

GALILEE ENERGY LIMITED
ACN 064 957 419

OPTIONS PROSPECTUS

For the offers of up to 464,285,714 New Options to Eligible Participants (**Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Options being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Options offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 13 February 2026 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Options may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Options offered by this Prospectus should be considered as highly speculative.

Applications for Options offered pursuant to this Prospectus can only be made by an Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Options under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other

important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Foreign Jurisdictions

This Prospectus does not, and is not intended to, constitute an offer of Options in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia, New Zealand, United Kingdom, Monaco, British Virgin Islands and Singapore may be restricted by law and therefore persons into whose possession this Prospectus comes should observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. See Section 2.6 of this Prospectus for further information.

Information for New Zealand Residents

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the offer. If you need to make a complaint about the offer, please contact the Financial Markets Authority, New Zealand (www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Options.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at <https://galilee-energy.com.au/>. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is

attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 (07) 3177 9970 during office hours or by emailing the Company at admin@galilee-energy.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Options issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Options, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer please call the Company Secretary on +61 431 225 950.

CORPORATE DIRECTORY

Directors

Mr Eduardo Robaina
Non-Executive Chairman

Mr Joseph Graham
Managing Director

Mr Dale Hanna
Non-Executive Director

Company Secretary

Mr Andrew Ritter

ASX Code

GLL

Registered Office

5/420 Bagot Road
SUBIACO WA 6008

Telephone: +61 (07) 3177 9970

Email: admin@galilee-energy.com.au

Website: galilee-energy.com.au

Auditor*

BDO Audit Pty Ltd
Level 10, 12 Creek Street
BRISBANE QLD 4000

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

Share Registry*

Computershare Investor Services Pty Ltd
117 Victoria Street
WEST END QLD 4101

Telephone: 1300 552 270 (within Australia)

Legal Advisers

Steinepreis Paganin
Level 14, QV1 Building
250 St Georges Terrace
PERTH WA 6000

Lead Manager*

CPS Capital Pty Ltd
Level 41, 108 St Georges Terrace
Perth WA 6000

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1. KEY OFFER INFORMATION

This Section is not intended to provide full information for investors intending to apply for Options pursuant to this Prospectus. Prospective investors should read this Prospectus in full before deciding whether to invest in New Options.

1.1 Background to Placement

As announced on 2 December 2025, the Company entered into a binding heads of agreement with the shareholders of Mineral U Pty Ltd (ACN 673 164 479) (**Mineral U**), whereby the vendors agreed to grant the Company an exclusive and binding option (**Mineral U Option**) to acquire 100% of the fully paid ordinary shares in the capital of Mineral U (**Acquisition**).

It was a condition of the Acquisition for the Company to complete a share placement of 928,571,429 Shares at a deemed issue price of \$0.007 per Share (**Placement Shares**) to professional and sophisticated investors (**Placement Participants**) to raise a minimum of \$6,500,000 (before costs) (**Placement**).

The Placement was completed in two tranches as set out below:

- (a) **Tranche 1:** on 8 December 2025, the Company issued an aggregate of 175,000,000 Placement Shares to non-related party Placement Participants utilising its placement capacities under ASX Listing Rules 7.1 (104,280,712 Shares) and 7.1A (70,719,288 Shares); and
- (b) **Tranche 2:** subject to Shareholder approval, which was received at the Company's general meeting held on 27 January 2026 (**General Meeting**), the Company:
 - (i) issued 717,142,858 Placement Shares to unrelated Placement Participants on 3 February 2026; and
 - (ii) 36,428,571 Placement Shares to former Directors, Messrs Ray Shorrocks and Stephen Kelemen, pursuant to their participation in the Placement.

Under the Offer, up to 464,285,714 New Options will be issued to Placement Participants, including to Messrs Ray Shorrocks and Stephen Kelemen (**Eligible Participants**), each New Option exercisable at \$0.011 on or before the date that is 3 years from the date of issue. The issue of up to 464,285,714 New Options was approved by the Company's Shareholders at the General Meeting. Director, Mr Eduardo Robaina, participated in the Placement on the same terms as the unrelated Placement Participants and is entitled to apply for 714,286 New Options under the Offer. The Company received Shareholder approval at the General Meeting for the participation of Mr Robaina in the Placement.

The full terms and conditions of the New Options are set out in Section 4.1.

The Company is proposing to use funds raised under the Placement for exploration on the Mineral Leases (following the exercise of the Mineral U Option), to maintain the Company's existing assets and for working capital.

1.2 Lead Manager

On 13 November 2025, the Company entered into a mandate (as varied by verbal agreement) to engage CPS Capital Pty Ltd (ACN 655 168 586) to act as the lead manager to the Placement (**Lead Manager Mandate**). Under the Lead Manager Mandate, the Company agreed to pay the Lead Manager a cash fee of 6% (4% placing fee and 2% management fee) of the gross proceeds of the Placement. In addition, CPS also received 90,000,000 Options exercisable at \$0.0105 on or before the date that is 36 months from the date of issue, which were approved by Shareholders at the General Meeting.

The Lead Manager Mandate is otherwise on standard terms and conditions for a mandate between a lead manager and a company.

1.3 Timetable

ACTION	DATE
Lodgement of Prospectus with the ASIC	13 February 2026
Opening Date of the Offer	13 February 2026
Closing Date of the Offer (5:00pm AWST)*	19 February 2026
Issue date of the New Options	20 February 2026
Lodgement of Appendix 2A with ASX applying for quotation of the New Options	20 February 2026
Expected date of Official Quotation of New Options	23 February 2026

* The above dates are indicative only and may change without notice. The Directors reserve the right to bring forward or extend the Closing Date of the Offer at any time after the Opening Date of the Offer without notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Options to applicants.

1.4 Key statistics of the Offer

	FULL SUBSCRIPTION ¹
Shares¹	
Shares currently on issue	1,811,288,118
Shares to be issued under the Offer	Nil
Shares on issue Post-Offer	1,811,288,118
Options²	
Options currently on issue	90,000,000
New Options offered pursuant to the Offer	464,285,714
Options on issue Post-Offer	554,285,714

Notes:

1. Refer to Section 4.2 for the terms of the Shares.
2. Refer to Section 4.1 for the terms of the New Options.

1.5 Underwriting

The Offer is not underwritten.

1.6 Key Risk Factors

Prospective investors should be aware that subscribing for Options involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Options may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

2. DETAILS OF THE OFFER

2.1 The Offer

The Offer invites Eligible Participants to apply for 1 free attaching New Option for every 2 Shares subscribed for and issued under the Placement.

The maximum number of New Options to be issued under the Offer is 464,285,714. The issue of up to 464,285,714 New Options was approved by the Company's Shareholders at the General Meeting.

The Offer is extended to Eligible Participants only.

All New Options offered under the Offer will be issued on the terms and conditions set out in Section 4.1 of this Prospectus. All Shares issued upon the future exercise of the New Options offered under the Offer will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.2 for further information regarding the rights and liabilities attaching to Shares.

2.2 Applications

Eligible Participants have already applied for Shares the New Options under the Placement. Eligible Participants will be contacted on how to finalise application for the New Options by no later than the Closing Date.

The New Options are being issued for nil cash consideration and therefore the Eligible Participants are not required to pay any further amounts to the Company to receive the New Options.

2.3 Minimum subscription

There is no minimum subscription.

2.4 ASX listing

Application for Official Quotation of the New Options offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If the New Options are not admitted to Official Quotation by ASX before the expiration of three months after the date of this Prospectus, or such period as varied by ASIC, the Company will not issue any New Options under the Offer and will refund all application monies received under the Offer.

The fact that ASX may grant Official Quotation to the New Options is not to be taken in any way as an indication of the merits of the Company or the New Options now offered for subscription.

2.5 Issue of New Options

The New Options issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out in Section 1.3.

Holding statements for the New Options issued under the Offer will be mailed as soon as practicable after the issue of the Options.

2.6 Overseas Shareholders

The Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia, New Zealand, United Kingdom, Monaco, British Virgin Islands and Singapore may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those outlined below. In particular, this Prospectus may not be distributed in the United States. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that you have complied with these restrictions.

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Monaco

An offer of securities may be made to an unlimited number of existing security holders in Monaco directly by the issuer without any prospectus or registration requirement.

Insofar as the Offer is open only to existing holders of the Company's Shares and Options, there are no specific applicable rules and the Offer can be made in Monaco without the need to obtain any authorisation from the Government of Monaco.

The New Options may not be offered or sold, directly or indirectly, to the public in Monaco other than to existing holders of the Company's securities.

Singapore

This document and any other materials relating to the New Options have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document relating to the New Options may not be issued, circulated or distributed, nor may the New Options be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. If you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Options being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire such securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

This document has not been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of Regulation 21 of The Public Offers and Admissions to Trading Regulations 2024) has been published or is required to be published in respect of the New Options.

This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company.

The New Options may not be offered or sold in the United Kingdom by means of this document or any other document, except pursuant to an exemption from the general prohibition on offers of relevant securities to the public in the United Kingdom. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended ("FSMA")) received in connection with the offer or sale of the New Options has been, and only will be,

communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members and creditors of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document.

British Virgin Islands

The New Options may not be offered within the British Virgin Islands unless the Company or the person offering such securities on its behalf is licensed to carry on business in the British Virgin Islands. While the Company is not licensed to carry on business in the British Virgin Islands, the New Options may be offered in the British Virgin Islands from outside the British Virgin Islands.

If you (or any person for whom you are acquiring the New Options) are in the British Virgin Islands, you (and any such person) acknowledge that any communications received in relation to the Offer occurred from outside the British Virgin Islands.

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the Offer

The purpose of the Offer is to offer Eligible Participants 1 free attaching New Option for every 2 Shares subscribed for and issued under the Placement.

In addition to the above, the Offer is being made such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of section 707 of the Corporations Act is available.

Specifically, if the New Options are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of the New Options can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer.

No funds will be raised from the Offer as the New Options are being issued for nil cash consideration. However, if all New Options are exercised into Shares, the Company will receive approximately \$5,107,143.

3.2 Effect of the Offer

The principal effect of the Offer, assuming all New Options offered under the Prospectus are subscribed for and issued, will be to:

- (a) increase the total number of Options on issue from 90,000,000 as at the date of this Prospectus to 554,285,714 Options; and
- (b) remove any trading restrictions attaching to the New Options and to enable the on-sale of any Shares issued on exercise of the New Options issued under this Prospectus.

3.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all New Options are issued, is set out below.

SHARES ¹	NUMBER
Shares currently on issue	1,811,288,118
Shares offered pursuant to the Offer	Nil
Total Shares on issue after completion of the Offer	1,811,288,118

Notes:

- 1. Refer to Section 4.2 for the terms of the Shares.

OPTIONS	NUMBER
Options currently on issue	90,000,000
New Options offered pursuant to the Offer	464,285,714
Total Options on issue after completion of the Offer	554,285,714

Notes:

- 1. Refer to Section 4.1 for the terms of the New Options.

PERFORMANCE RIGHTS	NUMBER
Performance Rights currently on issue	96,053,333
Performance Rights offered pursuant to the Offer	Nil
Total Performance Rights on issue after completion of the Offer	96,053,333

The capital structure of the Company on a fully diluted basis as at the date of this Prospectus would be 1,997,341,451 Shares and on completion of the Offer (assuming all New Options are issued and exercised into Shares) would be 2,461,627,165 Shares.

3.4 Financial effect of the Offer

The expenses of the Offer are estimated to be approximately \$27,901. The Offer is not expected to have any material financial effect on the Company.

The expenses of the Offer will be met utilising the Company's existing cash reserves.

Accordingly, the financial effect of the Offer will be to reduce the Company's existing cash reserves by \$27,901.

3.5 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

SHAREHOLDER	SHARES	%
Copulos Group	271,086,889	14.97%

There will be no change to the substantial holders on completion of the Offer.

The Company confirms that no existing Shareholder will increase its shareholding to above 19.9% as a result of the Offer.

4. RIGHTS AND LIABILITIES ATTACHING TO OPTIONS

4.1 Terms and conditions of New Options

(a) **Entitlement**

Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each New Option will be \$0.011 (**Exercise Price**).

(c) **Expiry Date**

Each New Option will expire at 5:00 pm (AWST) on or before the date that is 3 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under Section 4.1(g)(iii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the New Options.

(j) **Reorganisation**

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of the Optionholder will be changed to the extent necessary to comply with the ASX Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

4.2 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours:

(a) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. The Company's constitution permits the use of technology at general meetings of shareholders to the extent permitted under the Corporations Act, Listing Rules and applicable law.

(b) **Voting Rights**

At a general meeting every Shareholder present in person or by proxy, attorney or body corporate representative has one vote on a show of hands and every Shareholder present in person or by proxy, attorney or body corporate representative has one vote for each Share on a poll.

The Constitution enables the Board to determine that Shareholders who are entitled to attend and vote at a meeting may do so by way of direct vote and to prescribe regulations, rules and procedures regarding such direct votes.

(c) **Dividend rights**

Dividends are declared by the Directors at their discretion and are paid to Shareholders according to their rights and interest in the profits at the time of entitlement to the dividend.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such

value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued on exercise of the New Options will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, the Directors will not refuse to register a transfer unless the ASX Settlement Operating Rules, ASX Listing Rules or the Constitution permit it to do so, the transfer of Shares is inconsistent with the Share transfer requirements outlined within the Constitution, the transfer would result in more than three persons being registered as joint holders or the Company has a lien on the Shares.

(g) **Variation of rights**

The rights and privileges attaching to a class of Shares, unless their terms of issue state otherwise, can be altered by a special resolution of Shareholders and either:

- (i) by special resolution passed at a meeting of the members holding Shares in that class; or
- (ii) by the written consent of Shareholders with at least 75% of the votes in that Share class.

A special resolution is a resolution passed by a majority of not less than 75% of those entitled to vote on the resolution.

(i) **Alteration of constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. A special resolution is a resolution passed by a majority of not less than 75% of those entitled to vote on the resolution.

5. RISK FACTORS

5.1 Introduction

The New Options offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risk factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the New Options. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific

RISK CATEGORY	RISK
Gas Flow Rates	The rate at which gas flows from the Company's wells will be a key determinant of its future profitability and success. One of the primary challenges faced by the Company in achieving a commercially viable gas flow rate from the Glenaras Gas Project has, to date, been the inability to reduce the reservoir pressure within the coal to the 'critical desorption' point (the point at which gas is released from the coal). It is believed that this has been due to a fault within the Betts Creek coal and areas of high porosity/ permeability coal. While the proposed 5 well programme is intended to reduce the reservoir pressure and, hopefully, result in gas desorption and, in turn, commercially viable gas flow rates, there is no certainty that this drilling will be successful in achieving this outcome. If this does not occur, the Company may be required to drill more wells and/ or undertake other steps to achieve its intended objectives, resulting in further expenditure being incurred and, potentially, further funding being required. Any future capital raising could result in dilution to existing Shareholders, depending on the nature of the capital raising (whether it is via debt or equity), and there is no guarantee that any future funding required by the Company would be available or on terms acceptable to the Company. This will likely have a material adverse affect on the Company.
Other Exploration Risk	Key to the Company's financial performance is to have success in exploring for and locating commercially exploitable hydrocarbons. Exploration is subject to various technical risks and uncertainty of outcome.

	Even if the Company is able to generate an acceptable gas flow rate, there is no assurance that expenditure on activities will result in any or sufficient hydrocarbon reserves and resources that can be commercially, socially or economically exploited, which would adversely impact the financial performance of the Company.
Funding Risk	The Company is an oil and gas exploration company and currently relies on external funding to progress and implement its objectives. Development of gas reserves and resources require significant capital and operational expenditure. The Company's capital requirements depend on numerous factors, including the success of its planned exploration programs, the future exploration programs for its projects, the Company's ability to generate income from its operations and possible acquisitions or other corporate opportunities. Any future capital raising could result in dilution to existing Shareholders, depending on the nature of the capital raising (whether it is via debt or equity). Further, there is no guarantee that any future funding required by the Company would be available or on terms acceptable to the Company. If funding is not available on terms acceptable to the Company, it may need to scale back its exploration programs, which may impact adversely on the Company, or it may not be able to secure opportunities to acquire new projects or other corporate opportunities.
Development Risk	Oil and gas development is a high risk undertaking and successful development cannot be guaranteed. The Company's financial performance will substantially depend on the accuracy of its sub-surface analysis, the production flow rates achieved and from cost estimates for its exploration well, project development costs and production facilities activities, working capital requirements and the duration of its works program. Due to individual prospect geological risk there can be no assurance that the Company's exploration activities, projects, tenements or databases that the Company holds or may acquire in future, will result in profitable outcomes for the Company. In the event that the Company's exploration and development proves to be unsuccessful, this could lead to a diminution in value of its projects, a reduction in the cash reserves of the Company and the possible relinquishment of one or more of its tenements.
Operational Risk	The business of oil & gas exploration, development and production, by its nature, involves significant risks. The business depends on, amongst other things, successful exploration and identification of resources and reserves, geological conditions, security of tenure, the availability of adequate funding, satisfactory performance of drilling operations, limitations on activities due to inclement weather or seasonal weather patterns, availability and cost of consumables and plant and equipment (including drilling rigs and other necessary machinery to undertake exploration, development and production) and skilled labour when required.

5.3 Industry specific

RISK CATEGORY	RISK
Gas Markets Risk	The Company's possible future revenues are expected to be derived from domestic and/or export gas sales. The profitability

RISK CATEGORY	RISK
	of the Company's gas business will be determined by the future market for domestic and export gas. LNG prices are generally linked to oil price and in US dollars, and can vary significantly depending on oil prices, exchange rates, worldwide LNG supply and demand and the terms under which LNG off-take arrangements are agreed. Domestic gas prices are historically fixed prices typically under long term contracts with a percentage escalation of CPI, and may also vary due to various economic factors and factors which influence demand and supply at the time of contracting. There is also a spot domestic gas market with spot prices typically reflective of netback LNG plus other domestic supply/consumption influences. Numerous factors outside the control of the Company impact on gas prices. The prices required to achieve adequate returns on the Company's coal seam gas business will vary depending on cost of production including drilling costs, economies of scale and gas flow rates. Any substantial decline in the price of gas is likely to have a material adverse effect on the financial position of the Company.
Reserve and Resource Estimates	Estimating hydrocarbon reserves and resources is subject to significant uncertainties associated with technical data and interpretation of that data, future commodity process and development and operating costs. Resource and reserve estimates are expressions of judgement based on knowledge, experience and industry practice. While these estimates may be appropriate when made, they may change significantly when new information or techniques become available. There are risks associated with such estimates. Resource estimates depend to some extent on interpretations, which may prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect the Company's future plans and ultimately its financial performance and value. There can also be no assurance that the Company's resources will successfully be converted into reserves, or that the Company will be able to produce the volume of reserves that it estimates are contained within its projects.
Drilling and Completion Techniques Risk	The Company may use horizontal drilling in its exploration and development activities. The use of these drilling technologies may be necessary for the production of commercial quantities of gas from geological formations of the type that the Company is targeting. There has been an increase in interest by governments and the public in various drilling techniques used in the oil and gas industry and the enactment of any new laws, regulations or requirements by any relevant government authority in respect of drilling techniques could result in operational delays, increased operational costs and potential claims from a third party or governmental authority. Restrictions on the use of drilling technologies or techniques may reduce the amount of gas the Company can produce and may have a material impact on the Company's business.
Infrastructure Risk	Infrastructure is a key path to market for a gas producer and any limitation of infrastructure exposes a producer to potential cost and capacity constraints. Discoveries in remote locations may be difficult and expensive to commercialise due to infrastructure and transport costs. Sharing with other industry participants of transport and operating infrastructure is common in the gas sector. Any delay or failure to access

RISK CATEGORY	RISK
	properly maintained operating infrastructure or shared facilities may have a material adverse effect on the Company.
Personnel Risk	The Directors are primarily responsible for overseeing the operations and the strategic management of the Company. The day-to-day operations of the Company are the responsibility of the Managing Director, assisted by the Chief Financial Officer, Chief Operating Officer and technical staff. There can be no assurance that there will be no detrimental impact on the Company if one or more of the Directors, particularly the Managing Director, no longer act as Directors of the Company, or if the employment outlook for geologists, engineers and other petroleum oil and gas industry specialists remains tight or further tightens for any reason.
Environmental Risk	The Company's operations and projects are subject to state and federal laws and regulation regarding the environment. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted. Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by the Company, or noncompliance with environmental laws or regulations. The Company proposes to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage.
Tenement Risk	The Company's exploration and appraisal activities are dependent upon the grant and maintenance of appropriate licences, permits, resource consents, access arrangements and regulatory authorities (Authorisations), which may not be granted or may be withdrawn or made subject to limitations at the discretion of government or regulatory authorities. Although the Authorisations may be renewed following expiry or granted (as the case may be), and the Company is not aware of any reason why they would not be granted, there can be no assurances the authorisations will be continued, renewed or granted, or as to the terms of such renewals or grants.
Legislation and Regulatory Risk	The Company's activities in the petroleum industry are subject to legislation, regulation and approvals. The introduction of new legislation, amendments to existing legislation, the application of developments in existing common law or policies or the interpretation of those laws or policies, particularly in relation to, land access arrangements, environmental approvals, the carbon tax or its substitute, the effect of greenhouse gases legislation, royalties and production and exploration licensing may adversely affect the Company's future operations and financial performance. The Company will, from time to time, require various government regulatory approvals for its transactions and operations and must comply with those approvals, applicable laws, regulations and policies. In particular, the Company may require licences and approvals in relation to mining activities, environmental matters and the manufacture and supply of gas and electricity. There is a risk that the Company or a joint venture

RISK CATEGORY	RISK
	that it is a party to may not obtain, or there may be a delay in obtaining, the necessary licences and approvals. This may affect the timing and scope of transactions and work that can be undertaken. Further, a failure to comply with a licence, approval or applicable law may affect the timing and scope of work that can be done. The loss of granted tenements or failure to obtain relevant approvals in relation to them may have a material adverse effect on the Company process. By way of example, in the context of the current political environment, the introduction of legislation that further restricts or inhibits gas exploration and production, changes to strategic cropping, native title, land access or overlapping tenement arrangements or the introduction of legislation that restricts or inhibits exploration and production would likely operate to the Company's detriment.
Occupational Health and Safety Risk	Gas exploration and production may expose the Company's staff to potentially dangerous working environments. If any of the Company's employees suffered injury or death, compensation payments or fines may be payable and such circumstances could result in the loss of a licence or permit required to carry on the business.
Climate Risk	There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to Company include: (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.
Community and Social Risk	While the Company has good relations with the local landowners on whose land it operates, there is a risk that wider community disapproval of oil and gas activities may lead to direct action which impedes the Company's ability to carry out its lawful operations, resulting in project delay, reputational damage and increased costs and thus impact the financial performance of the Company.

5.4

General risks

RISK CATEGORY	RISK
Economic	General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company, as well as on its ability to fund its operations. If activities cannot be funded, there is a risk that the tenements comprising the Company's projects may have to be surrendered or not renewed. General economic conditions may also affect the value of the Company and its valuation regardless of its actual performance.
Competition Risk	The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.
Market Conditions	Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as: (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. The market price of Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.
Commodity Price Volatility and Exchange Rate Risks	The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to, general economic conditions including the performance of the Australian dollar on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares. In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be

RISK CATEGORY	RISK
	made that the Company's market performance will not be adversely affected by any such market fluctuations or factors. The Company's Australian projects are prospective, inter alia, for precious and base metals. The market price of these commodities fluctuate and are affected by numerous factors beyond the control of the Company. These factors include current and expected future supply and demand, forward selling by producers, production cost levels in major metal producing centres as well as macroeconomic conditions such as inflation and interest rates. Fluctuations in commodity prices may impact on the commercial attractiveness or viability of the Company's projects. Furthermore, the international prices of most commodities are denominated in United States dollars and the Company's cost base will be in a combination of Australian dollars and United States dollars. Consequently, changes in these exchange rates may impact on the expenditure of the Company and the Company's purchasing capacity.
Insurance	The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance of all risks associated with the Company's business may not always be available and where available the costs can be prohibitive.
Force Majeure	The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.
Taxation	The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Options under this Prospectus.
Litigation Risks	The Company will be exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, reputation, financial performance and financial position. The Company is not currently engaged in any litigation.
Liquidity Risk	The Company will apply to the ASX for quotation of the New Options. However, no assurance can be given of the price at which New Options will trade or that they will trade at all, even if ASX does admit them for quotation.

RISK CATEGORY	RISK
	Additionally, while the Company's Shares are currently admitted to ASX's official list, and the Company will apply for Quotation of any Shares issued on the exercise of the New Options if still admitted to the official list at that time, no assurance can be given of the price at which Shares will trade or that they will trade at all. The market price of securities can fall, as well as rise, and may be subject to varied and unpredictable influences on the market for equities and, in particular, resources entities. Neither the Company nor the Directors provide any warranty as to the future performance of the Company or any return on an investment in the Company.

5.5 Speculative investment

The risk factors described above, and other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Options.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Options offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Options.

Before deciding whether to subscribe for Options under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company or any of its subsidiaries.

6.2 Continuous disclosure obligations

The Company has previously announced that it will continue to seek additional acquisition opportunities to add additional tenure around its existing and contracted tenure. To that end the Company is a party to various negotiations relating to the acquisition of further tenure around the areas and regions of its existing tenure. In relation to those negotiations, FRS notes there is no guarantee that any agreements will be exchanged, conversation continued, agreements executed, or transactions completed.

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report (30 September 2025) and before the lodgement of this Prospectus with the ASIC are set out in the table below.

DATE	SUBJECT OF ANNOUNCEMENT
12 February 2026	Appendix 3H
10 February 2026	Change in Substantial Holding
6 February 2026	Cleansing Notice
6 February 2026	Appendix 2A
5 February 2026	Change of Director's Interest Notice - ER
5 February 2026	Change of Director's Interest Notice - DH
5 February 2026	Change of Director's Interest Notice - JG

DATE	SUBJECT OF ANNOUNCEMENT
4 February 2026	Co-operation agreement entered with Louisiana based partner
3 February 2026	Cleansing Statement
3 February 2026	Appendix 2A
3 February 2026	Appendix 2A
3 February 2026	Appendix 3G
3 February 2026	Appendix 3G
3 February 2026	Appendix 3G
30 January 2026	Quarterly Activities / Appendix 5B Cash Flow Report
27 January 2026	Results of Meeting
22 January 2026	Galilee signs MSA to advance Zydeco Gas Project
16 January 2026	Addendum to Notice of General Meeting
13 January 2026	Final Land Agreement secured for Zydeco Project in USA
12 January 2026	Corporate Update
23 December 2025	Change in substantial holding
23 December 2025	Final Director's Interest Notice – GC Amended
22 December 2025	Initial Director's Interest Notice x 3
22 December 2025	Final Director's Interest Notice x 3
19 December 2025	Board Refresh
17 December 2025	Notice of General Meeting / Proxy Form
12 December 2025	Change in substantial holding
10 December 2025	Change of Director's Interest Notice - GC
9 December 2025	Cleansing Notice
9 December 2025	Appendix 2A
9 December 2025	Appendix 2A
2 December 2025	Reinstatement to Official Quotation
2 December 2025	Appendix 3B
2 December 2025	Appendix 3B
2 December 2025	Transformative Acquisition & Successful \$6.5m Placement
28 November 2025	Suspension
26 November 2025	Trading Halt
24 November 2025	Results of Meeting
3 November 2025	Appointment of Chief Executive Officer
31 October 2025	Quarterly Activities / Appendix 5B Cash Flow Report
24 October 2025	Notice of Annual General Meeting / Proxy Form
3 October 2025	Date of 2025 AGM & Director Nominations
28 August 2025	Appendix 4G & Corporate Governance Statement
28 August 2025	FY25 Annual Report to Shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website <https://galilee-energy.com.au/>.

6.3 Market price of Securities

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	DATE
Highest	\$0.010	23 January 2026, 27 January 2026 and 28 January 2026
Lowest	\$0.006	5 February 2026
Last	\$0.007	12 February 2026

6.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the two years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer.
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus is set out in the table below.

DIRECTORS ¹	CURRENT			FOLLOWING COMPLETION OF THE OFFER		
	SHARES	OPTIONS	PERFORMANCE RIGHTS ³	SHARES	OPTIONS	PERFORMANCE RIGHTS
Eduardo Robaina ¹	10,428,572 ²	Nil	24,000,000	10,428,572	714,286 ⁴	24,000,000
Joseph Graham ¹	Nil	Nil	24,000,000	Nil	Nil	24,000,000
Dale Hanna ¹	Nil	Nil	24,000,000	Nil	Nil	24,000,000

Notes:

1. Refer to the respective Appendices 3Y released 5 February 2026 for each Director for further information.
2. 9,000,000 of the Shares held by Eduardo Robaina are subject to voluntary escrow.
3. Performance Rights were approved by Shareholders at the General Meeting.
4. Shareholders approved Mr Robaina's participation in the Placement at the General Meeting. Mr Robaina subscribed for an aggregate of 1,139,411 Placement Shares and 714,286 Placement Options as part of Tranche 2 of the Placement.

The Directors have not participated in the Placement and are not eligible to participate in the Offer.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's Annual Report for the financial year ended 30 June 2026.

DIRECTORS	CURRENT FINANCIAL YEAR ENDING 30 JUNE 2026	PREVIOUS FINANCIAL YEAR ENDED 30 JUNE 2025
Eduardo Robaina ¹	\$75,000 ²	Nil ¹
Joseph Graham ³	\$406,518 ⁴	Nil ³
Dale Hanna ⁵	\$60,000 ⁶	Nil ⁵

Notes:

1. Mr Robaina was appointed as a Director on 19 December 2025.
2. This is the current total remuneration package inclusive of superannuation. The Company received Shareholder approval at the General Meeting to issue 24,000,000 Performance Rights to Mr Robaina, which increases his remuneration on a one-off basis by \$126,000, being the number of Securities (24,000,000 Performance Rights) multiplied by the issue price of the Placement Shares (\$0.007), with a probability adjustment of 75% applied to reflect the likelihood of achieving the vesting conditions of the Performance Rights.
3. Joseph Graham was the Company's Chief Executive Officer and was appointed as a Director on 19 December 2025.
4. Comprising base salary of \$258,928, statutory superannuation of \$31,072 and short-term incentive payments of up to 45% of base salary (\$116,518) subject to the achievement of milestones. The Company received Shareholder approval at the General Meeting to issue 24,000,000 Performance Rights to Mr Graham, which increases his remuneration on a one-off basis by \$126,000, being the number of Securities (24,000,000 Performance Rights) multiplied by the issue price of the Placement Shares (\$0.007), with a probability adjustment of 75% applied to reflect the likelihood of achieving the vesting conditions of the Performance Rights.
5. Dale Hanna was appointed as a Director on 19 December 2025.
6. This is the current total remuneration package inclusive of superannuation. The Company received Shareholder approval at the General Meeting to issue 24,000,000 Performance Rights to Mr Hanna, which increases his remuneration on a one-off basis by \$126,000, being the number of Securities (24,000,000 Performance Rights) multiplied by the issue price of the Placement Shares (\$0.007), with a probability adjustment of 75% applied to reflect the likelihood of achieving the vesting conditions of the Performance Rights.

6.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the two years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer.
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$7,500 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$30,032 (excluding GST and disbursements) for legal services provided to the Company.

6.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

6.7 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$27,901 (excluding GST) and are expected to be applied towards the items set out in the table below:

EXPENSE	AMOUNT (\$)
ASIC fees	\$3,206
Legal fees	\$7,500
ASX fees	\$17,195
Total	\$27,901

7. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

8. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means an investor that applies for New Options pursuant to the Offer.

Application Form means the application form attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

AWST means Australian Western Standard Time as observed in Perth, Western Australia.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus, unless extended by the Directors.

Company means Galilee Energy Limited (ACN 064 957 419).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Participants means persons who participated in the Placement (or their nominee(s)).

General Meeting means the general meeting of the Company held on 27 January 2026.

New Option means an Option to be issued pursuant to the Offer on the terms and conditions set out in Section 4.1.

Offer means the offer to Eligible Participants to apply for 1 New Option for every 2 Shares they subscribed for under the Placement.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Option means an option to acquire a Share, including the New Options.

Optionholder means a holder of an Option.

Placement has the meaning given in Section 1.1.

Placement Participants means sophisticated and institutional investors who participated in the Placement.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Securities means a Share or an Option or both, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.