 Jun 26	30 Jun 25
Ordinary shares	**$**	$
Ordinary shares - fully paid 1,811,288,118 shares (30 Jun 2025: 707,192,880 shares)	**150,720,607**	143,008,605
Transaction costs relating to share issues (net of tax)	**(6,805,864)**	(5,730,405)
	143,914,743	137,278,200

Notes to the Consolidated Financial Statements (continued)

16. Issued Capital (continued)

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

	Date of Issue	30 Jun 26 Number of shares	30 Jun 25 Number of shares	30 June 26 $	30 Jun 25 $
Balance at the beginning of the year		**707,192,880**	**339,744,643**	**137,278,200**	**134,087,081**
Placement issued at $0.012 per share	20-Aug-2024	-	41,666,667	-	500,000
Performance rights exercised at nil value	16-Sep-2024	-	2,411,818	-	-
Entitlement offers shares issued at $0.012 per share	20-Sep-2024	-	173,369,752	-	2,080,438
Placement issued at $0.006 per share	31-Mar-2025	-	116,666,666	-	700,000
Placement issued at $0.006 per share	11-Apr-2025	-	16,666,667	-	100,000
Placement issued at $0.006 per share	16-May-2025	-	16,666,667	-	100,000
Placement issued at $0.006 per share	8-Dec-2025	16,666,667	-	100,000	-
Placement issued at $0.007 per share[1]	8-Dec-2025	175,000,000	-	1,225,000	-
Shares issued as consideration for acquisition of Mineral U[2]	2-Feb-2026	175,000,000	-	1,225,000	-
Placement issued at $0.007 per share[1]	3-Feb-2026	732,428,571	-	5,127,000	-
Placement issued at $0.007 per share[1]	5-Feb-2026	5,000,000	-	35,000	-
Share issue transaction costs (net of tax)		-	-	(1,075,457)	(289,319)
Closing Balance, 30 June 2026		**1,811,288,118**	**707,192,880**	**143,914,743**	**137,278,200**

[1]One free-attaching option for every two shares subscribed for were issued to shareholders, resulting in 456,214,198 listed options being issued on 20 February 2026, with an exercise price of $0.011 and expiry date of 20 February 2029.

[2]Refer to note 30.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Capital Management

Management controls the capital of the Group to ensure that it can fund its operations and continue as a going concern.

The Group's capital comprises equity as described in the statement of financial position supported by financial assets. There are no externally imposed capital requirements.

Management manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. Responses to these changes include management of debt levels and share issues. There have been no changes in the strategy since the prior year.

Notes to the Consolidated Financial Statements (continued)

17. Reserves

	Consolidated	
	30 Jun 26	30 Jun 25
	$	$
Share based payments	**7,713,263**	6,700,154
Foreign currency translation	**36,109**	(48,456)
Non-controlling interest elimination reserve	**(7,656,400)**	(7,656,400)
	92,972	(1,004,702)

Share based payments reserve

The option reserve is used to record the expense associated with options granted to employees under equity-settled share based payment arrangements. It is also used to record fair value of options granted for other goods and services as well as acquisition of other assets.

Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled entities.

Non-controlling interest's elimination reserve

This reserve has arisen as a result of the acquisition of the non-controlling interests in subsidiary company Galilee Resources Pty Ltd. The value of consideration paid for the non-controlling interests was greater than the carrying value of the non-controlling interests acquired.

18. Interest in joint operation

Subsidiary	Agreement	Interest	Comment
Galilee Energy Texas LLC	Hoffer-Klimitchek Area Lavaca County Participation Agreement and Joint Operating Agreement	3%	Working interest reduced to 3% after payback.
Galilee Energy Kansas LLC	• Key Terms Agreement • Joint Venture Agreement • Joint Operating Agreement	 25% 50% 75%	Interest earned after: 3D seismic Well 1 to casing point Well 2 to casing point

The Group's accounting policy is to expense its interests in the joint operations until such time an economically recoverable resource has been identified. There have been no activities during the last four years and these interests are not strategic or material to the operations of the Company.

Notes to the Consolidated Financial Statements (continued)

19.Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 2:

Name of entity	Country of Incorporation	Class of equity	Equity Holding 2026	Equity Holding 2025
Galilee Resources Pty Ltd	Australia	Ordinary	100%	100%
Beaconsfield Energy Development Pty Ltd	Australia	Ordinary	100%	100%
Capricorn Energy Pty Ltd	Australia	Ordinary	100%	100%
Galilee Energy Surat Pty Ltd	Australia	Ordinary	100%	100%
Capricorn Agricultural Technologies Pty Ltd	Australia	Ordinary	100%	100%
Galilee Energy India Pty Ltd	Australia	Ordinary	100%	100%
Vintage Underwriting Investment Pty Ltd	Australia	Ordinary	100%	100%
Galilee Energy US LLC	United States	Ordinary	100%	100%
Galilee Energy Texas LLC	United States	Ordinary	100%	100%
Galilee Energy Kansas LLC	United States	Ordinary	100%	100%
Galilee Energy Chile SpA	Chile	Ordinary	100%	100%
Mineral U Pty Ltd	Australia	Ordinary	100%	-
Mineral U USA LLC	United States	Ordinary	100%	-
Mineral U Acadia LLC	United States	Ordinary	100%	-
Mineral U Operating LLC	United States	Ordinary	100%	-

All subsidiaries have the same reporting date as the parent, Galilee Energy Limited.

20. Share based payments

Share-based payments expense

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

	Consolidated 30 Jun 26 $	Consolidated 30 Jun 25 $
Statement of profit or loss and other comprehensive income		
Share-based payments expense included in employee benefits expense	**(275,159)**	(19,204)
Share-based payments expense included in consulting fees	**(63,833)**	-
Share-based payments expense included in administration expense	**(106,217)**	-
	(445,209)	(19,204)
Statement of financial position		
Share-based payments expense included in share issue costs	**(567,900)**	-
	(567,900)	-
	(1,013,109)	(19,204)

GALILEE ENERGY

Notes to the Consolidated Financial Statements (continued)

20. Share based payments (continued)

The types of share-based payment plans are described below:

Share options

Options are granted either under the Company's Employee Share Incentive Option Plan or on terms determined by the directors or otherwise approved by the Company at a general meeting. The options are granted for no consideration. Options are usually granted for a three to four-year period and entitlements to the options are vested on a time basis and/or on specific performance-based criteria such as share price increases or reserves certification. Options granted either under the plan or otherwise as described above carry no dividend or voting rights. When exercisable, each option is convertible to one ordinary share.

No share options were granted to employees and contractors as part of their remuneration.

Share options issued as part of share placement

During the year 456,214,198 free attaching options were issued to investors and directors who participated in the share placement. These share options are not share based payments.

Share options issued to Brokers as part of share placement

During the year 90,000,000 share options were issued to brokers associated with the share placements.

Share options issued to Consultants

During the year 36,000,000 share options were issued to consultants as consideration for marketing consultancy services.

The terms and conditions of the options issued during the year are as follows:

No. of Options Granted	Grant Date	Fair Value (cents)	Exercise Price (cents)	Expiry Date	Vesting Date	No. of Options Exercisable
90,000,000	03-Feb-26	0.63	1.05	03-Feb-29	03-Feb-26	90,000,000
456,214,198	20-Feb-26	-	1.10	20-Feb-29	20-Feb-26	456,214,198
18,000,000	24-Jun-26	0.31	1.10	17-Jun-29	24-Jun-26	18,000,000
18,000,000	24-Jun-26	0.27	1.60	17-Jun-29	24-Jun-26	18,000,000

The following table shows the number and movements of share options during the year and on issue at reporting date.

Grant date	Expiry date	Opening balance	Granted during the period	Forfeited during the period	Exercised during the period	Expired during the period	Closing balance	% Vested & Exercisable
27-Jan-26 (1)	3-Feb-29	-	90,000,000	-	-	-	90,000,000	100
20-Feb-26 (2)	20-Feb-29	-	456,214,198	-	-	-	456,214,198	100
24-June-26 (3)	17-June-29	-	36,000,000	-	-	-	36,000,000	100
		-	582,214,198	-	-	-	582,214,198	

(1) Issued to lead investment manager as consideration for capital raising completed in February 2026
(2) Free-attaching listed options issued to investors that participated in the capital raising completed in February 2026
(3) Issued to consultants as consideration for marketing consultancy services

The share options are assessed at the fair value at the grant date. The fair value of the share options issued was determined using the Black-Scholes option pricing model taking into account the term of the option, the share price at grant date, the expected volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option and, as the exercise price.

Notes to the Consolidated Financial Statements (continued)

20. Share based payments (continued)

The following table lists the inputs to the model used to value the share options granted during the current year:

Input Variables	Input	Input	Input
Options granted	90,000,000	18,000,000	18,000,000
Grant date	27-Jan-26	24-Jun-26	24-Jun-26
Vesting date	27-Jan-26	24-Jun-26	24-Jun-26
Exercise period	3 years	3 years	3 years
Exercise price	1.05 cents	1.1 cents	1.6 cents
Risk free rate	4.29%	4.49%	4.49%
Expected annual volatility	100%	100%	100%
Annual rate of dividends	0%	0%	0%
Value per option	0.63 cents	0.31 cents	0.27 cents

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:

(a) provide an incentive for employees/contractors to remain in their employment and continue to provide services to the Group in the long-term;
(b) recognise the ongoing efforts and contributions of employees/contractors to the long-term performance and success of the Group; and
(c) 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.

During the year, 99,548,454 performance share rights were granted of which none vested at 30 June 2026.

The following table shows the movement in the number of performance rights granted in the prior periods and the balance at 30 June 2026.

Grant date	Assumed vesting date	Expiry 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	30-Jun-27	133,333	-	-	(80,000)***	-	53,333	0%
27-Jan-26	2-Jul-26	3-Feb-31	-	24,000,000*	-	-	-	24,000,000	0%
27-Jan-26	31-Jan-27	3-Feb-31	-	24,000,000*	-	-	-	24,000,000	0%
27-Jan-26	3-Feb-31	3-Feb-31	-	24,000,000*	-	-	-	24,000,000	0%
27-Jan-26	3-Feb-31	3-Feb-31	-	24,000,000*	-	-	-	24,000,000	0%
24-Mar-26	14-Mar-28	24-Mar-28	-	1,774,227**	-	-	-	1,774,227	0%
24-Mar-26	14-Mar-29	24-Mar-28	-	1,774,227**	-	-	-	1,774,227	0%
			133,333	99,548,454	-	(80,000)	-	99,601,787	

* 6,000,000 performance rights were issued to each directors as consideration for services
** Performance rights were issued to advisors as consideration for services
*** Forfeited as market condition was not met.

Notes to the Consolidated Financial Statements (continued)

20. Share based payments (continued)

Employee Performance Share Rights (continued)

For the performance rights granted, the Trinomial valuation method was used to determine the fair value of performance rights at grant date to meet the different terms and conditions.

The Trinomial valuation method was used to determine the fair value of performance rights as follows:

Grant date	Assumed Vesting date	Performance rights Granted	Share price at grant date	Expected volatility	Dividend yield	Risk free interest rate	Fair value at grant date
			$				$
27-Jan-26	2-Jul-26	24,000,000	0.0100	100.00%	0.00%	4.42%	0.0100
27-Jan-26	31-Jan-27	24,000,000	0.0100	100.00%	0.00%	4.42%	0.0100
27-Jan-26	3-Feb-31	24,000,000	0.0100	100.00%	0.00%	4.42%	0.0090
27-Jan-26	3-Feb-31	24,000,000	0.0100	100.00%	0.00%	4.42%	0.0081
24-Mar-26	14-Mar-28	1,774,227	0.006	100.00%	0.00%	4.50%	0.005
24-Mar-26	14-Mar-29	1,774,227	0.006	100.00%	0.00%	4.50%	0.005
		99,548,454					

The weighted average exercise price of performance rights granted during the financial year was $Nil. (2025: $Nil)

The weighted average remaining contractual life of performance rights at the end of the financial year was 4.5 years. (2025: 2 years)

21. Parent company information

The assets, liabilities and results of the parent company are disclosed below in accordance with the accounting policy described in Note 2.

Galilee Energy Limited	**30 Jun 26**	30 Jun 25
	$	$
Assets		
Current assets	**1,107,847**	3,213,601
Non-current assets	**10,949**	15,641
Total assets	**1,118,796**	3,229,242
Liabilities		
Current liabilities	**194,538**	115,279
Non-current liabilities	**-**	70
Total liabilities	**194,538**	115,349
Net assets / (liabilities)	**924,258**	3,113,893
Shareholders' Equity		
Issued capital	**143,914,742**	137,278,200
Reserves	**7,713,263**	6,700,154
Accumulated losses	**(150,703,747)***	(140,864,461)*
Total shareholders' equity / (deficit)	**924,258**	(3,113,893)
Loss for the year	**(9,839,286)**	(3,476,340)
Total comprehensive loss for the year	**(9,839,286)**	(3,476,340)

Notes to the Consolidated Financial Statements (continued)

21. Parent company information (continued)

***Accumulated Losses**		
Balance at the beginning of the year	**(140,864,461)**	(137,388,121)
Loss for the period	**(9,839,286)**	(3,476,340)
Total comprehensive loss	**(150,703,747)**	(140,864,461)
Transfers from share-based payments reserve	**-**	-
Balance at the end of the year	**(150,703,747)**	(140,864,461)

Except for accounting for the investments in subsidiaries which are measured at cost less any impairment losses in the parent entity financial statements, the accounting policies of the parent entity which have been applied in determining the 2026 and 2025 financial information shown below, are consistent with those of the Consolidated Entity as disclosed in Note 1. The legal Parent Entity of the Consolidated Entity is Galilee Energy Limited.

The parent company did not have any contingent liabilities at 30 June 2026 (2025: $Nil). The parent company has not entered into any guarantees in relation to the debts of its subsidiaries (2025: $Nil).

22. Contractual commitments

The group had no contractual commitments for the acquisition of property, plant and equipment at 30 June 2026 (2025: $ Nil). The parent company has not guaranteed the debts of any subsidiary company (2025: $ Nil), other than through its tax sharing and tax funding agreements.

23. Contingent Liabilities

The directors are not aware of any contingent assets or liabilities for the Group (2025: $ Nil).

24. Commitments

Bank guarantees

National Australia Bank Limited have provided a bank guarantee totalling $1,337,717 (June 2025: $1,332,942) as follows:

- $1,337,717 (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. Springsure (ATP 2050) is in year 6 of its respective initial six-year work programme.

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

There are no commitments beyond 30 June 2026 for the United States of America (2025: $ Nil).

Notes to the Consolidated Financial Statements (continued)

25. 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), all assets of the group are located in Australia and United States. 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 consolidated 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.

Segment performance

The Group operates predominantly in two segments, Australia and United States. The segmental reporting is detailed below:

30 June 2026	Zydeco (USA) $	Glenaras (Australia) $	Unallocated $	Total $
Segment of assets and liabilities				
Current assets	3,588,507	133,287	2,579,285	6,301,079
Non-current assets	-	1,415,266	39,173	1,454,439
Current liabilities	(107,766)	-	(186,663)	(294,429)
Non-current liabilities	-	(4,920,623)	(7,874)	(4,928,497)
	3,480,741	(3,372,070)	2,423,921	2,532,592
Segment of income and expenses				
Interest income	-	-	150,573	150,573
Other income	-	875,828	42,732	918,560
Exploration expense	(2,601,663)	(1,291,739)	-	(3,893,402)
Employee benefits expense	-	-	(807,962)	(807,962)
Consulting fee	-	-	(355,727)	(355,727)
Software licence fee & costs	-	(472,161)	-	(472,161)
Administration expense	-	-	(957,242)	(957,242)
	(2,601,663)	(888,072)	(1,927,626)	(5,417,361)
30 June 2025				
Segment of assets and liabilities				
Current assets	-	325,607	3,239,631	3.565.238
Non-current assets	-	1,445,160	15,640	1.460,800
Current liabilities	-	(554,836)	(141,379)	(696,215)
Non-current liabilities	-	(4,114,089)	-	(4,114,089)
	-	(2,898,158)	3,113,892	215,734

Notes to the Consolidated Financial Statements (continued)

25. Segment Information (continued)

Segment performance (continued)

	Zydeco (USA)	Glenaras (Australia)	Unallocated	Total
Segment of income and expenses				
Interest income	-	-	182,746	182,746
Other income	-	1,906,787	-	1,906,787
Exploration expense	-	(1,316,802)	-	(1,316,802)
Employee benefits expense	-	-	(768,934)	(768,934)
Consulting fee	-	-	(703,731)	(703,731)
Software licence fee & costs	-	(1,126,498)	-	(1,126,498)
Business development	-	-	(1,200)	(1,200)
Administration expense	-	-	(1,340,383)	(1,340,383)
	-	(536,513)	(2,631,502)	(3,168,015)

26. Notes to the Statement of Cash Flows

		Note	Consolidated	
			30 Jun 26	30 Jun 25
(a)	**Reconciliation of cash flow from operations**		**$**	$
	Loss for the period		**(5,417,361)**	(3,168,015)
	Depreciation		**48,772**	98,215
	Loss on disposal of property, plant and equipment		**-**	3,323
	Share-based payments		**445,209**	(19,204)
	Loss on fair value of investments		**139,139**	417,351
	Purchase of Zydeco by issued of ordinary shares		**1,225,000**	-
	Changes in operating assets and liabilities			
	Decrease/(Increase) in trade and other receivables		**58,903**	9,214
	(Decrease)/Increase in trade payables and accruals		**157,634**	(118,619)
	Decrease/(Increase) in prepayments		**(2,478,913)**	(154,673)
	(Decrease)/Increase in provisions		**251,697**	(138,114)
	Decrease/(increase) in inventories		**(956,744)**	-
			(6,526,664)	(2,794294)

(b) Reconciliation of liabilities arising from financial activities

	1 Jul 25					**30 Jun 26**
	Opening balance	**Interest expense**	**Interest payment**	**Principal repayment**	**Non-cash changes**	**Closing balance**
	$	**$**	**$**	**$**	**$**	**$**
Lease liability	-	705	(705)	(14,478)	37,637	23,159
	-	705	(705)	(14,478)	37,637	23,159

	1 Jul 24					30 Jun 25
	Opening balance	Interest expense	Interest payment	Principal repayment	Non-cash changes	Closing balance
	$	$	$	$	$	$
Lease liability	28,256	8,639	(8,639)	(28,256)	-	-
	28,256	8,639	(8,639)	(28,256)	-	-

Notes to the Consolidated Financial Statements (continued)

26. Notes to the Statement of Cash Flows (continued)

		Consolidated	
		30 Jun 26	30 Jun 25
(c)	**Non-cash investing and financing activity**	$	$
	Purchase of Zydeco by issued of ordinary shares	**1,225,000**	-
	Share-based payments expense included in share issue costs	**567,900**	-

27. Events occurring after reporting date

The following events have arisen in the interval between the end of the year and the date of this report of a material nature:

Sale of Glenaras Gas Project

Subsequent to year end, on 31 July 2026, Galilee entered into a binding Share Sale Agreement with Novus Energy Production Company Pty Ltd for the sale of Galilee Resources Pty Ltd and its subsidiaries, which hold the Glenaras Gas Project. Completion remains subject to customary conditions, including regulatory approvals and third-party consents.

Subject to completion, the purchaser will assume responsibility for Glenaras, including its future funding, operational, environmental, plugging and abandonment, decommissioning and rehabilitation obligations. Galilee will retain exposure to the future success of Glenaras through a 2% net overriding royalty. The Company may also receive reimbursement of approximately A$1.34 million of cash-backed security deposits and A$500,000 of deferred consideration, subject to the terms and conditions of the transaction.

Spudding of the Zydeco-1 Well

Subsequent to year end, Zydeco-1 spudded on 1 July 2026, marking the commencement of Galilee's first drilling campaign in the US Gulf Coast.

On 3 August 2026, the Company announced that drilling was interrupted by a mechanical issue within the open-hole section and that a sidetrack is proposed as the most effective way to complete the geological evaluation. In addition, on 14 August 2026, the Company announced that the sidetrack will be expanded to target five newly quantified shallow oil and gas targets from the single wellbore before continuing to evaluate Stafford and the primary Upper and Lower Tweedel objectives.

Share Placement

On 14 August 2026, the Company announced a placement to raise approximately $3.5 million before costs in two tranches from the issue of 777,777,778 fully paid ordinary shares for $0.0045 per share, together with 777,777,778 free-attaching listed options exercisable at $0.011 each on or before 20 February 2029.

On 25 August 2026, 207,769,051 ordinary shares were issued under Tranche One to raise $936,651.42 before costs. Tranche Two will be subject to shareholder approval at an EGM on 29 September 2026.

Other than the above, there has not arisen in the interval between the end of the year and the date of this report any item, transaction, or event of a material and unusual nature likely, in the opinion of directors, to affect significantly the operation of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

Notes to the Consolidated Financial Statements (continued)

28. Related party transactions

Parent entity
The parent company within the Group and the ultimate parent company is Galilee Energy Limited.

Subsidiaries
Interests in subsidiaries are set out in note 18.

29. Financial risk management

Overview
The Group's principal financial instruments comprise, payables, lease liabilities, cash, term deposits. The main risks arising from the Group's financial assets and liabilities are interest rate risk, price risk, foreign currency risk, credit risk and liquidity risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies, and processes for measuring and managing risk. There have been no significant changes since the previous financial year to the exposure or management of these risks.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The key risks are monitored and reviewed on a regular basis and as circumstances change (e.g. acquisition of new entity or project) policies are created or revised as required. The overall objective of the Group's financial risk management policy is to support the delivery of the Group's financial targets whilst minimising potential adverse effects on financial performance.

Given the nature and size of the business, and uncertainty as to the timing and amount of cash inflows and outflows, the Group does not enter into derivative transactions to mitigate the financial risks. In addition, the Group's policy is that no trading in financial instruments shall be undertaken for the purpose of making speculative gains.

The Group's financial instruments consist of deposits with banks, short-term investments, accounts receivable, payable and lease liabilities. The totals for each category of financial instruments are as follows:

		Consolidated	
	Note	30 Jun 26	30 Jun 25
Financial Assets		$	$
Cash and cash equivalents	9	**2,197,709**	2,789,826
Trade and other receivables		**4,369,482**	1,426,662
Financial assets		**139,135**	278,277
		6,706,326	4,494,765
Financial Liabilities			
Trade and other payables	14	**279,145**	141,379
Lease liabilities	13(b)	**23,159**	-
		302,304	141,379

Risk management is carried out under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas, such as mitigating foreign exchange, interest rate and credit risks, use of derivative financial instruments and investing excess liquidity.

Specific financial risk exposures and management are summarised below.

Interest rate risk
Exposure to interest rate risk arises on cash and term deposits recognised at reporting date because a future change in interest rates will affect future cash flows received from variable rate financial instruments or the fair value of fixed rate financial instruments.

Notes to the Consolidated Financial Statements (continued)

29. Financial risk management (continued)

Interest rate risk (continued)

Interest rate risk is managed by forecasting future cash requirements (generally up to one year). Cash deposit interest rate information is obtained from a variety of banks over a variety of periods (usually one month up to six-month term deposits) and funds are then invested in an optimised fashion to maximise interest returns.

The Group's financial assets and liabilities bear variable or effective interest rates which are summarised in the table below.

	Interest rate (% p.a.)	
	Variable Interest Rate	**Effective Interest Rate**
Financial Asset		
Cash and cash equivalents	0.5% - 4.65%	
Financial Liability		
Lease Liability		5%

Interest rate sensitivity

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable. These sensitivities assume that the movement in a particular variable is independent of other variables.

A sensitivity of 2% interest rate has been selected as this is considered reasonable given the current market conditions. A 2% movement in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2025.

Interest rate sensitivity	**Profit or Loss**		**Equity**	
	2% increase	**2% decrease**	**2% increase**	**2% decrease**
2026 - Consolidated	**$**	**$**	**$**	**$**
Cash and cash equivalents and restricted cash	43,954	(43,954)	43,954	(43,954)
2025 - Consolidated				
Cash and cash equivalents and restricted cash	55,797	(55,797)	55,797	(55,797)

Credit risk

The Group is exposed to significant credit risk through its cash and cash equivalents. At 30 June 2026, the Group had $0.773 million excluding term deposits (2024: $0.252 million) in accounts with the National Australia Bank that has A+ credit rating and $1.352 million in accounts with JP Morgan Chase Bank that has a AA- credit rating.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its obligations when due.

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. This is based on the undiscounted cash flows of the financial liabilities based on the earliest date on which they are required to be paid.

Notes to the Consolidated Financial Statements (continued)

29. Financial risk management (continued)

Liquidity risk (continued)

The following table shows the contractual maturity for non-derivative financial liabilities.

	Note	<1 year	<5 years	>5 years	Total Contractual Cash Flows	Carrying Amount
Consolidated - 30 June 2026		**$**	**$**	**$**	**$**	**$**
Trade and other payables	14	279,145	-	-	279,145	279,145
Lease liability	13(b)	23,159	-	-	23,159	23,159
		302,304	**-**	**-**	**302,304**	**302,304**
Consolidated - 30 June 2025						
Trade and other payables	14	141,379	-	-	141,379	141,379
Lease liability	13(b)	-	-	-	-	-
		141,379	-	-	141,379	141,379

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	30 Jun 26	30 Jun 25	**30 Jun 26**	30 Jun 25
	$	$	**$**	$
US dollars (USD)	**929,252**	-	**(81,726)**	-
	929,252	-	**(81,726)**	-

The following table illustrates sensitivities to the Group's exposures to changes in foreign exchange rates. The table indicates how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable. These sensitivities assume that the movement in a particular variable is independent of other variables.

A sensitivity of 10% change in the foreign exchange rate has been selected as this is considered reasonable given the current market conditions. A 10% movement in foreign exchange rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2025.

Notes to the Consolidated Financial Statements (continued)

29. Financial risk management (continued)

Liquidity risk (continued)

Foreign exchange rate sensitivity	Profit or Loss		Equity	
	10% increase	10% decrease	10% increase	10% decrease
2026 - Consolidated	$	$	$	$
Cash at bank (USD)	92,925	(92,926)	92,925	(92,925)
Trade payable (USD)	(8,173)	8,173	(8,173)	8,173
2025 - Consolidated				
Cash at bank (USD)	-	-	-	-
Trade payable (USD)	-	-	-	-

Fair value measurement

Financial assets are recognised and measured at fair value on a recurring basis. There are no assets or liabilities which are measured at fair value on a non-recurring basis. The carrying values of financial assets and liabilities approximate their fair value due to their short-term nature.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed are categorised according to the fair value hierarchy as follows:

Level 1: Quote prices (unadjusted) in active markets for identical assets or liabilities that the consolidated entity can access at the measurement date.

Level 2: Inputs other than quote prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Recognised fair value measurements

The following table sets out the consolidated entity's asset and liabilities that are measured and recognised at fair value in the financial statements.

	Level 1	Level 2	Level 3	Total
2026	$	$	$	$
Financial assets				
Share investment*	139,135	-	-	139,135
2025				
Financial assets				
Share investment*	278,277	-	-	278,277

*Share investment held in a ASX listed company.

There were no transfers during the year between Level 1 and Level 2 for recurring fair value measurements.

Notes to the Consolidated Financial Statements (continued)

30. Acquisition of Zydeco Oil & Gas Project

On 2 December 2025, the Company announced that it had entered into a binding heads of 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.

Mineral U is the 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 Oil & Gas Project in Louisiana, USA.

On 27 January 2026, shareholders of the Company approved the acquisition of the Zydeco Oil & Gas Project.

Mineral U is not considered a business under AASB 3 Business Combinations; and the acquisition is accounted for as an acquisition of exploration assets. No other assets other than the interest in the Zydeco Oil & Gas Project were owned by Mineral U group of companies.

Consideration paid for the acquisition is as follows:

	$
Option fee	149,896
175,000,000 fully paid ordinary shares in the Company issued to the Vendors	1,225,000
Allocated to exploration and evaluation assets	1,374,896

Galilee Energy Limited
Consolidated Entity Disclosure Statement
as at 30 June 2026

Name of Entity	Type of Entity	Trustee, partner or participant in joint venture	% of share capital held	Country of incorporation	Australian resident	Foreign tax jurisdiction(s) in which the entity is a resident for tax purposes (according to the law of the foreign jurisdiction)
Galilee Energy Limited	Body Corporate	N/A	N/A	Australia	Yes	N/A
Galilee Resources Pty Ltd	Body Corporate	N/A	100	Australia	Yes	N/A
Beaconsfield Energy Development Pty Ltd	Body Corporate	N/A	100	Australia	Yes	N/A
Capricorn Energy Pty Ltd	Body Corporate	N/A	100	Australia	Yes	N/A
Galilee Energy Surat Pty Ltd	Body Corporate	N/A	100	Australia	Yes	N/A
Capricorn Agricultural Technologies Pty Ltd	Body Corporate	N/A	100	Australia	Yes	N/A
Galilee Energy India Pty Ltd	Body Corporate	N/A	100	Australia	Yes	N/A
Vintage Underwriting Investment Pty Ltd	Body Corporate	N/A	100	Australia	Yes	N/A
Galilee Energy US LLC	Body Corporate	N/A	100	United States	Yes	United States
Galilee Energy Texas LLC	Body Corporate	N/A	100	United States	Yes	United States
Galilee Energy Kansas LLC	Body Corporate	N/A	100	United States	Yes	United States
Galilee Energy Chile SpA	Body Corporate	N/A	100	Chile	Yes	Chile
Mineral U Pty Ltd	Body Corporate	N/A	100	Australia	Yes	N/A
Mineral U USA LLC	Body Corporate	N/A	100	United States	Yes	United States
Mineral U Acadia LLC	Body Corporate	N/A	100	United States	Yes	United States
Mineral U Operating LLC	Body Corporate	N/A	100	United States	Yes	United States

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year, reflecting the amendments to section 295(3A)(vi) and (vii) which clarify the definition of foreign resident as being an entity that is treated as a resident of a foreign country under the tax laws of that foreign country. These amendments apply for financial years beginning on or after 1 July 2024. The CEDS includes certain information for each entity that was part of the consolidated entity at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of Tax Residency by w

Section 295(3B(a) of the Corporations Act 2001 defines Australian resident as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. Section 295(3A)(a)(vii) requires the determination of tax residency in a foreign jurisdiction to be based on the law of the foreign jurisdiction relating to foreign income tax.In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

Directors' declaration

The directors of the Company declare that:

1. in the directors' opinion, the financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards and the Corporations Regulations 2001; and

   (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the year ended on that date;

2. in the directors' opinion, the information disclosed in the consolidated entity disclosure statement is true and correct;

3. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

4. the directors have been given the declarations by the chief executive officer (or equivalent) and chief financial officer (or equivalent) required by section 295A of the Corporations Act 2001.

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

Eduardo Robaina
Chairman
Perth, 3 September 2026

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INDEPENDENT AUDITOR'S REPORT

To the members of Galilee Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Galilee Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, 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 year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group 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 audits of the financial report of public interest entities 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related 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 opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Provision for Restoration & Rehabilitation

Key audit matter	How the matter was addressed in our audit
The Group has recognised a Provision for Restoration & Rehabilitation as at 30 June 2026. The provision was a key audit matter due to judgement involved in estimating expected costs and timing to rehabilitate disturbed areas in future periods and the amount is material.	Our audit procedures, amongst others, included: • Assessing the competence, capability and objectivity of the Group's, external experts used in the determination of the provision estimate; • Checking the mathematical accuracy of the provision calculation and agreeing the underlying inputs used within the calculation to management's expert report; • Analysing the movement in costs and reviewing the evidence provided by management's expert for the determination of the provision estimate; and • Evaluating the completeness of the provision through examination of the Group's operating locations and corroborating with ASX announcements and minutes review.

Research & Development (R&D) Grant Income

Key audit matter	How the matter was addressed in our audit
The Group has recognised R&D grant income during the year ended 30 June 2026. The R&D grant income was a key audit matter due to judgement involved in justifying the eligibility of the R&D activity, the methodology used to prepare the claim and the amount is material.	Our audit procedures, amongst others, included: • Obtained and reviewed management's expert report, considered the skills and experience of management's expert, reviewed the methodology used to prepare the claim, the eligibility of the activities and the preparation of the R&D Return; • Agreed the underlying financial information used in the R&D to the general ledger; • Agreed receipt of the R&D Claim to the Bank; and • Reviewed the disclosures made in the financial statements to ensure that they are appropriate.

Share-Based Payments

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 20, the Group issued performance rights and options to employees, directors and consultants during the year. The accounting for these share based payments involves significant judgement in determining their fair value and the related expense recognised in the financial statements. Accordingly, we considered share-based payments to be a key audit matter.	Our audit procedures, amongst others, included: • Reviewed the terms of the share-based payment arrangements issued; • Engaged auditor's valuation experts to independently assess the valuation methodology and key assumptions used by management's valuation expert in determining the fair value of the share based payments; • Performed a recalculation of the expected share-based payments expenses (including amortisation of previous grants issued) in comparison to those reported within the financial; and • Assessed the adequacy of the disclosures in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 16 of the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Galilee Energy Limited, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

C R Jenkins
Director

Brisbane, 3 September 2026

Securities on issue

As at 3 September 2026 the Company has the following securities on issue:

ASX quoted: 2,019,057,169 ordinary shares, each fully paid.

(a) Distribution of ordinary shares, analysis of shareholders by size of holding:

Range	Total holders	Units	% of Issued Capital
1 - 1,000	269	100,980	0.01
1,001 - 5,000	507	1,562,466	.08
5,001 - 10,000	258	2,053,352	0.10
10,001 - 100,000	611	24,011,568	1.19
100,001 Over	679	1,991,328,803	98.63
Rounding			**-0.01**
Total	**2,324**	**2,019,057,169**	**100.00**

As at 1 August 2026 the number of shareholders holding less than a marketable parcel (being defined as a minimum $500.00 at $0.0040 per share) is 1,688 (with a holding of 32,541,081 ordinary shares).

(b) 20 largest shareholders as of 27 August 2026:

Rank	Name	Units	% Units
1	EYEON NO 2 PTY LTD	185,571,072	9.19
2	NORTHROCK CAPITAL PTY LTD <NORTHROCK CAPITAL UNIT A/C>	121,949,001	6.04
3	CITICORP NOMINEES PTY LIMITED	52,676,465	2.61
4	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	44,335,304	2.20
5	WISETIME NOMINEES PTY LTD <SRB FAMILY A/C>	40,051,676	1.98
6	CELTIC CAPITAL PTE LTD <INVESTMENT 1 A/C>	39,185,714	1.94
7	SHAREHOLDERS MUTUAL ALLIANCE PTY LTD <SHMA SUPER FUND A/C>	35,000,000	1.73
8	CARPE DIEM ASSET MANAGEMENT PTY LTD	33,174,604	1.64
9	BDTFL HOLDINGS LIMITED	29,226,296	1.45
10	REID MACHINE PTY LTD <REID MACHINE A/C>	28,000,000	1.39
10	TAKA CUSTODIANS PTY LTD <TAKA A/C>	28,000,000	1.39
12	BUTTONWOOD NOMINEES PTY LTD	23,498,541	1.16
13	YELLOW EXPRESS TAXI TRUCKS PTY LTD	22,142,858	1.10
14	MR MARKUS MEISTER	21,789,251	1.08
15	SWISS TRADING OVERSEAS CORP	20,800,000	1.03
16	DISCOVERY INVESTMENTS PTY LTD	19,973,097	0.99
17	ECARLATE PTY LTD	19,259,738	0.95
18	BNP PARIBAS NOMS PTY LTD	18,931,006	0.94
19	ALLSTRANGE INVESTMENTS PTY LTD <THE KELLY S/F A/C>	18,043,127	0.89
20	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	18,003,852	0.89
Totals: Top 20 holders of FULLY PAID ORDINARY SHARES (Total)		**819,611,602**	**40.59**
Total Remaining Holders Balance		**1,199,445,567**	**59.41**

Securities on issue (continued)

(c) Substantial shareholders

Based on notices submitted to the Company, the following are disclosed as substantial shareholders of the Company as at 1 August 2026:

Name	Units	% of Issued Capital
COPULOS GROUP	316,086,889	17.45

(d) Voting rights

The voting rights attaching to each class of equity securities are set out below:

(i) Ordinary Shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(ii) Options
Holders of listed and unlisted Options or Performance Rights have no voting rights in respect to such securities until such options are exercised or performance rights vest. However, the shares that issue upon the exercise of the Options or the satisfaction of the conditions attaching to the Performance Rights will rank pari passu with the then existing issued fully paid ordinary shares.

(e) Share Buy-backs

There is no current on-market buy-back.

(f) Restricted securities

There are no restricted securities (held in escrow) on issue.

(g) Listed Options

There are 456,214,198 listed Options on issue as at 27 August 2026.

(h) Unlisted Options

There are 126,000,000 unlisted Options on issue as at 27 August 2026.

Unlisted Performance Rights

There are 99,547,454 unlisted Performance rights on issue as at 27 August 2026.

Tenement Interests

Australia	Galilee Energy Limited	Queensland	ATP 2019	100% Galilee Energy Limited
			ATP 2050	100% Galilee Energy Limited

Corporate Directory

Directors & Management
Eduardo Robaina – Non-executive Chairman
Joseph Graham – Managing Director
Dale Hanna – Non-executive Director

Company Secretary
Dale Hanna

Auditor
BDO Audit (Qld) Pty Ltd
12 Creek Street
Brisbane QLD 4000

Legal Advisor
Piper Alderman
Level 26, Riparian Plaza
71 Eagle Street
Brisbane QLD 4000

Bankers
National Australia Bank
308-322 Queen Street
Brisbane QLD 4000

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Share Registry
Computershare Investor Services Pty Limited
Level 1, 200 Mary Street
Brisbane QLD 4000
Phone: 1300 552 270

Stock Exchange
Australian Stock Exchange