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ASX GGE

ASX/Media Release

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NAPOLEONVILLE WELL UPDATE

Napoleonville - Sagers #1, Assumption Parish, Louisiana, Non Operator 39.89% WI

The Board of Grand Gulf Energy Ltd (ASX: GGE) advises that following a review of the Sagers #1 well electric logs the zones of interest look wet and there is no interest in conducting any further evaluation. The zone where gas shows were encountered appears to have been depleted. Sagers #1 well will be temporarily plugged and abandoned with the possibility of utilizing this well bore as a salt water disposal well in the future.

Partners in the Sagers #1 well are:

Company	WI
Grand Gulf Energy Ltd *	39.89%
Golden Gate Petroleum Ltd (operator)	15.15%
Other Partners	44.96%

* GGE is liable for approximately 57.15% of P&A costs.

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For more information visit www.grandgulfenergy.com and sign up for email news.

Background to the Napoleonville Salt Dome

- The Napoleonville Salt Dome has the potential to contain 520 billion cubic feet (BCF) of gas and 4.5 million barrels of oil (MMBO) from over 60 prospects and leads which have been identified so far from Grand Gulf's proprietary 50 square mile 3D seismic survey. The agreement with Grand Gulf includes access to the entire Napoleonville potential.
- The Napoleonville Salt Dome has historically produced 188 billion cubic feet of gas and 20.2 million barrels of oil. Multiple high quality targets have been identified from the recent 50 sq mile 3D seismic survey and as the technical work continues, it is likely to generate significantly more prospect and PUD opportunities. The primary targeted sands are Tex W, Big Hum, Operc, Cris R II – VII, Marg Vag, Camerina and Miogyp with sands commencing at 4,000ft to 14,000ft.

- As of February 2010, approximately 5,700 acres of leases had been exercised from Grand Gulf and partners 35,300 optioned acres pertaining to the seismic shoot. Relationships with the various landowners previously under option have been maintained in preparation to lease newly developed prospects as they advance.

About Grand Gulf Energy: Grand Gulf is an ASX listed US based oil and gas exploration and production company with management in Houston and assets in Louisiana and Texas.

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.