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GRAND GULF
ENERGY LIMITED

20 May 2022

Helium concentrations over 37 times background detected in Jesse#1A after drilling salt seal formation

- Jesse#1A on schedule after 1700 feet of salt and anhydrite formations (helium seal) above the primary Leadville formation successfully drilled and behind casing
- Helium concentrations over 37 times background detected below the salt seal and above the primary target in Jesse#1A

Grand Gulf Energy Ltd (ASX:GGE) (“Grand Gulf” or the “Company”) is pleased to provide a drilling update for Jesse#1A, its potentially company-making maiden pure-play helium well in the Red Helium Project.

Continuous mud gas monitoring using quadrupole mass spectroscopy detected several zones with elevated helium concentrations of up to thirty seven times background levels (386 ppm helium). Mud gas spectroscopy is a qualitative indicator, and helium concentrations will be determined by laboratory analysis of direct formation gas samples.

The maximum detected helium concentrations occurred in a (localised) stratigraphic zone upon exiting the 1700 feet of salt and anhydrite formations (helium seal), and immediately above the primary Leadville formation target. The helium shows are indicative of a working helium system and considered a positive signal for the target helium potential.

Six historic wells exclusively targeting hydrocarbons were drilled within the project area, proving trap, seal, reservoir presence, gas charge and the presence of helium. Several wells tested non-flammable gas in the Leadville Formation, with the only two of the wells analysed for helium confirming helium presence.

The Jesse1#A well is on schedule with the intermediate section drilled to 8070 feet and the 7 inch casing set at a depth of 8067 feet, and currently being cemented. Gamma ray depth correlations indicate that Jesse #1A is drilling structurally higher than originally anticipated. The well will now switch out to a low weight mud to preserve formation deliverability before drilling to test the primary Leadville Formation helium target. The mud gas compositions will be continually monitored whilst drilling progresses.

This ASX announcement has been authorised for release by the Board of Grand Gulf Energy Ltd.

For more information about Grand Gulf Energy and its projects, contact:

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About the Red Helium Project and Jesse#1A:

The Red Helium Project has a P50 gross prospective helium resource of 10.9bcf¹, with the Jesse#1A well targeting one of four mature independent prospects within the Red Helium Project, with additional running room and deeper unexplored potential identified².

The Jesse#1A well is located immediately adjacent to unutilised pipeline connected to the Lisbon helium processing plant (Lisbon), operated by Paradox Resources LLC (Paradox)³. Grand Gulf executed a Helium Offtake Agreement (Oftake) with Paradox in March 2022, providing a pathway to monetisation of a successful Jesse#1A with minimal time / CapEx.

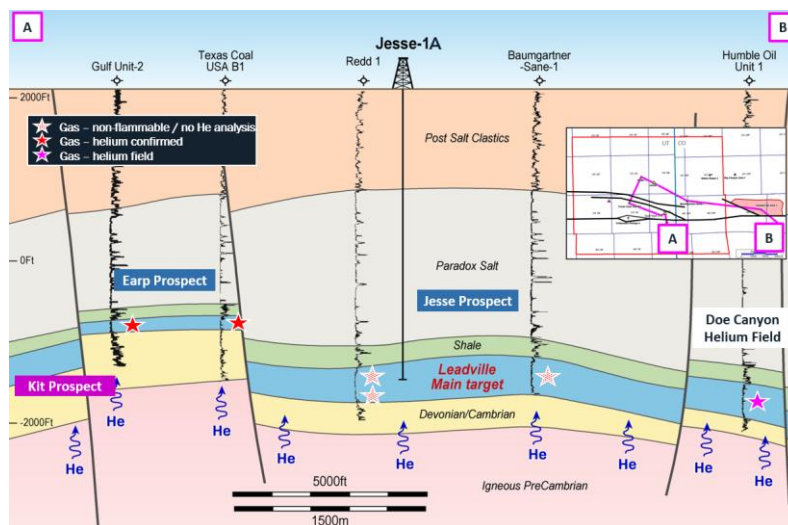


Figure 1: Stylised cross section showing Jesse#1A, Doe Canyon helium field and historic gas samples

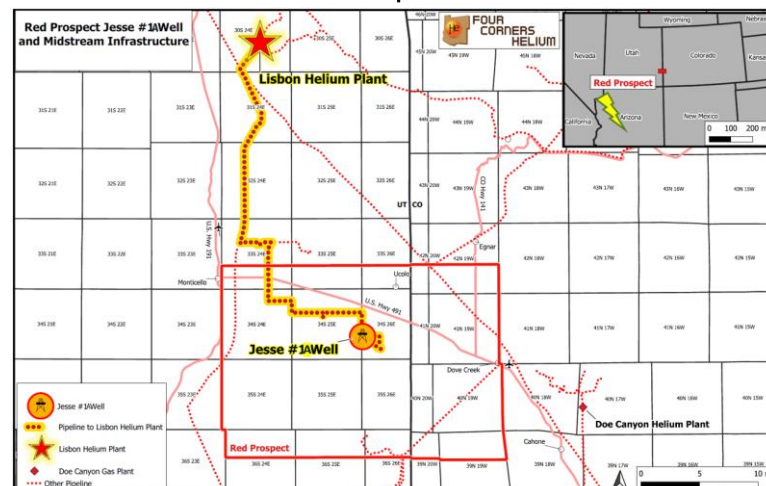


Figure 2: Jesse#1A location in the Valence AMI containing the Red Helium project with local pipelines showing the gas transport route to the Lisbon Helium Plant.

¹ As announced on ASX on 8 December 2021. The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

² ASX announcement 1 April 2022

³ ASX announcement 16 March 2022



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Recoverable helium (bcf)	P90 (1U)	P50 (2U)	P10 (3U)
Gross to Valence (28,046 gross acres)	7.6	10.9	12.9
Net to Valence (18,959 net acres)	5.2	7.4	8.5
Net to GGE (earning 85% of Valence)	4.4	6.3	7.2
Red Project Total	7.9	20.8	57.6

Table 1 – September 2021 Maiden Helium Prospective resource

The estimated quantities of helium that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal is required to determine the existence of a significant quantity of potentially moveable helium.

About Grand Gulf Energy:

Grand Gulf Energy Ltd (ASX:GGE) is an independent exploration and production company, headquartered in Australia, with operations and exploration in North America. The Red Helium project represents a strategic pivot to a pure-play helium exploration project, located in Paradox Basin, Utah, in the prolific Four Corners region. For further information please visit the Company's website at www.grandgulfenergy.com

Competent Person's Statement:

The information in this report is based on information compiled or reviewed by Mr Keith Martens, Technical Director of Grand Gulf. Mr Martens is a qualified oil and gas geologist/geophysicist with over 45 years of Australian, North American, and other international executive oil and gas experience in both onshore and offshore environments. He has extensive experience of oil and gas exploration, appraisal, strategy development and reserve/resource estimation. Mr Martens has a BSc. (Dual Major) in geology and geophysics from The University of British Columbia, Vancouver, Canada.

Forward Looking Statements:

This release may contain forward-looking statements. These statements relate to the Company's expectations, beliefs, intentions or strategies regarding the future. These statements can be identified by the use of words like "anticipate", "believe", "intend", "estimate", "expect", "may", "plan", "project", "will", "should", "seek" and similar words or expressions containing same. These forward-looking statements reflect the Company's views and assumptions with respect to future events as of the date of this release and are subject to a variety of unpredictable risks, uncertainties, and other unknowns. Actual and future results and trends could differ materially from those set forth in such statements due to various factors, many of which are beyond our ability to control or predict. These include, but are not limited to, risks or uncertainties associated with the discovery and development of oil, natural gas and helium reserves, cash flows and liquidity, business and financial strategy, budget, projections and operating results, oil and natural gas prices, amount, nature and timing of capital expenditures, including future development costs, availability and terms of capital and general economic and business conditions. Given these uncertainties, no one should place undue reliance on any forward-looking statements attributable to GGE, or any of its affiliates or persons acting on its behalf. Although every effort has been made to ensure this release sets forth a fair and accurate view, we do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise