



19 September 2013

## MARKET UPDATE

### • Status of Operations

- At Hensarling #1 a jet pump rated to run at 350 barrels of oil per day, is presently being installed in the well (Desiree Project). Once this work has been completed the Company will update the market on actual flow rates achieved. The Company has ~35.6% WI in the field. The Company estimates Desiree will provide an incremental \$250,000 monthly net revenue (after royalties, taxes and op costs). Post drill gross reserves are estimated to be 952,000 bbls oil and 0.4 BCFG in the Cris R II & III.
- **D&L#3** continues to produce at gross production rates of 155 BO, 355 BW, 399 MCF (gas is being flared), through a 10.5/64" choke, netting around \$135,000 to the Company per month.
- Production at **Abita** is presently 1,400 mcf/d and 13 bcdpd through a 8/64" choke. Well production from the 18 sands appears stable and netting around \$25,000 per month to the Company.
- Production facilities are progressing at **West Klondike**, the well tested flow rates above 2mmcf/d and associated condensate. Due to its location the operator expects the facilities to be completed at the end of the Calendar year.
- The Company is presently in negotiations for the drilling of the **Louise** prospect which is planned to commence operations prior to year end. The Louise prospect is targeting 600,000-800,000 bbls oil in an updip segment of a proven oil bearing compartment.

### • Change of Address

- The Company has changed its registered address to:  
Level 7, 1008 Hay St, Perth WA

**COMPETENT PERSONS STATEMENT:** The information in this report has been reviewed and signed off by Mr KC Whittemore (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.

### Board & Management

#### **Mr Mark Freeman**

Managing Director

#### **Mr Charles Morgan**

Executive Chairman

#### **Mr Allan Boss**

Executive Director

#### **Mr Stephen Keenihan**

Non-Executive Director

### Corporate Office

Level 7, 1008 Hay Street,  
Perth WA 6000

T +61 (0) 8 9389 2000

F +61 (0) 8 9389 2099

E [info@grandgulf.net](mailto:info@grandgulf.net)

[www.grandgulfenergy.com](http://www.grandgulfenergy.com)

### Houston Office

Suite 142, 9525 Katy Freeway  
Houston Texas 77024

### ASX Codes

GGE (3,739m)

GGEO (1,469m)

