

ASX Release
10 January 2018



Recompletion of second well at Pleasant Home Oilfield to Commence

Grand Gulf Energy (ASX: GGE) is pleased to confirm that a rig has been secured for the recompletion of the Smak Dixon 31-6, Pleasant Home Field, Covington Co. Alabama. GGE will earn a 50% interest in the whole of the Pleasant Home Oilfield following completion. The Challenger Rig has been secured and will be on location next week. The program is anticipated to take 9 days to complete.

Commenting on the program, Managing Director, Mark Freeman stated:

“With this recompletion work, the Company is expected to have two wells in the field on production and will have met its obligations to earn a 50%WI in the field. This recompletion is targeting bypassed pay zones and will provide additional reservoir data to identify and test the various hydrocarbon bearing sands of interest and assist with the location of a new infill well in the field.”

The 31-6 well recompletion involves re-entering the well and running a pulsed neutron log (equivalent to the RST log that was successfully used in 31-11) and a Cement Bond Log from 6,000 – 9,300 ft). Following analysis of the logs, and after setting a Cast Iron Bridge Plug below the target zones, the JV will then commence a targeted testing program of “behind pipe” pay.

The 31-6 well has been the best producer in the field with over 424,000 bbls of oil produced to date. This recompletion opportunity represents an excellent low cost/low risk opportunity to determine the remaining pay zones in the well and the field. The JV is encouraged by the likely presence of at least 3 prospective Hosston sand intervals to test.

The Pleasant Home Field has produced in excess of 934,000 bbls of oil since 1999 from 4 wells. In all the wells, multiple production zones have been commingled and GGE believes a number of zones have been bypassed or performed poorly due to inadequate zonal isolation. This logging & workover program is designed to provide more reliable data to evaluate the bypassed zones and allow each to be exploited individually.

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