

**June 2019 ASX Quarterly Report**  
31 July 2019

## HIGHLIGHTS

- **Completion of \$1.93m in-specie distribution** – The Company completed an in-specie distribution of \$1.93m of shares in Whitebark Energy Limited (WBE) to shareholders, which equates to 0.25 cents per GGE share.
- **Desiree Field (39.6% WI)** – The well produced a total of 12,443 bbls of oil during the quarter. The well is presently averaging 138 bopd.
- **Dugas & Leblanc #3 Field (55.5% WI)** – The well produced a total of 7,211 bbls of oil during the quarter. The well is presently averaging 80 bopd.

## QUARTERLY CASH FLOW SUMMARY

Cash Flow Analysis	June Quarter	Year to Date
	\$AUD '000	\$AUD '000
Production Sales	567	3,342
Production Costs	(144)	(1,231)
Operating Costs	(75)	(573)
Net Operating Proceeds	348	1,538

## CAPITAL STRUCTURE AND FINANCIAL SNAPSHOT

ASX Code	GGE	Shares	767 m
Share Price	0.3 cent	Market Capitalisation	\$2.3 million
Cash Reserves @ 30/6	\$162,000	Producing Fields	2
Quarterly Net BO	7,919 bbls	Daily Net BO	88 bbls/d

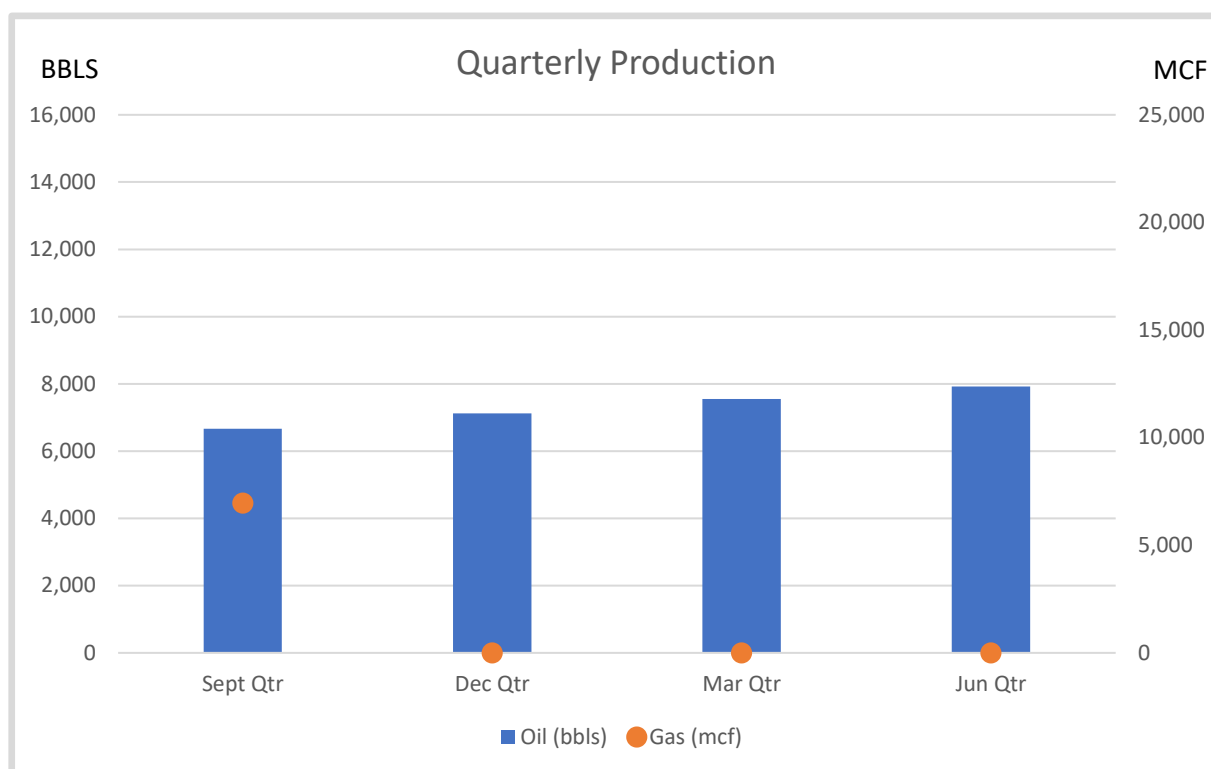
## PRODUCTION SUMMARY

### Total Net Quarterly Production

	Sept Qtr	Dec Qtr	Mar Qtr	June Qtr
Oil (bbls)	6,662	7,125	7,549	7,919
Gas (mcf)*	6,954	-	-	-
% Oil Equ.	96%	100%	100%	100%

\* Following the sale of Abita and West Klondike the Company is a presently a 100% oil producer.





	Working interest	Parish	Quarterly Bo		Daily Bo	
			Gross	Net	Gross	Net
Desiree Field	39.65%	Assumption	12,443	4,926	138	55
Dugas & Leblanc	55.5%	Assumption	7,211	2,993	80	33
<b>Total</b>			<b>19,654</b>	<b>7,919</b>	<b>218</b>	<b>88</b>

### Desiree Field

#### Desiree, Assumption Parish, Louisiana, Non-Operator 39.65% WI

The Hensarling #1 well (Desiree Field) produced a total for the quarter of 12,443 barrels of oil. The well is presently averaging 138 bopd.

### Dugas & Leblanc Field

#### Napoleonville- Dugas & Leblanc #3 Well, Assumption Parish, Louisiana, Non-Operator 55.5% WI

The D&L#3 well (Dugas & Leblanc Field) produced a total for the quarter of 7,211 barrels of oil. The well is averaging 80 bopd.

### \$1.95M SHARE SUBSCRIPTION IN WBE AND IN-SPECIE DISTRIBUTION

During the quarter the Company distributed \$1.92m (383.75 million shares) in Whitebark Energy Ltd (WBE) to shareholders, which equates to 0.25 cents per GGE share.

WBE has recently announced the commencement of drilling of the Rex-2 well. Rex-1 well was placed on production on 5 June 2019 and is producing at 275 bbls of oil per day whilst it cleans up. Shareholders are encouraged to review [www.whitebarkenergy.com](http://www.whitebarkenergy.com) for Wizard Lake updates. The GGE Board believes the development of that project will likely unlock significant value for WBE and its shareholders.

The Company did not draw down on its \$300,000 short-term loan facility during the quarter. This facility has been closed with no cost to the Company.





## EXPLORATION AND DEVELOPMENT

### DJ Basin, Colorado, USA

In mid-April 2019, Colorado's governor signed a law changing the way the state regulates its oil and natural gas industry. Senate Bill 181 amends the Oil and Gas Conservation Act and gives counties and municipalities increased regulatory authority over oil and natural gas development in their jurisdictions.

The law directs Colorado's Oil and Gas Conservation Commission (COGCC) to create rules to ensure the structural integrity of wells, require certification of employees, increase public disclosure of well data, and specify when inactive infrastructure must be re-inspected before being put back into use. The COGCC has until July 2020 to write the rules implementing the law.

The Company has working interests in 355 net acres in Weld County. As a result of the above legislative changes the ability for the Joint Venture to operate wells has been restricted to working interest parties owning greater than or having secured consent from more than 45% WI in a Drilling Spacing Unit (DSU).

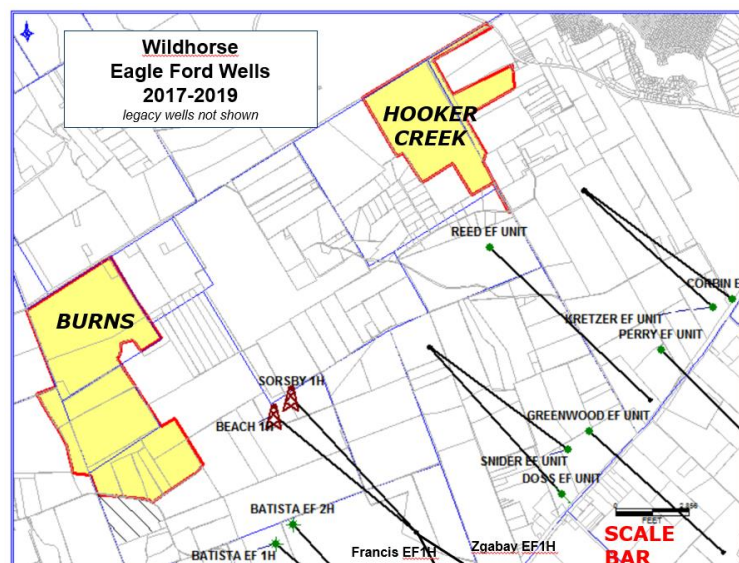
Accordingly, in order to further develop the DSU's GGE will need to make a deal with a larger interest owner to either farmout, sell, non-consent or participate in its DSU's. GGE's largest working interest owners in its proposed DSU's is Noble Energy with PDC Energy being the second largest working interest owner.

In addition, drilling locations must not be within 1,500ft of a Building Unit or High Occupancy Building; two of the current proposed pads fall within this restricted area.

The Company is working through the above rules and is in discussions with joint venture partners.

### East Texas Prospect (40-50% WI) – 1,238 acres in the Eagle Ford

The Company owns a 40-50% interest in 1,238 net acres of 1,319 gross acres in Burleson County, Texas. During the quarter the JV renewed a 200 acres lease. GGE did not participate in this renewal which resulted in a dilution of its interests from 50% to 40% in our Burns area whilst retaining a 50% WI in our Hooker Creek acreage. The proposed units have the potential for up to 6 Eagle Ford and 1 Austin Chalk locations each with horizontal wells within the 5,000ft - 8,000ft range. Well costs (drilled, fraced and completed) are anticipated to be US\$4,500,000 each. The strategy is to attract a third party to partially fund and operate the drilling and fracking program with GGE farming down its working interest.





## LEASE SCHEDULE

The Company provides the following Schedule of lease interest held by for the quarter 30 June 2019 as required by ASX Listing Rule 5.3.

Project	Location	Lease	Interest at Beginning of the Quarter	Interest at the end of the Quarter
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%





Burns Tract	Burleson County, Texas	Tract 1	50%	40%
Burns Tract	Burleson County, Texas	Tract 7 & 8	50%	40%
Burns Tract	Burleson County, Texas	Tract 9A	50%	40%
Burns Tract	Burleson County, Texas	Tract 9B	50%	40%
Burns Tract	Burleson County, Texas	Tract 9C	50%	40%
Burns Tract	Burleson County, Texas	Tract 10	50%	40%
Burns Tract	Burleson County, Texas	Tract 11	50%	40%
Burns Tract	Burleson County, Texas	Tract 14	50%	40%
Burns Tract	Burleson County, Texas	Tract 26	50%	40%
Hooker Creek Tract	Burleson County, Texas	Tract E2-8	50%	50%
Hooker Creek Tract	Burleson County, Texas	Tract NW-12	50%	50%
Hooker Creek Tract	Burleson County, Texas	Tract E2-11	50%	50%
Hooker Creek Tract	Burleson County, Texas	Tract E2-11b	50%	50%
Hooker Creek Tract	Burleson County, Texas	Tract E2-11e	50%	50%
Hooker Creek Tract	Burleson County, Texas	Tract E2-11c&d	50%	50%
Hooker Creek Tract	Burleson County, Texas	Tract NW-3	50%	50%

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 2019

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	567	3,342
1.2 Payments for		
(a) exploration & evaluation	(7)	(223)
(b) development	(7)	(68)
(c) production	(144)	(1,231)
(d) staff costs	(31)	(268)
(e) administration and corporate costs	(44)	(305)
1.3 Dividends received (see note 3)		
1.4 Interest received	(4)	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)	-	6
<b>1.9 Net cash from / (used in) operating activities</b>	<b>330</b>	<b>1,254</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)	-	(911)
(c) investments	(31)	(31)
(d) other non-current assets		

<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 Net cash from / (used in) investing activities</b>	<b>(31)</b>	<b>(943)</b>

<b>3. 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 In-specie Capital Distribution	(1,919)	(1,919)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(1,919)</b>	<b>(1,919)</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	1,756	1,687
4.2 Net cash from / (used in) operating activities (item 1.9 above)	330	1,254
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(31)	(943)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(1,919)	(1,919)
4.5 Effect of movement in exchange rates on cash held	26	83
<b>4.6 Cash and cash equivalents at end of period</b>	<b>162</b>	<b>162</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	162	1,756
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>162</b>	<b>1,756</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
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

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	0
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



## 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.		

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	-
9.2 Development	-
9.3 Production	150
9.4 Staff costs	-
9.5 Administration and corporate costs	150
9.6 Other	-
<b>9.7 Total estimated cash outflows</b>	<b>300</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	East Texas	Indirect	50%	40%
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

**Compliance statement**

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

Sign here: .....  
(Director/Company secretary)

Date: 31 July 2019

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.