

December 2019 ASX Quarterly Report
29 January 2020

HIGHLIGHTS

- **Desiree Field (39.6% WI)** – The well produced a total of 9,213 bbls of oil during the quarter. The well is presently averaging 102 bopd.
- **Dugas & Leblanc #3 Field (55.5% WI)** – The well produced a total of 7,189 bbls of oil during the quarter. The well is presently averaging 80 bopd.

QUARTERLY CASH FLOW SUMMARY

Cash Flow Analysis	December Quarter	Year to Date
	\$AUD '000	\$AUD '000
Production Sales	560	1,252
Production Costs	(193)	(401)
Operating Costs	(114)	(310)
Net Operating Proceeds	253	541

CAPITAL STRUCTURE AND FINANCIAL SNAPSHOT

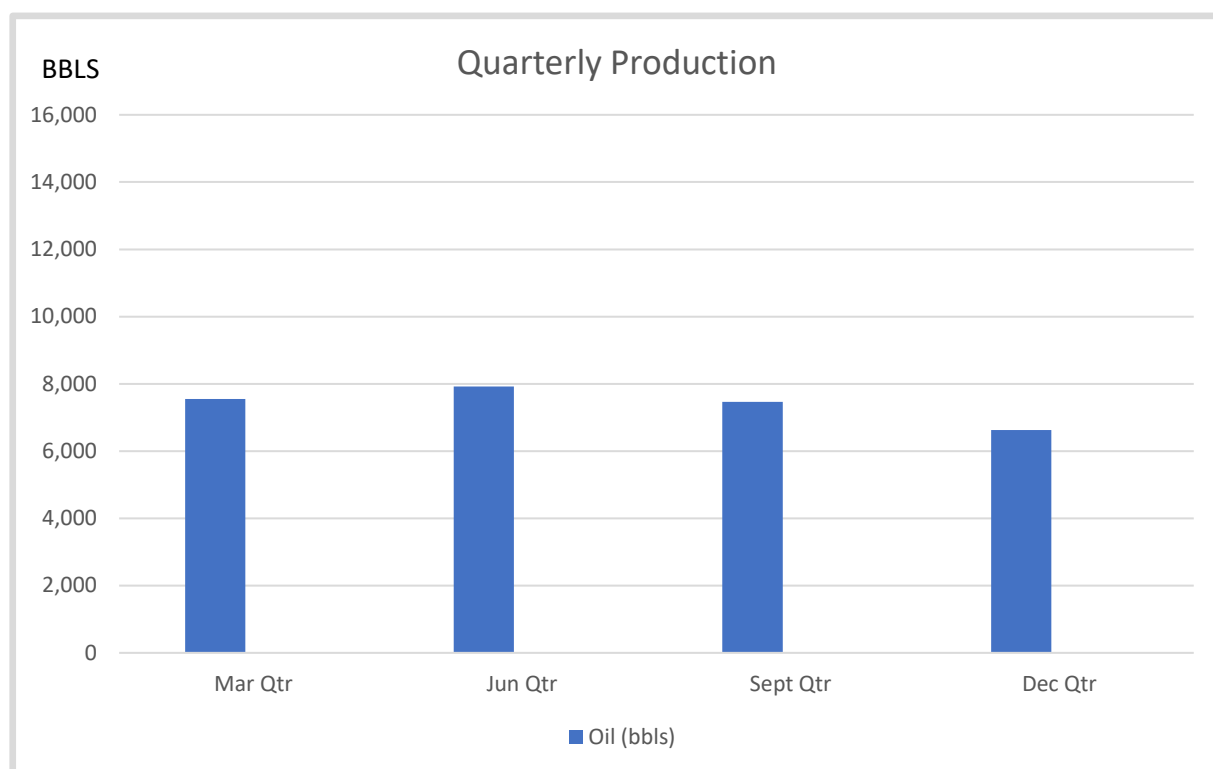
ASX Code	GGE	Shares	384 m
Share Price	0.6 cent	Market Capitalisation	\$2.3 million
Cash Reserves @ 31/12	\$686,000	Producing Fields	2
Quarterly Net BO	6,631 bbls	Daily Net BO	74 bbls/d

PRODUCTION SUMMARY

Total Net Quarterly Oil Production

	Mar Qtr	June Qtr	Sept Qtr	Dec Qtr
Oil (bbls)	7,549	7,919	7,464	6,631

			Quarterly Bo		Daily Bo	
	Working interest	Parish	Gross	Net	Gross	Net
Desiree Field	39.65%	Assumption	9,213	3,647	102	41
Dugas & Leblanc	55.5%	Assumption	7,189	2,984	80	33
Total			16,402	6,631	182	74



Desiree Field

Desiree, Assumption Parish, Louisiana, Non-Operator 39.65% WI

The Hensarling #1 well (Desiree Field) produced a total for the quarter of 9,213 barrels of oil. The well is presently averaging 102 bopd.

Dugas & Leblanc Field

Napoleonville- Dugas & Leblanc #3 Well, Assumption Parish, Louisiana, Non-Operator 55.5% WI

The D&L#3 well (Dugas & Leblanc Field) produced a total for the quarter of 7,189 barrels of oil. The well is averaging 80 bopd.

UPDATE ON THE CONSOLIDATION OF GGE SHARES

GGE completed the 1 for 2 Share consolidation during the quarter, as approved by shareholders at the Annual General Meeting held in November 2019. The total number of shares is now 383,749,478.

CORPORATE COST REDUCTION PROGRAM

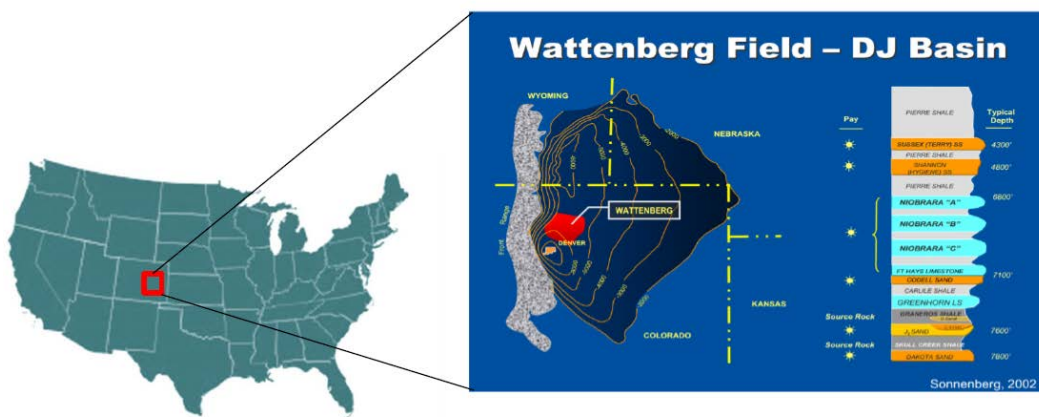
The Company has actively taken measures to reduce its operating and corporate costs. These additional cost savings this financial year are likely to be in excess ~\$200,000.

EXPLORATION AND DEVELOPMENT

DJ Basin, Colorado, USA (66% WI*)

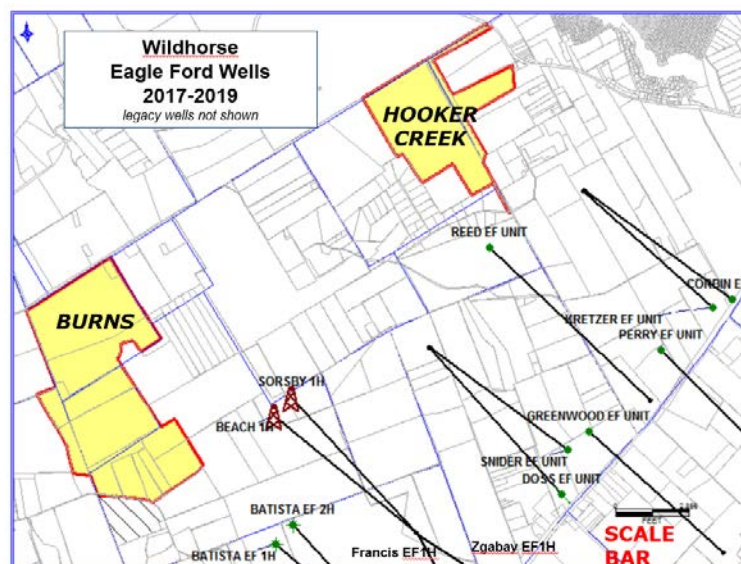
The Company has working interests in 355 net acres in Weld County. The Company is presently working to farmout its interests.





East Texas Prospect (40-50% WI) – 1,238 acres in the Eagle Ford

The Company owns a 40-50% interest in 1,238 net acres of 1,319 gross acres in Burleson County, Texas. The Company continues to pursue farm-down/sale opportunities.



LEASE SCHEDULE

The Company provides the following Schedule of lease interest held for the quarter as at 22 January 2020 as required by ASX Listing Rule 5.3.

Project	Location	Lease	Interest at Beginning of the Quarter	Interest at the end of the Quarter
Dugas & Leblanc	Assumption Parish, Louisiana	CL-0110	55.8%	55.8%
Desiree/Louise	Assumption Parish, Louisiana	CL-0130	39.6/22.0%	39.6/22.0%
Desiree	Assumption Parish, Louisiana	12S14E52-031A (CL-0131)	39.6%	39.6%
Desiree	Assumption Parish, Louisiana	12S14E52-031B (CL-0131)	39.6%	39.6%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-001	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-003	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-005	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-006	39.6/22.0%	39.6/22.0%





Desiree	Assumption Parish, Louisiana	12S14E52-008	39.6%	39.6%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-009	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-011	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-013	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-014	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-015	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-016	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-019	39.6/22.0%	39.6/22.0%
Desiree	Assumption Parish, Louisiana	12S14E52-020	39.6%	39.6%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-022A	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-022B	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-012	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-002	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-018	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-021A	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-021B	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-024	39.6/22.0%	39.6/22.0%
Louise	Assumption Parish, Louisiana	12S14E52-025	39.6%	39.6%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-026	39.6/22.0%	39.6/22.0%
Louise	Assumption Parish, Louisiana	12S14E52-028	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-001	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-002A	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-002B	22.0%	22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-002C	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-002D	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-002E	39.6/22.0%	39.6/22.0%
Louise	Assumption Parish, Louisiana	12S14E53-003	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-004	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-005	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-006	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-007	22.0%	22.0%
Desiree	Assumption Parish, Louisiana	12S14E52-032 (CL-0068 & 0106)	39.6%	39.6%
Louise	Assumption Parish, Louisiana	12S14E52-029	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E52-030	22.0%	22.0%
Burns Tract	Burleson County, Texas	Tract 1	50%	40%
Burns Tract	Burleson County, Texas	Tract 7 & 8	50%	40%
Burns Tract	Burleson County, Texas	Tract 9A	50%	40%
Burns Tract	Burleson County, Texas	Tract 9B	50%	40%
Burns Tract	Burleson County, Texas	Tract 9C	50%	40%
Burns Tract	Burleson County, Texas	Tract 10	50%	40%
Burns Tract	Burleson County, Texas	Tract 11	50%	40%
Burns Tract	Burleson County, Texas	Tract 14	50%	40%
Burns Tract	Burleson County, Texas	Tract 26	50%	40%
Hooker Creek Tract	Burleson County, Texas	Tract E2-8	50%	50%
Hooker Creek Tract	Burleson County, Texas	Tract NW-12	50%	50%
Hooker Creek Tract	Burleson County, Texas	Tract E2-11	50%	50%
Hooker Creek Tract	Burleson County, Texas	Tract E2-11b	50%	50%
Hooker Creek Tract	Burleson County, Texas	Tract E2-11e	50%	50%
Hooker Creek Tract	Burleson County, Texas	Tract E2-11c&d	50%	50%
Hooker Creek Tract	Burleson County, Texas	Tract NW-3	50%	50%





DJ Basin	Weld County, Colorado	Lease A	21.9%	52.2%
DJ Basin	Weld County, Colorado	Lease B	21.9%	52.2%
DJ Basin	Weld County, Colorado	Lease C	21.9%	52.2%

This report contains forward looking statements that are subject to risk factors associated with resources businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.



Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

GRAND GULF ENERGY LIMITED

ABN

22 073 653 175

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	561	1252
1.2 Payments for		
(a) exploration & evaluation	(12)	(42)
(b) development	(12)	(12)
(c) production	(193)	(427)
(d) staff costs	(31)	(89)
(e) administration and corporate costs	(61)	(143)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (Insurance payment - refundable)	-	-
1.9 Net cash from / (used in) operating activities	253	540

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Refunds/(Payments) of security deposits		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	In-specie Capital Distribution	(1)	(1)
3.10	Net cash from / (used in) financing activities	(1)	(1)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	457	162
4.2	Net cash from / (used in) operating activities (item 1.9 above)	253	540
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1)	(1)
4.5	Effect of movement in exchange rates on cash held	(24)	(16)
4.6	Cash and cash equivalents at end of period	685	685

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	685	457
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	685	457

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

30

Payments include consulting fees and director's fees.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

0

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	-
9.2 Development	-
9.3 Production	150
9.4 Staff costs	30
9.5 Administration and corporate costs	65
9.6 Other	-
9.7 Total estimated cash outflows	245

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:
(Director/Company secretary)

Date: 29 January 2020

Print name: Mark Freeman

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.