



Investor Presentation **April 2012**



# The New Grand Gulf



- Since July 2011 Grand Gulf has:
  - Participated in 2 major discoveries – La Posada and Abita
  - Brought on stream 2 fields – Abita and Dugas & Leblanc #3
  - Sold La Posada interest for US\$7.5 million
- During 2012 Grand Gulf will participate in 6 High Impact Exploration Wells
  - Vermillion River, Austin Bayou, Desiree, Leduc Reef, West Klondike and Pintail.
- The exploration program is fully funded – no need to raise funds.
- Production currently at 110 BOE/Day from D&L#3 and Abita
  - Estimated over \$US3 Million per year net of opex and royalties
- Exploration drilling program is targeting additional net reserves of up to 3.3 mmbo and 37 bcf.
- Future exploration potential with Abita Upthrown target and other Napoleonville targets pursuant to Napoleonville Farmout
- Undervalued market cap - \$18.5m
- Aggressive and focussed exploration acquisition programme with 3 new high impact prospects recently acquired.
- Experienced management & directors holding 25% of issued capital.
- Top 20 shareholders hold >51% of shares on issue

# Corporate Snapshot



## Directors & Management

<b>Charles Morgan</b>	Executive Chairman
<b>Mark Freeman</b>	Managing Director
<b>Stephen Keenihan</b>	Director
<b>Allan Boss</b>	Director
<b>KC Whittemore</b>	Senior Geologist
<b>Kevin Kenning</b>	Reservoir Engineer

## Key Data

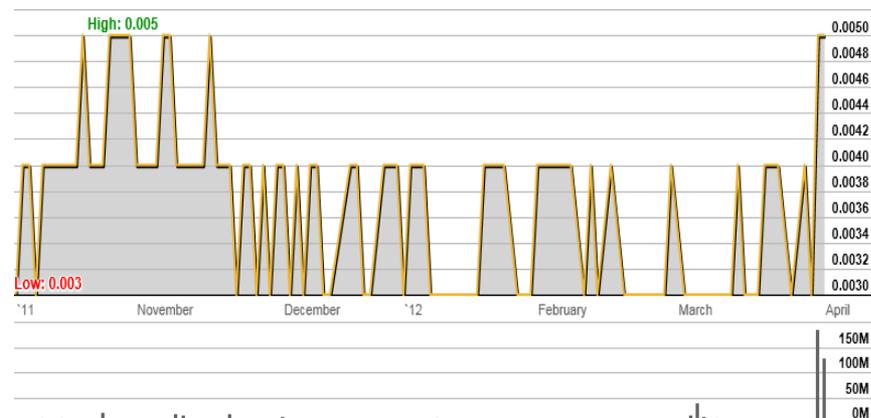
<b>Share Price</b>	0.5c	<b>Major Shareholders</b>	
<b>Market Cap</b>	\$18.5m	<i>Charles Morgan</i>	19.95%
<b>Shares on Issue</b>	3.74b	<i>Craig Burton</i>	10.21%
<b>Listed Options</b>	1.46b @ 1.5c	<b>ASX Codes</b>	GGE GGEO

## Strong Balance Sheet

Current Cash of \$5.0m

Positive cash flow from D&L#3 & Abita

Exploration Program fully funded



# Exploration and Production



## DRILLING & EXPLORATION PROGRAM

Program	Date	Mean & High Case Oil (net) MBO	Mean & High Case Gas (net) BCF	* Product Value US \$Million
Vermilion	Drilling	260-430	8.5-14.5	<b>\$37</b>
Austin Bayou	April 2012	40-60	2.7-4	<b>\$8</b>
Desiree	April/May 2012	310-420	-	<b>\$28</b>
Leduc	May 2012	170-1,680	-	<b>\$15</b>
W. Klondike	Aug 2012	210-500	0.6-1.7	<b>\$19</b>
Pintail	Nov 2012	120-280	7.5-17.5	<b>\$22</b>
<b>Total</b>		<b>1,105-3,364</b>	<b>19.4-37.8</b>	<b>\$129</b>

## PRODUCTION

D&L#3		160	0.5	<b>\$15</b>
Abita		70-140	1.6	<b>\$8</b>
<b>Total</b>		<b>230-300</b>	<b>2.1</b>	<b>\$23</b>

\* Value of Product represents low case recoverable resources net to GGE multiplied by current oil and gas prices. This number does not reflect cost of operations, development costs and is undiscounted. The number is net of royalties.

# Company Strategy



- **Project Style**

- Conventional High Impact Projects (ie big prospects: high IP's and large well reserves).
- Strong 3D prospects with good analogues – prospects are selected based on the quality of the generators 3D, interpretation and analogue data.
- Engineering –drilling risk is well understood and minimised and turnkey projects are secured when possible (ie Vermilion, Desiree).

- **Project Opportunities:**

- As a result of large US Oil companies focussing on resource plays, GGE has the opportunity to take WI positions in high impact, high quality prospects with reasonable promotes and experienced operators.
- GGE's project assessment team is highly experienced with many years of local knowledge and contacts enabling continuous flow-through of good quality opportunities.

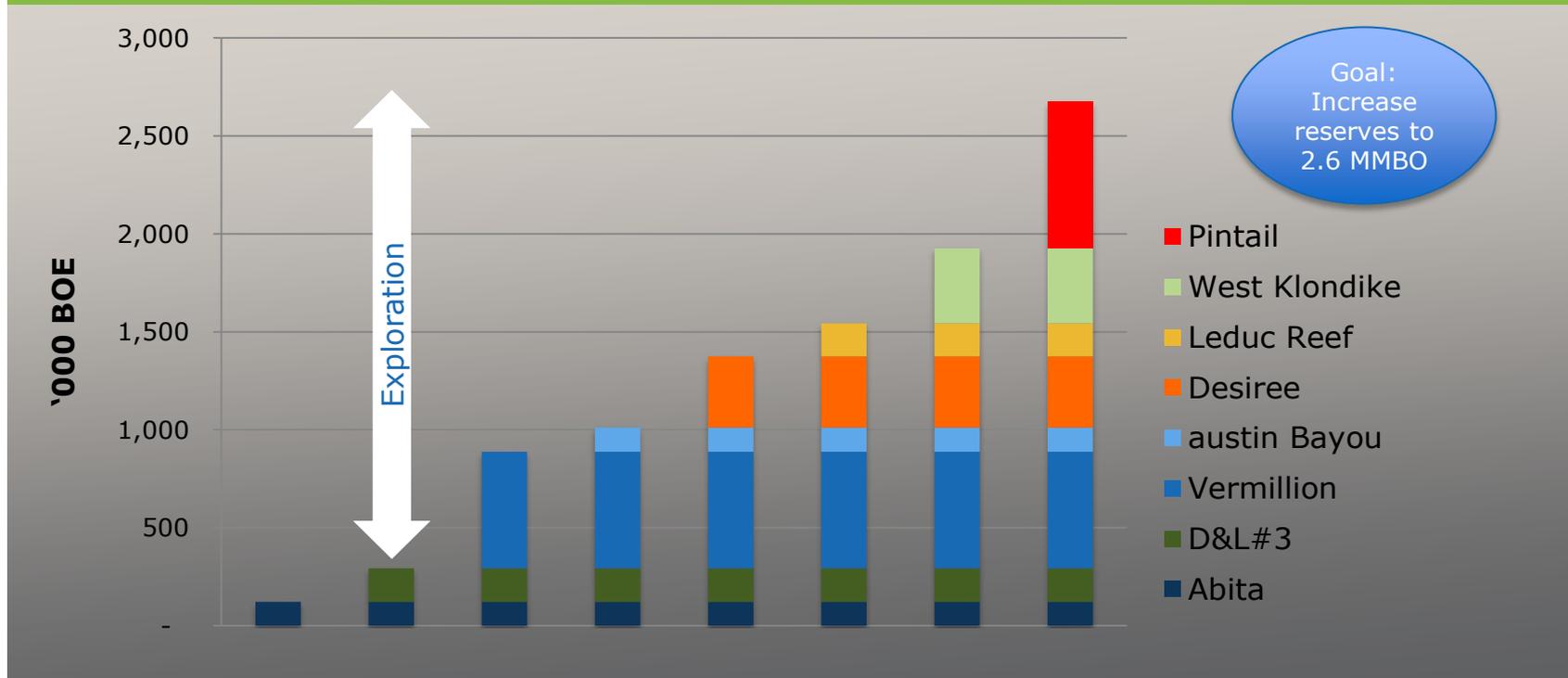
- **Project Reviews:**

- Thorough G&G review from highly experienced geologists, reservoir and drilling engineers in Houston office with second tier review undertaken with experienced G&G Australian based management.
- Detailed NPV analysis is completed on each project prior to investment decision; the higher the risk the higher the return required.

# Resource Growth Potential



Resources numbers are based on mid case of estimates of potential



Expected Exploration and Development Program over next 4 months

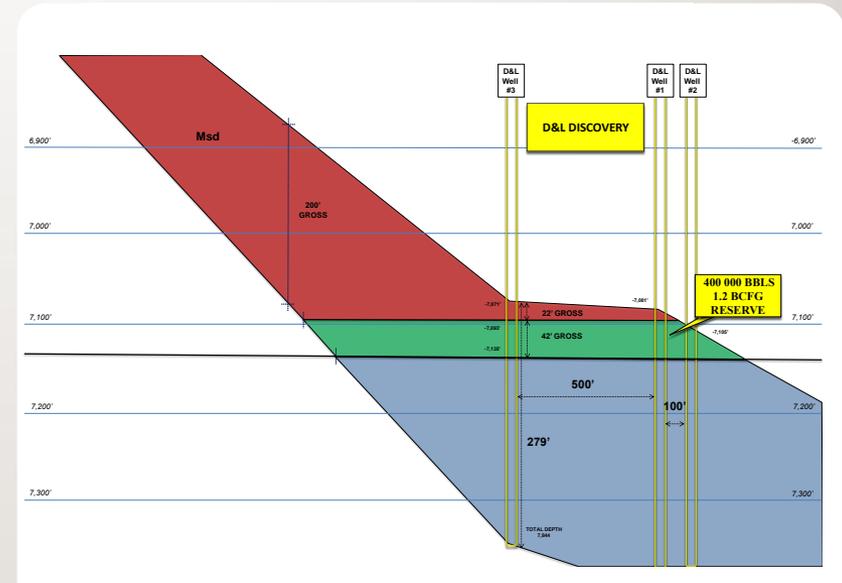


# Production – Dugas & Leblanc #3



## Dugas & Leblanc #3

- Recently completed in “M” sand with production at 295 bopd and 700 mmcfd
- Generating ~ US\$250,000 per month net to GGE
- Logged 40 ft net oil pay and 28ft of net gas pay in “M” sand
- Estimating recoverable reserves of 400 MBO and 1.2 BCF
- Potential for a further 10-15 BCFG updip
- 40% WI
- 75% NRI

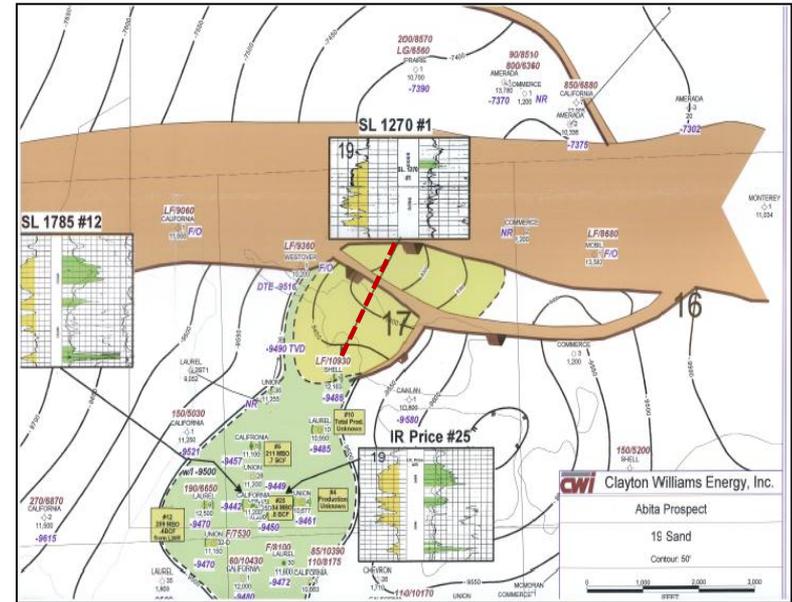


# Development – Abita, 20% WI



## Abita, Plaquemines Ph, LA

- Well commenced production 15/3/12, with production at 25 bcpd and 1,000 mmcf/d on 1/6th choke.
- Production to be increased once flow stabilizes.
- 1st and lowest sand of the three completed for the initial production sequence.
- Logged 171 ft net pay over 9 pay sands
- Estimating 8 Bcf / 350-700 MBO
- 20% WI (15% after project payout), 75% NRI
- Potential for an additional lower sand of 400,000 – 600,000 bbls oil
- Potential field extension into northeast untested fault block

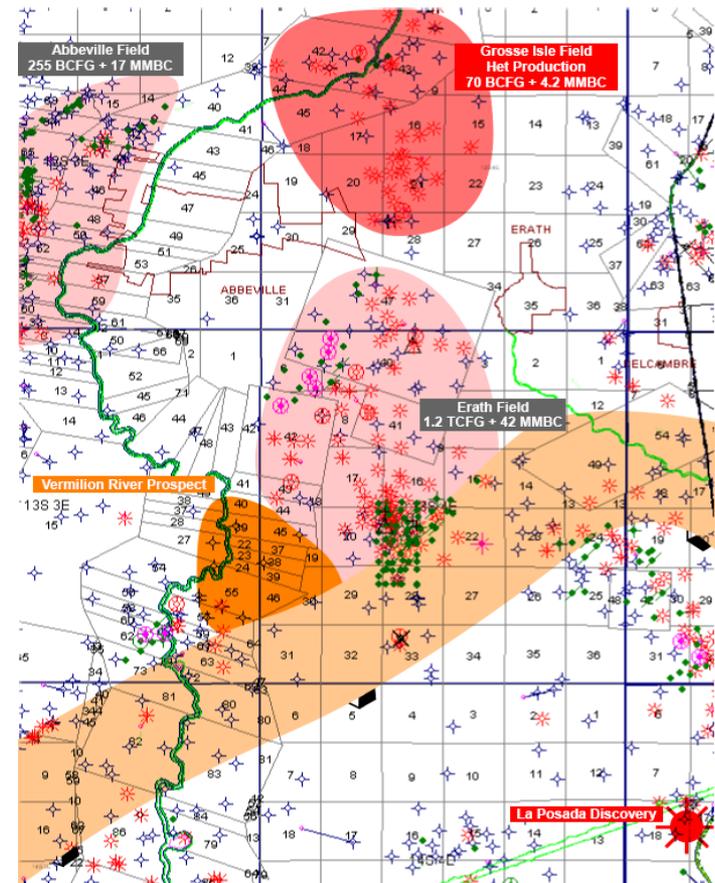


# Exploration – Vermillion River, Vermilion Ph., LA



## La Posada Style- (7.83% WI)

- Recoverable resource potential of 3.3-5.5 MMBC / 110-185 BCFG
- Well is presently drilling ahead at 13,500ft
- Operator, Walter Oil & Gas Corporation (La Posada partner)
- Defined by 3D seismic, in a 3 way dip closure
- High quality reservoir rock with thicknesses in excess of 200ft not uncommon
- On trend from Grosse Isle Field 8 miles to NNE (70 BCF+ 4.2 MMBC)
- Main objective is Het 1A & Het 1, further upside in Het 2A & Het 2
- US\$1,350,000 dry hole

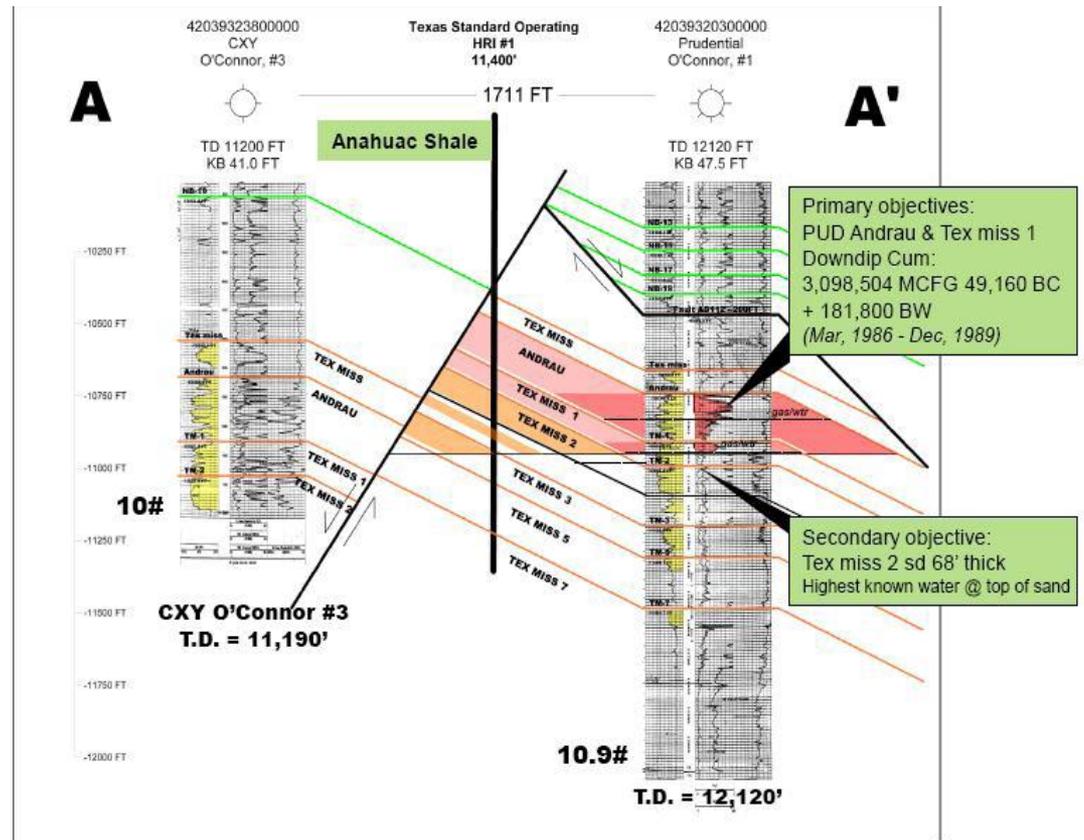


# Exploration/Development Well Austin Bayou, Brazoria County, Texas



## HRI Well No. 1 (23% WI)

- Updip production prospect to spud April
- Location presently being built
- Targeting 5 separate sands
- 40-60 MBO / 2.7-4 BCFG net to GGE
- Low risk both in drilling ops and G&G.
- Strong flow rates, increase rev US\$70-140k p/mth

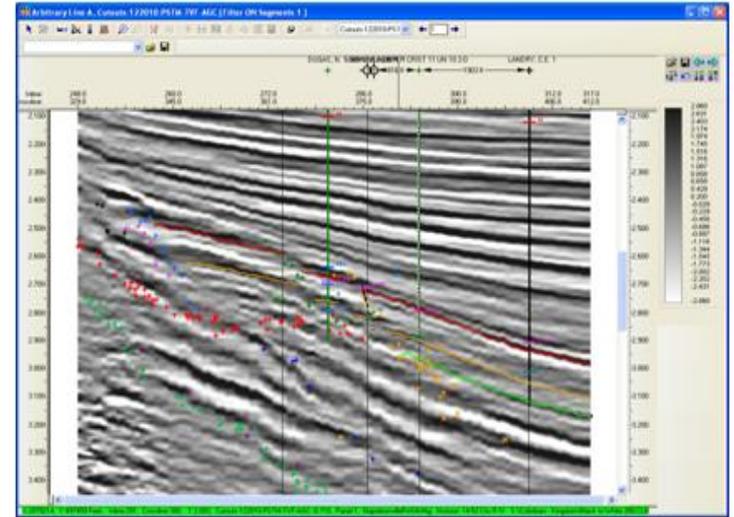
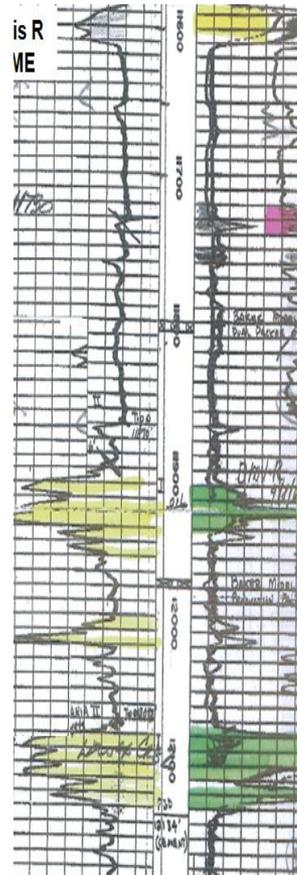


# Exploration/Development Well Napoleonville, Assumption Ph., LA



## Desiree # 1 (56% WI)

- Targeting an accumulation of oil in a well defined updip block from an interval that produced 2.3 million barrels equivalent.
- Accumulation likely to be 600,000 to 800,000 bbls.
- 300,000 to 400,000 Bbbls net to GGE
- Low risk both in drilling ops and G&G.
- Well to spud April/May 2012
- Securing Turnkey for risk free drilling.

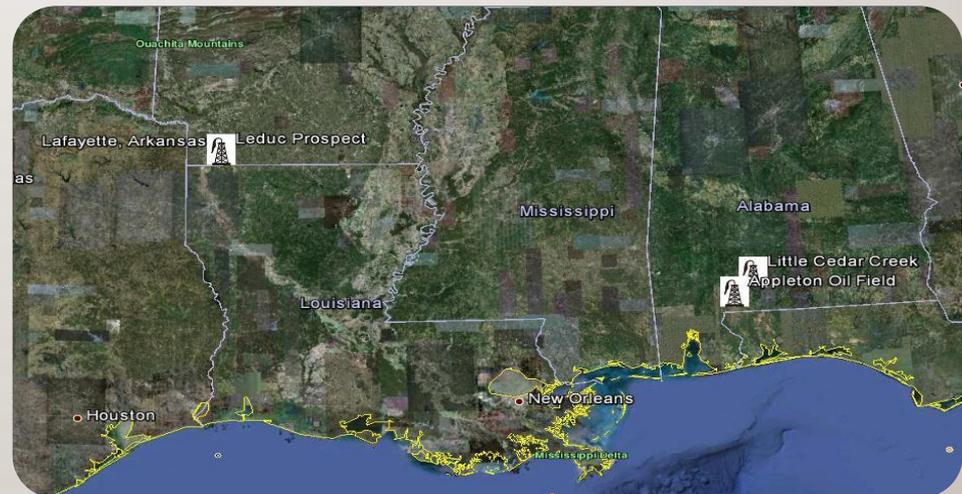
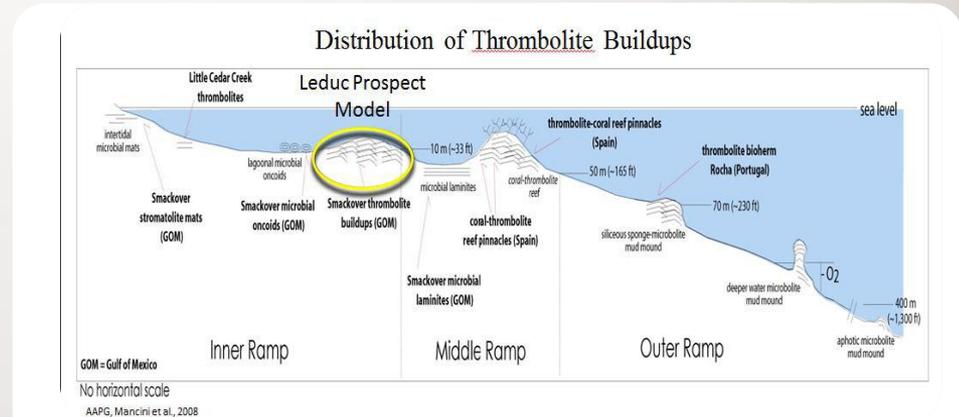


# Exploration – Leduc Reef, Lafayette Co., Arkansas



14% WI

- Well is due to spud May 2012 with 21 days to drill.
- Recoverable resource potential of 1-12 MMBO, IP's estimated at 100-300 BBLs/D
- Defined by 3D Seismic, mounded feature and probably bio-carbonate
- Analogues for this prospect are the Appleton and Little Creek Fields (Alabama)
- This is a new field wildcat, with success opening up further reef opportunities
- Secondary objectives in the lower Smackover
- US\$167,000 dry hole costs

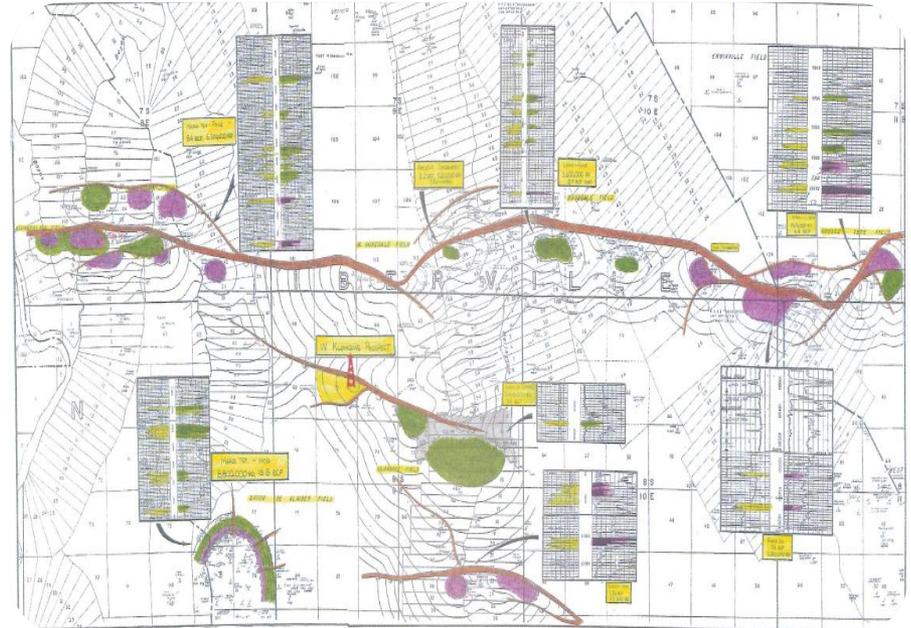


# Exploration - West Klondike, Iberville Pa., LA



## 10.5% WI

- Well is due to spud August 2012
- Recoverable resource potential of 2-4.8 MMBC / 6-17 BCFG
- Prolific productive sands, targeting 5 separate objectives
- US\$370,000 dry hole costs
- Defined by 3D Seismic
- Along trend from producing fields and close prox. to analogous production
- Deeper prospect with significant resource potential

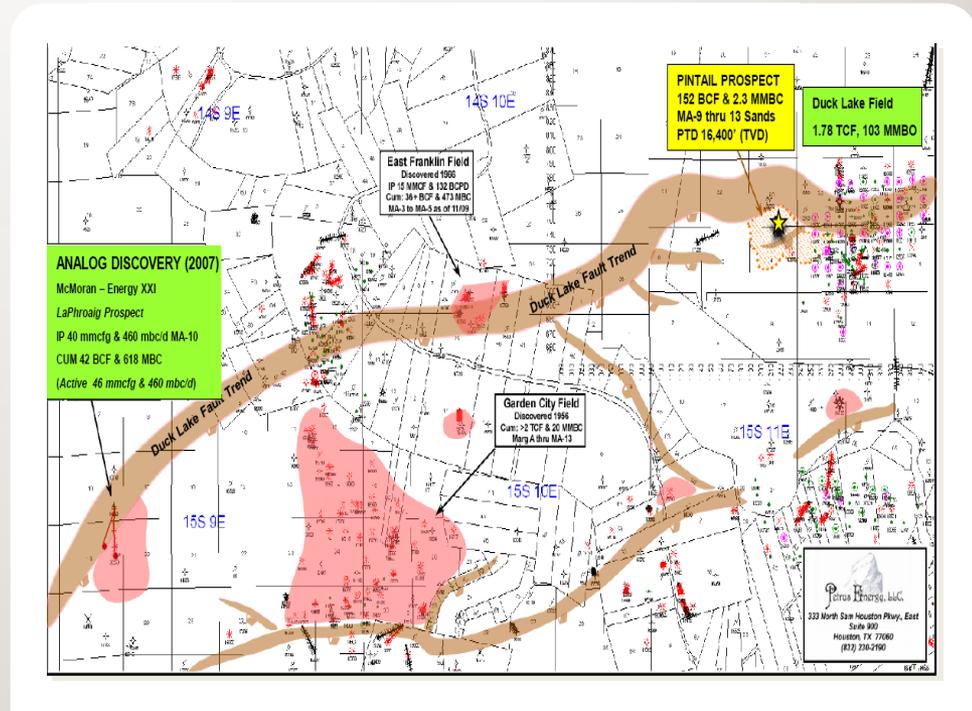


# Exploration – Pintail (High Impact)



## Pintail prospect, St Martin Parish, LA - (5% WI)

- Recoverable resource potential of 2.3-5.5 MMBC / 150-350 BCFG
- Defined by 3D seismic, downthrown drag feature, similar to La Posada
- Analogue to Laphroaig Discovery (McMoran/Energy XXI) – active 46 MMCFG / 460 BCD
- Well is targeting 9 potential pay sands, updip of existing nearby logged pay in MA 8 & MA 9 Sands
- Well is due to spud 4th Quarter 2012
- Deeper pool test of the Duck Lake Field (1.78 TCF /103 MMBOE)
- US\$1,200,000 dry hole costs



# Summary



- Grand Gulf is now well funded with \$5 million cash
- Operating cash flow of over \$3 million estimated in 2012 calendar year
- 6 well fully funded drilling campaign in 2012
- Targeting net reserves of up to 3.3 million BO and 37 Bcf.
- Undervalued small market cap (\$18.5m)
- Experienced management & directors holding 25% of issued capital.
- Top 20 shareholders hold >51% of shares on issue

# Disclaimer – Important Notice



This document has been prepared by Grand Gulf Energy Ltd ABN 22 073 653 175 ("Grand Gulf").

This presentation contains certain statements which may constitute "forward-looking statements". 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 and resource 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 delays or advancements, approvals and cost estimates.

All of Grand Gulf's operations and activities are subject to joint venture, regulatory and other approvals and their timing and order may also be affected by weather, availability of equipment and materials and land access arrangements, including native title arrangements. Although Grand Gulf believes that the expectations raised in this presentation are reasonable there can be no certainty that the events or operations described in this presentation will occur in the timeframe or order presented or at all.

No representation or warranty, expressed or implied, is made by Grand Gulf or any other person that the material contained in this presentation will be achieved or prove to be correct. Except for statutory liability which cannot be excluded, each of Grand Gulf, its officers, employees and advisers expressly disclaims any responsibility for the accuracy or completeness of the material contained in this presentation and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence if any information in this presentation or any error or omission there from. Neither Grand Gulf nor any other person accepts any responsibility to update any person regarding any inaccuracy, omission or change in information in this presentation or any other information made available to a person nor any obligation to furnish the person with any further information.

All dates in this presentation are for calendar years unless stated FY for financial year.  
All references to \$ are in US currency, unless stated otherwise.



# Investor Presentation **April 2012**



**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.