

## HIGHLIGHTS

- **Eagle Ford Acreage (50% WI)** – GGE commences marketing drilling opportunities on its 1,075 gross acres in highly productive, liquids rich, Eagle Ford acreage.
- **Net Cash Reserves increased by \$287,000 for the Quarter to \$1.69 million. Current cash is \$2million.**

## QUARTERLY CASH FLOW SUMMARY

Cash Flow Analysis	June Quarter	Year to Date
	\$AUD '000	\$AUD '000
Production Sales	885	3,394
Production Costs *	(414)	(1,296)
Operating Costs	(141)	(639)
Net Operating Proceeds	330	1,459

\*Production costs are primarily royalties and severance taxes which are a fixed % of revenue.

## CAPITAL STRUCTURE AND FINANCIAL SNAPSHOT

ASX Codes	GGE	Shares	767 m
Share Price	0.4 cent	Market Capitalisation	\$3 million
Cash Reserves @ 30/6	\$1.7 million	Enterprise Value	\$1.3 million
Quarterly Revenue	\$885,491	Producing Fields	4
Quarterly Net Oil Prod	8,719 bbls	Quarterly Net Gas Prod	18,306 mcf
Daily Net Oil Prod	97 bbls/d	Daily Net Gas Prod	203 mcf

**Grand Gulf Energy Ltd** (ASX: GGE) ("Grand Gulf" or "Company") today announces its quarterly activities report for the period to 30th June 2018. Commenting on the June Quarter, Grand Gulf's Managing Director, Mark Freeman said:

*"It has been a successful quarter for the GGE team and its partners. The Company has continued its strategy to expand into unconventional basins and is attending the Houston Nape conference in August 2018 to showcase and market its Eagle Ford East Texas project.*

*Financially, the Company continues to be in good standing having added over \$600,000 in net cash from production revenue to its cash reserves. The Company's production for the quarter has remained strong at over \$885,000. Grand Gulf is benefiting significantly from having low cost producing wells and achieving higher revenue due to improving and superior Louisiana Light oil pricing. At time of writing, the Company's market capital was just \$3million and, with \$2million in cash reserves, this represents a very low enterprise value of \$1million. Grand Gulf's board and management are continuing to review new oil and gas opportunities, focused on North America Oil and Gas Unconventional Basins to add significant commercial value for our shareholders."*



**Board of Directors**  
MD - Mark Freeman  
Exec Chairman - Charles Morgan  
Exec Director - Allan Boss  
Non-Exec Director - Stephen Keenihan

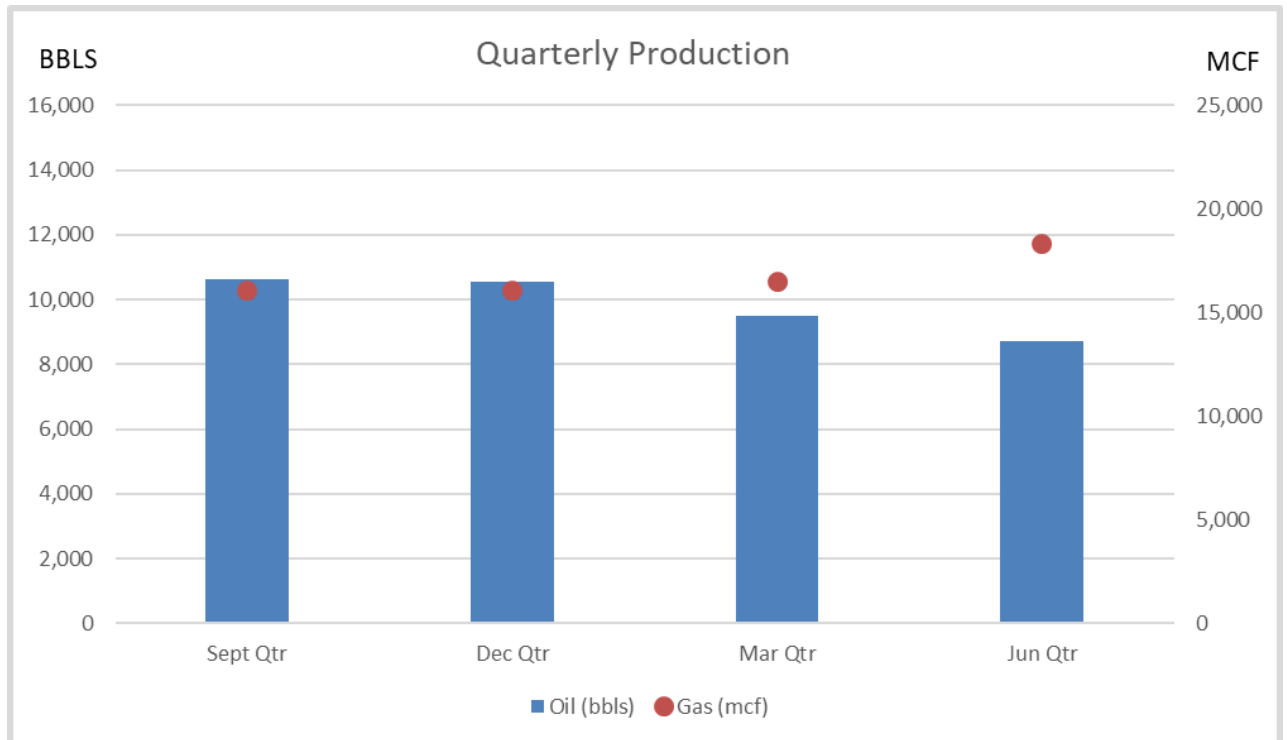
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E [info@grandgulf.net](mailto:info@grandgulf.net)



**PRODUCTION SUMMARY**

**Total Net Quarterly Production**

	Sept Qtr	Dec Qtr	Mar Qtr	June Qtr
Oil (bbls)	10,624	10,549	9,498	8,719
Gas (mcf)	16,038	16,054	16,500	18,306
% Oil Equ.	94%	94%	93%	92%



	Working interest	Parish	Quarterly		Daily	
			bo	Mcfg	bo	mcfg
Desiree Field	39.65%	Assumption	16,267	-	180	-
Abita	20%	Plaquemines	637	91,529	7	1,017
Dugas & Leblanc	55.5%	Assumption	5,184	-	58	-
West Klondike	11.925%	Iberville	-	-	-	-
<b>Total</b>			<b>22,087</b>	<b>91,526</b>	<b>245</b>	<b>1,017</b>



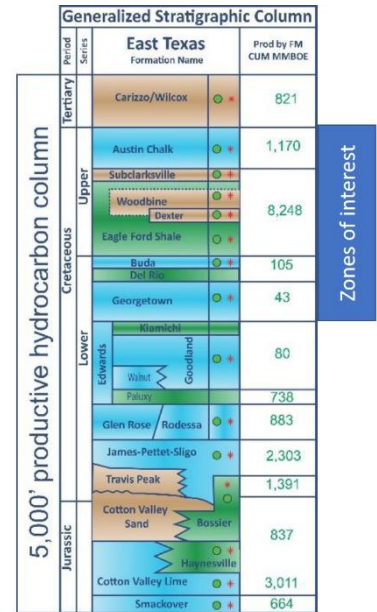


**EXPLORATION AND DEVELOPMENT**

**East Texas Prospect (50% WI) – 1,075 acres in the Eagle Ford**

The Eagle Ford is the one of the most prolific oil and gas basin in North America and has the lowest breakeven production cost at \$54 per barrel (see table below). The Company recently acquired a 50% interest in 881 net acres of 1,075 gross acres (440 acres net to GGE) in Bureson County, Texas as part of a 50/50 joint venture with a private Texas oil and gas company. The JV will be marketing its Eagle Ford project at NAPE this August.

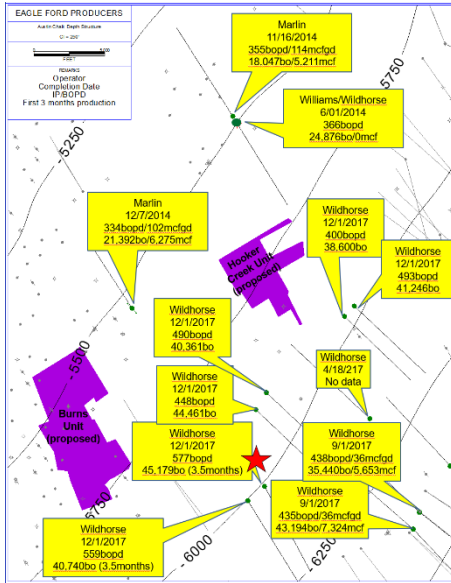
Critical to Grand Gulf’s strategy in the highly sought after East Texas acreage is that the JV focussed on areas with carbonate rich rocks combined with high gravity oil and high pore pressures all of which enhance likely well recoveries and are located in the high oil cut precinct. The acreage secured is also in existing production units. Modern completions have generated very attractive results and there are four potential productive zones; Austin Chalk, Buda, Georgetown and Eagle Ford. The acreage acquired to date provides 3 drilling locations each with capacity for laterals of 5,000-7,000ft. With initial wells being three in Eagle Ford and one in the Austin Chalk. Offset Operators are continuing development strategies in the Buda and Georgetown around our leases however to date the Austin Chalk and Eagle Ford have standout potential.



PLAY	AREA (km²)	GROSS THICKNESS	COST TO ACQUIRE ACREAGE (US\$/acre)	BREAKEVEN COSTS US\$/BOE
EAGLE FORD (US)	52,000	15-85m	\$15,000	\$54
BAKKEN (US/CAN)	520,000	Up to 40m	\$12,500	\$57
MONTNEY (CAN)	130,000	Up to 300m	\$5,000	\$58
BARNETT (US)	13,000	25-180m	\$6,000	\$64
HAYNESVILLE (US)	24,000	40-110m	\$6,500	\$66
MARCELLUS (US)	247,000	25-90m	\$10,000	\$89

Source RS Energy Group, Feb 2018





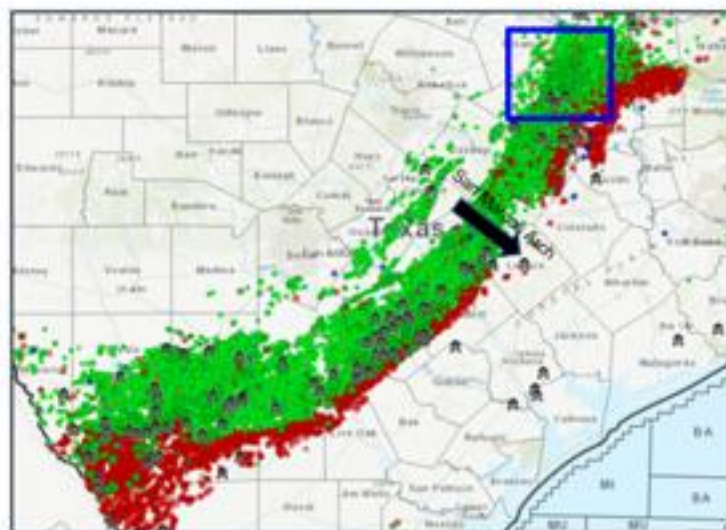
Burleson County is one of the most active counties being developed. The Company’s acreage is adjacent to WildHorse Resource Development (WildHorse) and Lone Star Resources. Both Wildhorse and Lone Star results continue to outperformed previous Eagle Ford type production curves with >80% of current wells yielding EUR estimates of over 91 boe/ft of horizontal well section, resulting in higher than average ultimate reserves estimates (EUR) per well.

The JV’s has finalised the majority of its leasing strategy and is presently marketing to secure a drilling operator for an Eagle Ford well. Total drilling costs (drilled and completed) are anticipated to be US\$4,500,000 per well. GGE will farm-down its interest to a manageable economic level as part of any work program. The Company has spent ~US\$650,000 in total leasing costs (~\$1,200 per acre).

Based on published EUR’s for the Eagle Ford, we estimate the following resources are potentially recoverable within the two proposed units, pending assumed lease acquisitions:

Interval	Barrels of oil	GGE Share (bbls oil)
Burns three 7,500’ laterals:	1,758,500	879,250
Hooker Creek, one 5,500’ lateral:	430,000	215,000
Total Eagle Ford Reserves:	2,188,500	1,094,250
Burns, one Austin Chalk:	250,000	125,000
Grand Total:	2,388,550	1,219,250

### Austin Chalk and Eagle Ford Oil and Gas Fields





## CORPORATE

The Company changed its registered address to 1202 Hay St, West Perth, WA 6005. The new phone number is +61 8 6102 4826.

## LEASE SCHEDULE

The Company provides the following Schedule of lease interest held by the Company for the quarter 30 June 18 as required by ASX Listing Rule 5.3.

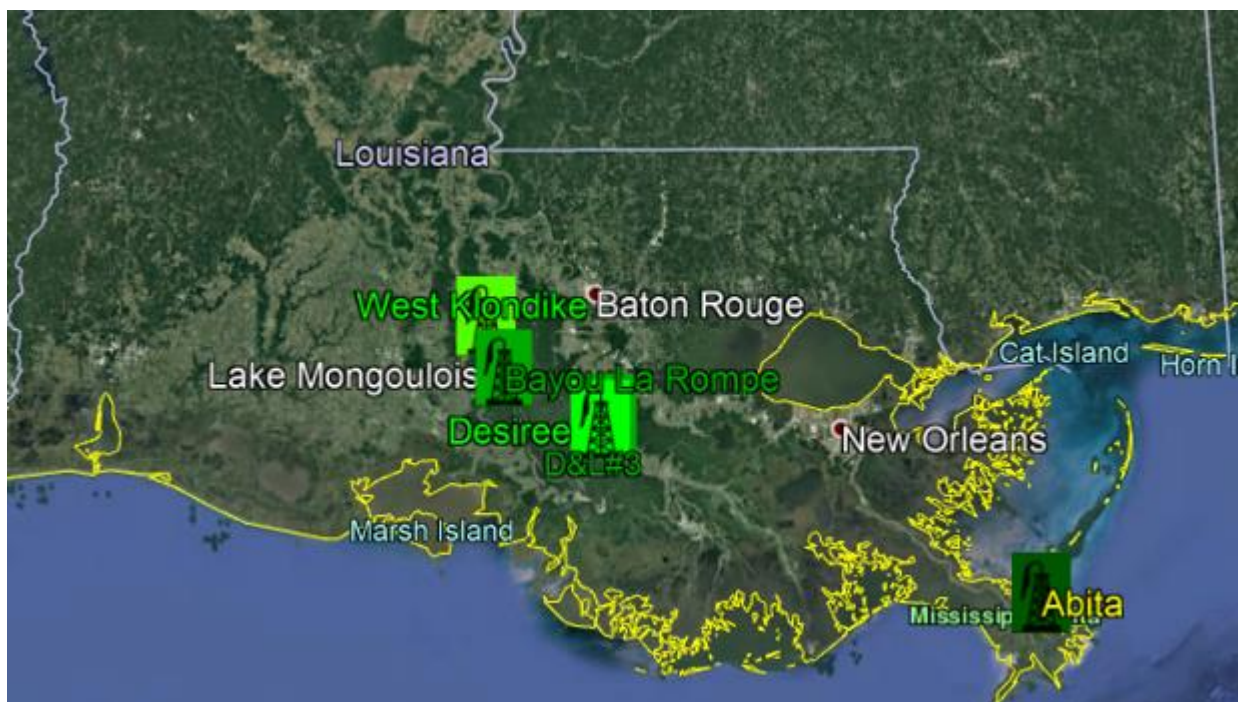
Project	Location	Lease	Interest at Beginning of the Quarter	Interest at the end of the Quarter
Abita	Plaquemines Parish	16990	20%	20%
Abita	Plaquemines Parish	16991	20%	20%
Abita	Plaquemines Parish	16992	20%	20%
Abita	Plaquemines Parish	16993	20%	20%
Dugas & Leblanc	Assumption Parish, Louisiana	CL-0110	55.8%	55.8%
Desiree/Louise	Assumption Parish, Louisiana	CL-0130	39.6/22.0%	39.6/22.0%
Desiree	Assumption Parish, Louisiana	12S14E52-031A (CL-0131)	39.6%	39.6%
Desiree	Assumption Parish, Louisiana	12S14E52-031B (CL-0131)	39.6%	39.6%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-001	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-003	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-005	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-006	39.6/22.0%	39.6/22.0%
Desiree	Assumption Parish, Louisiana	12S14E52-008	39.6%	39.6%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-009	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-011	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-013	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-014	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-015	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-016	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-019	39.6/22.0%	39.6/22.0%
Desiree	Assumption Parish, Louisiana	12S14E52-020	39.6%	39.6%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-022A	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-022B	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-012	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-002	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-018	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-021A	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-021B	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-024	39.6/22.0%	39.6/22.0%
Louise	Assumption Parish, Louisiana	12S14E52-025	39.6%	39.6%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-026	39.6/22.0%	39.6/22.0%
Louise	Assumption Parish, Louisiana	12S14E52-028	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-001	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-002A	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-002B	22.0%	22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-002C	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-002D	39.6/22.0%	39.6/22.0%







Desiree/Louise	Assumption Parish, Louisiana	12S14E52-002E	39.6/22.0%	39.6/22.0%
Louise	Assumption Parish, Louisiana	12S14E53-003	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-004	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-005	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-006	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-007	22.0%	22.0%
Desiree	Assumption Parish, Louisiana	12S14E52-032 (CL-0068 & 0106)	39.6%	39.6%
Louise	Assumption Parish, Louisiana	12S14E52-029	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E52-030	22.0%	22.0%
West Klondike	Iberville Parish, Louisiana	WK#1A	11.7%	11.925%
West Klondike	Iberville Parish, Louisiana	WK#1B	11.7%	11.925%
West Klondike	Iberville Parish, Louisiana	WK#1C	11.7%	11.925%
West Klondike	Iberville Parish, Louisiana	WK#2	11.7%	11.925%
West Klondike	Iberville Parish, Louisiana	WK#3A	11.7%	11.925%
West Klondike	Iberville Parish, Louisiana	WK#3B	11.7%	11.925%



**COMPETENT PERSONS STATEMENT:** The information in this report has been reviewed and signed off by Mr Stephen Keenihan (Registered Geologist and a member of the Society of Petroleum Engineers and the American Association of Petroleum Geologists) and by Mr Kevin Kenning (Registered Reservoir Engineer and a member of the Society of Petroleum Engineers), with over 35 years and 37 years respective relevant experience within oil and gas sector. Both Messrs Keenihan and Kenning consent to this statement. Mr Keenihan is a director and related party of Grand Gulf Energy Ltd and Mr Kenning is a consultant and is self-employed.

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.



## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

GRAND GULF ENERGY LIMITED

### ABN

22 073 653 175

### Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	885	3,394
1.2 Payments for		
(a) exploration & evaluation	(61)	(743)
(b) development	(29)	(942)
(c) production	(414)	(1,296)
(d) staff costs	(105)	(372)
(e) administration and corporate costs	(37)	(268)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (Insurance payment - refundable)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>240</b>	<b>(226)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Refunds/(Payments) of security deposits		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>		
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	-	-
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,399	1,859
4.2	Net cash from / (used in) operating activities (item 1.9 above)	240	(225)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	48	53
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,687</b>	<b>1,687</b>



5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,687	1,399
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,687</b>	<b>1,399</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

90

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

0

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	100
9.2 Development	-
9.3 Production	400
9.4 Staff costs	-
9.5 Administration and corporate costs	100
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>600</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: ..... Date: 31 July 2018  
(Director/Company secretary)

Print name: Mark Freeman

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.