



26 September 2013

DESIREE PRODUCING ON JET PUMP

- The Hensarling #1 well (Desiree Field) has been placed on Jet Pump and is presently producing at a rate of 390 bbls per day. The operator anticipates the well will sustain this rate and expects production rates between 350 to 400 bbls per day through a 25/64 inch choke.
- Post drill, gross reserves are estimated to be 952,000 bbls oil and 0.4 BCFG in the Cris R II & III. The well is producing from the thicker Cris R III following which the overlying Cris R II will be completed for production.

Managing Director, Mark Freeman, commented, "The jet pump has added security to the sustainability of flow rates. Production of oil from Desiree Field provides the Company with additional cashflow estimated at US\$250,000 - \$285,000 per month (US\$3-\$3.4 million per year). When added to our existing revenue from D&L#3 and Abita, the Company's total income from production is expected to be over \$400,000 per month (~\$4.9m per year) which is a very enviable position for a Company with a market capitalisation of \$4.5m."

Partners in the Hensarling #1 well:

Grand Gulf Energy Ltd (ASX: GGE)	35.6% WI
Golden Gate Petroleum Ltd (ASX: GGP)	3.9% WI
Other Partners et al	60.5% WI

Board & Management

Mr Mark Freeman

Managing Director

Mr Charles Morgan

Executive Chairman

Mr Allan Boss

Executive Director

Mr Stephen Keenihan

Non-Executive Director

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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.

COMPETENT PERSONS STATEMENT: The information in this report has been reviewed and signed off by Mr KC Whitemore (Registered Geologist, Texas USA), and Kevin Kenning (Registered Reservoir Engineer) with over 36 and 30 years relevant experience respectively within oil and gas sector.

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.