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GRANDGULF
ENERGY LIMITED

24 March 2023

Placement to Raise \$2.5 Million to Accelerate Red Helium Project

- \$2.5 million placement ensures Grand Gulf is well capitalised to optimise and accelerate production and development upon success of potentially company-making Jesse-2 well.
 - Jesse-2 drilling operations proceeding on schedule currently drilling the intermediate hole section with surface casing set.
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Grand Gulf Energy Ltd (ASX:GGE) (“Grand Gulf” or the “Company”) is pleased to advise it has received firm commitments for a placement raising A\$2.5 million before costs (“Placement”).

The Placement was well supported by a number of new and existing professional and sophisticated investors and provides Grand Gulf with a strong cash balance to optimise and accelerate production and development of the potentially company-making pure-play helium well, Jesse-2, at the Company’s Red Helium Project in south-east Utah.

Red Helium Project Operational Update

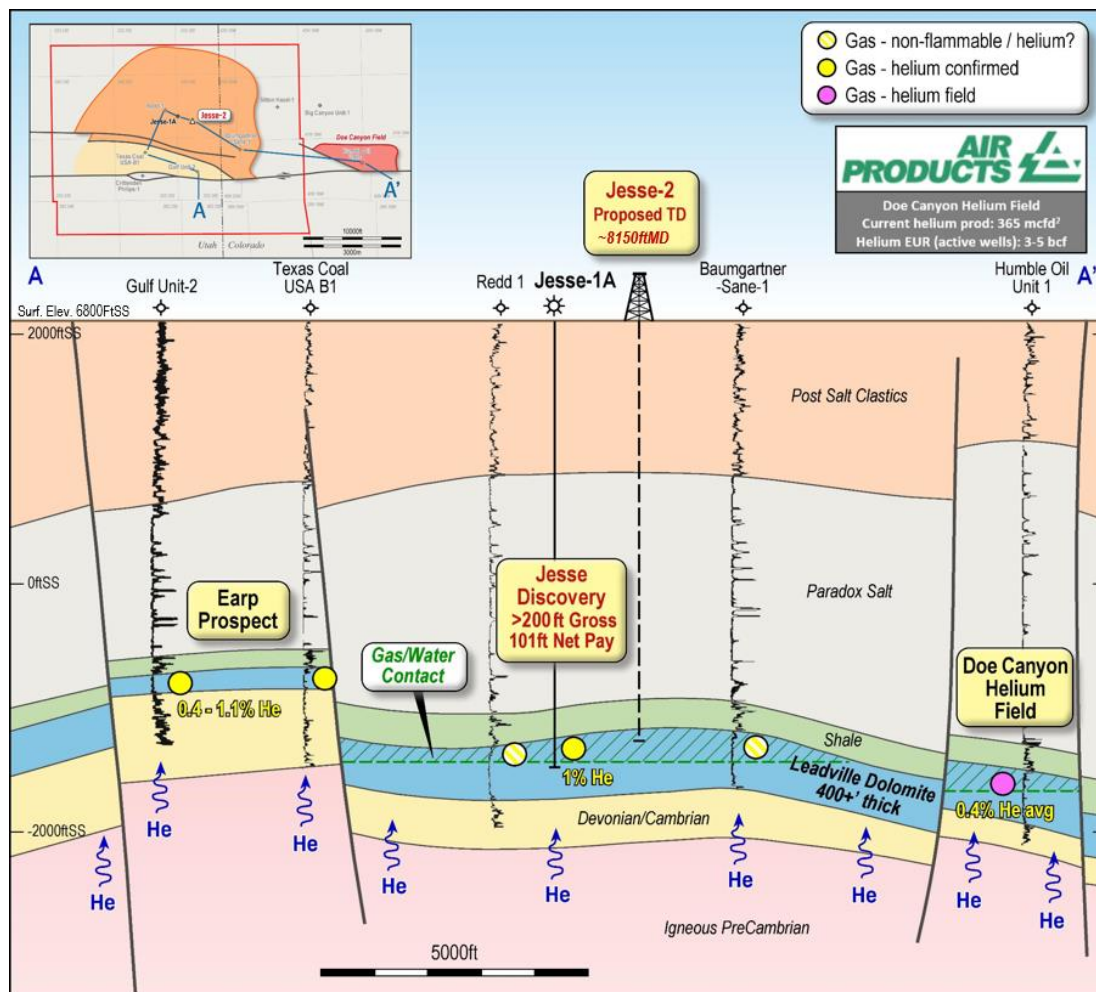
Jesse-2 spudded on 14 March 2023 and is currently drilling ahead, on schedule in the 8.75” intermediate hole section after setting the 9.625” surface hole casing at 3135 feet. The Jesse-2 well is anticipated to take approximately a month in total to reach the projected total depth of 8150 feet true vertical depth subsea in the middle Mississippian Leadville Dolomite formation.

Jesse-2 is exclusively targeting the gas pay zone(s) to minimize the risk of water production, with the planned total well depth terminating at least 50 feet above the identified gas / water contact at the previously drilled Jesse-1A well.

The well design incorporates managed pressure drilling through the primary Leadville formation, allowing for preliminary real-time flow-testing while drilling. The program also minimises formation damage with monitoring of reservoir gas flow and gas compositional analysis using mass spectrometry.

The funding to be raised pursuant to the Placement allows for working capital to optimise and accelerate the completion and development of Jesse-2 including long lead production equipment, subject to the success of Jesse-2.





Stylised schematic showing Jesse-2 location exclusively targeting the gas pay zone

Placement details

The Placement to professional and sophisticated investors is to be satisfied through the issue of 113,636,363 new shares (“**New Shares**”) at an issue price of \$0.022 per share. The issue of the New Shares will not be subject to shareholder approval and will be made within the Company’s placement capacity under Australian Securities Exchange (ASX) listing rules 7.1A. Settlement is scheduled to occur on Thursday, 30 March 2023.

Euroz Hartleys Limited and CPS Capital Group Pty Ltd are the Joint Lead Managers (“**Lead Managers**”) to the Placement.

In connection with the Placement, the Company will issue a total of 85,227,273 unlisted options, exercisable at 5 cents each within 3 years of issue (“**Options**”), comprising 56,818,182 attaching Options to Placement investors on a 1 for every 2 New Shares issued basis, and 28,409,091 Options to the Lead Managers as part consideration for the Lead Manager fees. The issue of the Options will not be subject to shareholder approval and will be issued under listing rule 7.1.



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This ASX announcement has been authorised for release by the Board of Grand Gulf Energy Ltd.

For more information about Grand Gulf Energy and its projects, contact:

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About Grand Gulf Energy:

Grand Gulf Energy Ltd (ASX:GGE) is an independent exploration and production company, headquartered in Australia, with operations and exploration in North America. The Red Helium project represents a strategic pivot to a pure-play helium exploration project, located in Paradox Basin, Utah, in the prolific Four Corners region. For further information please visit the Company's website at www.grandgulfenergy.com

Forward Looking Statements:

This release may contain forward-looking statements. These statements relate to the Company's expectations, beliefs, intentions or strategies regarding the future. These statements can be identified by the use of words like "anticipate", "believe", "intend", "estimate", "expect", "may", "plan", "project", "will", "should", "seek" and similar words or expressions containing same. These forward-looking statements reflect the Company's views and assumptions with respect to future events as of the date of this release and are subject to a variety of unpredictable risks, uncertainties, and other unknowns. Actual and future results and trends could differ materially from those set forth in such statements due to various factors, many of which are beyond our ability to control or predict. These include, but are not limited to, risks or uncertainties associated with the discovery and development of oil, natural gas and helium reserves, cash flows and liquidity, business and financial strategy, budget, projections and operating results, oil and natural gas prices, amount, nature and timing of capital expenditures, including future development costs, availability and terms of capital and general economic and business conditions. Given these uncertainties, no one should place undue reliance on any forward-looking statements attributable to GGE, or any of its affiliates or persons acting on its behalf. Although every effort has been made to ensure this release sets forth a fair and accurate view, we do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise