



25 August 2023

Placement to Raise \$3.2 Million for Jesse Development

- \$3.2 million placement ensures Grand Gulf is well-capitalized to progress development of the Jesse helium discovery.
 - Strong support by new and existing professional and sophisticated investors.
 - Permitting and preparation activities on track to support Q4 2023 Jesse-3 spud.
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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\$3.2 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 for continued advancement of the Jesse discovery. The Company continues to progress a series of high-graded opportunities at the Red Helium project including:

- Jesse-3 new-drill planned for Q4 2023 targeting a structural high on seismic and proximal to the historic Redd-1 with proven gas/reservoir.
- Jesse-1A completion and testing programme planned to enable future production tie-in for a modest cost.
- Ongoing evaluation of stimulation/remediation and full flow-testing options for Jesse-2.
- Evaluation of a 3D seismic programme at the Red Helium project to accelerate a full-field Jesse development which could exceed 20 wells based on the giant Doe Canyon helium field analogue sharing the same geology 15 miles to the east.

Managing Director Dane Lance commented:

“Planning and preparations are on-track for Jesse-3, targeting a seismic high with proven gas in the proximal Redd-1 well, and the low-cost Jesse-1A completion, providing multiple near-term paths to first production. The inclusion of the independent McCracken sandstone secondary target, which produces helium both north and south of the Jesse discovery, provides exciting upside for a modest cost.”



With our first two exploration and appraisal wells both flowing helium to surface and proving helium is pervasive across the Jesse discovery at a commercial grade, we look forward to being back in the field in what could be a potentially transformative fourth quarter for the Company and our shareholders.

A binding offtake agreement and an existing pipeline connected to the Lisbon helium plant provide the potential to quickly bring helium from a commercial well to market with minimal time and capex positioning Grand Gulf well to capitalise on the ongoing global helium shortage when the world's largest helium consumer needs it most."

Placement details

The Placement to professional and sophisticated investors is to be conducted via 2 tranches. A total of 400,000,000 new shares ("**New Shares**") are to be placed at an issue price of \$0.008 per Share along with attaching Options to Placement investors on a 1 for every 4 basis.

191,539,030 New Shares will be issued under Tranche 1 at an issue price of \$0.008 per share. The issue of the Tranche 1 New Shares will not be subject to Shareholder approval and will be made within the Company's existing placement capacity under ASX Listing Rules 7.1 (149,014,327 New Shares) and listing rule 7.1A (42,524,704 New shares). Settlement is scheduled to occur on Thursday, 31 August 2023.

208,460,970 New Shares will be issued under Tranche 2, subject to Shareholder approval at an extraordinary general meeting ("EGM") at first availability subject to ASX Listing Rule and administrative requirements. Further details in respect of the Meeting will be circulated to Shareholders in due course.

Subject to Shareholder approval being obtained, in connection with the Placement, the Company will issue a total of 220,000,000 unlisted options, exercisable at 2.5 cents each on or before 3 years of the date of issue ("**Options**"), comprising:

- a) 100,000,000 free-attaching Options to Placement investors on a 1 for 4 basis;
- b) 20,000,000 lead manager Options; and
- c) 100,000,000 broker Options on a 1 for 4 New Share basis.

CPS Capital Group Pty Ltd is the lead manager, broker and corporate advisor ("**Lead Manager**") to the Placement. In addition to the Options set out above, a management fee of 2% and a placement fee of 4% of the gross proceeds raised under the Placement are payable to the Lead Manager.

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 the Red Helium Project:

The Red Helium Project provides exposure to the burgeoning helium industry in a prolific proven helium-producing region, the Four Corners Area, that comprises:

- 250,713 acre area of mutual interest (AMI) with over 29,000 acres (private leases/Utah state leases) leased in drill-friendly Utah in the heart of the most prolific helium-producing region in the world;
- Geologically analogous to Doe Canyon Field. Doe Canyon is situated 15 miles due east of the Red Helium project, and is currently producing approximately 10,700,000 cubic feet of helium per month, the bulk of which comes from only 7 wells. Air Products (market cap US\$68b) is processing the helium, and it is anticipated that Doe Canyon will ultimately produce 3-5 billion cubic feet of helium. With additional drilling, this resource figure could increase;
- 315 kms of well-placed 2D seismic has been acquired and reprocessed identifying multiple drill targets – and confirming a structural trap 4-5 times larger than the Doe Canyon Field;
- Six historic wells exclusively targeting hydrocarbons were drilled within the project AMI, proving trap, seal, reservoir presence and gas charge and a working helium system, to differing degrees within each prospect. Several wells tested non-flammable gas, the only two analysed for helium confirmed helium presence; and
- 20 miles south of and connected by pipeline to the operational Lisbon Helium Plant (99.9995% purity).
- A booming commodity with US Spot price for premium helium exceeding US\$2000/mcf

Key milestones in the Red Helium Project:

- Maiden prospective gross project un-risked P50 helium resource of 10.9 billion cubic feet of helium;
- Jesse discovery (Jesse-1A), generally exceeding pre-drill expectation and highlights including:
 - over 200 feet of gross gas column, and 101 feet of net pay (Independently Audited);
 - Helium grade of up to 1%. An analogous Doe Canyon well at 1% helium and a raw gas rate of 20 million cubic feet per day would produce 200 thousand cubic feet of helium per day; and
 - Productive, well pressured reservoir at 2465 psi on trend with neighbouring Doe Canyon virgin pressure.
- Helium Offtake Agreement with Paradox Resources LLC, a helium refiner and seller owner with extensive helium market experience and connections, and operator of the advanced Lisbon Valley helium plant;
- Strategic Alliance to expand on the Offtake terms and exploit the corporate synergies with Paradox;
- Increased Working Interest in the Red Helium Project to 77.5% with a right to earn 85%.

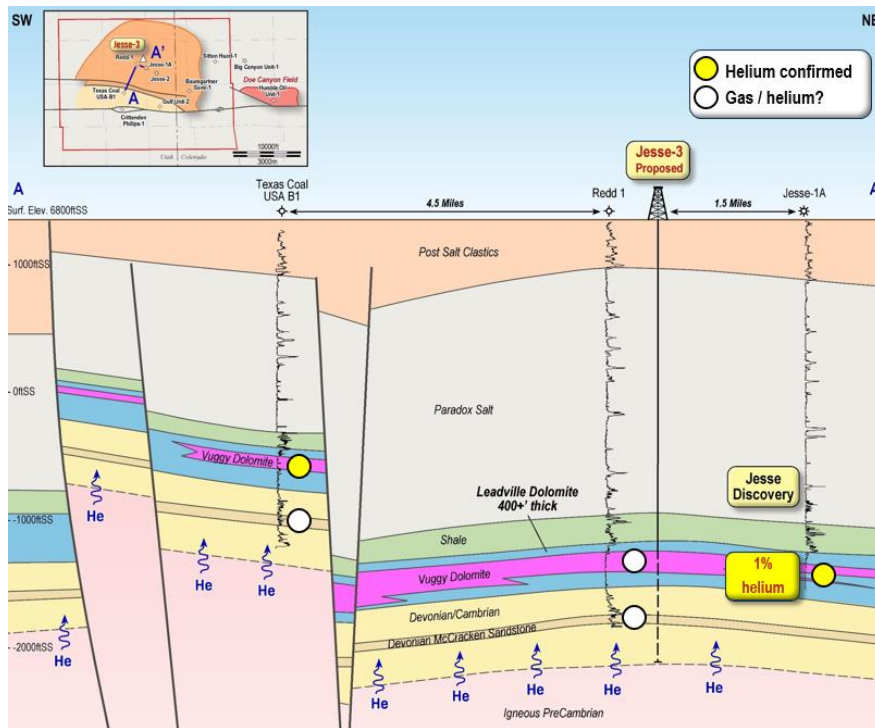


Figure 1: Jesse-3 well location targets a structural high proximal to the historic Redd-1 well with proven gas confirmed by the Jesse-1A discovery well

Helium Offtake Agreement (“Offtake”):

Offtake executed with helium refiner and seller Paradox Resources LLC (“Paradox”) with industry standard 80/20 revenue sharing / allowing near immediate monetisation of a success case well to monetized with minimal time and Capex¹. The Red Helium project is 20 miles south of and connected by pipeline to the operational Lisbon Helium Plant.

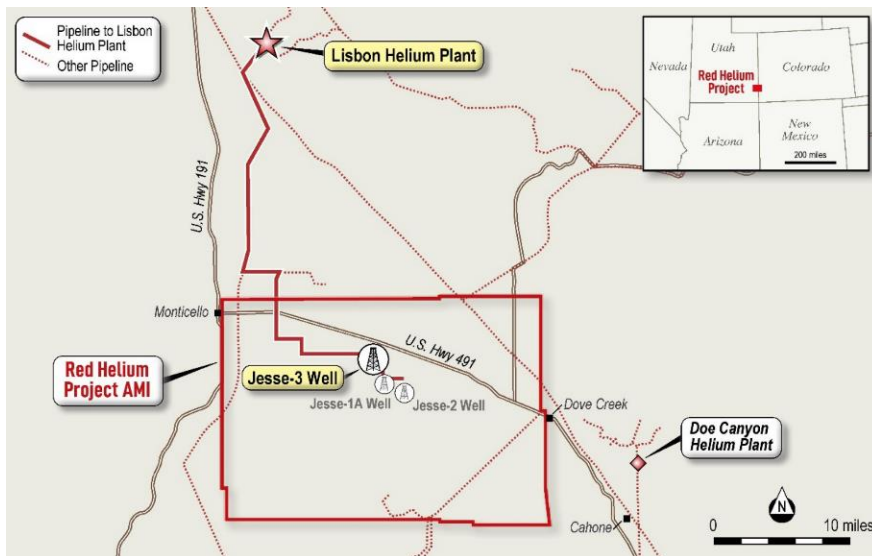


Figure 2: Jesse-1A and Jesse-3 locations in the Red Helium project AMI with local pipelines / gas transport route to the Lisbon Helium Plant.

¹ ASX Announcement 9 January 2023 - Helium Offtake Agreement Secured for Jesse-2



Figure 3: Paradox “5.5 Nines” Resources Lisbon Valley Gas Processing Plant.

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.grandgulfeenergy.com

Cautionary Statement for Prospective Resource Estimates

With respect to the Prospective Resource estimates contained within this report, it should be noted that the estimated quantities of gas that may potentially be recovered by the future application of a development project relate to undiscovered accumulations. These estimates have an associated risk of discovery and risk of development. Further exploration and appraisal is required to determine the existence of a significant quantity of potentially moveable helium

Competent Person’s Statement

The information in this report is based on information compiled or reviewed by Mr Keith Martens, Technical Director of Grand Gulf. Mr Martens is a qualified oil and gas geologist/geophysicist with over 45 years of Australian, North American, and other international executive oil and gas experience in both onshore and offshore environments. He has extensive experience of oil and gas exploration, appraisal, strategy development and reserve/resource estimation. Mr Martens has a BSc. (Dual Major) in geology and geophysics from The University of British Columbia, Vancouver, Canada.

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.

