

September 2021 ASX Quarterly Report

29 October 2021

Highlights

Grand Gulf Energy Limited (ASX: GGE) (Grand Gulf or the Company) is pleased to provide shareholders with the following summary of its activities during the September 2021 quarter.

- On 15 September 2021, the Company completed its acquisition of 100% of Kessel Resources Pty Ltd ("Kessel"), a Utah-focused helium company, providing Grand Gulf with:
 - Exposure to the burgeoning helium industry in a known helium producing area with drill-ready targets and access to dedicated infrastructure
 - 243,200 acre AMI with over 24,500 acres (50% private leases / 50% Utah state leases) leased in drill permitting-friendly Utah (the Red Helium Project)
 - Prime location 8 miles west of the Doe Canyon Helium Field and Plant (Air Products Inc – market cap: US\$65B¹)
 - 2D seismic across the AMI has been acquired and processed – drill targets established – trap identified is larger than the Doe Canyon Field
 - Historic wells with helium detected within and proximal to the AMI
 - 20 miles south and connected by pipeline to the operational Lisbon Helium Plant
 - Current helium pricing is approximately \$280/mcf²
- Kessel shareholders received 450 million shares and 100 million performance shares in the Company and a further 60 million options exercisable at 2.5c each were issued as part of the transaction
- GGE completed a capital raising of A\$3.3 million to fund the acquisition and provide working capital to drill and cover transaction costs
- Mr Keith Martens was appointed as CEO and Technical Director and Mr Chris Bath resigned effective 11 October 2021
- Existing US oil production from the Desiree Field (39.6% WI) and Dugas & Leblanc #3 Field (61.8% WI) grossed a total of 10,185 bo and averaged 135 bo/d during the quarter, net to GGE was 4,260 bo

CAPITAL STRUCTURE AND FINANCIAL SNAPSHOT

ASX Code	GGE	Ordinary Shares	1,192 million
Performance Shares	150 million	Option (2.5c exp 15/10/24)	60 million
Share Price	4.7 cent	Market Capitalisation	\$56 million
Cash Reserves @ 30/09	\$1.8 million	Producing Fields	2
Quarterly Net BO	4,260 bbls	Daily Net BO	55 bbls/d

UTAH HELIUM ACQUISITION

During the September 2021 quarter, Grand Gulf entered into a binding agreement to acquire 100% of the issued share capital of Kessel Resources Pty Ltd ("Kessel"), a privately held Australian company which holds an interest in the Red Helium Project located in Utah ("the Acquisition"). The transaction subsequently completed on 15 October 2021.

Strategy:

- Exposure to the burgeoning helium industry in a known helium producing area - drill-ready targets and proximal to dedicated infrastructure

¹ <https://www.bloomberg.com/quote/APD:US>

² Edison Research Global Helium Market Update, May 2021



Board of Directors
Chairman – Craig Burton
CEO – Keith Martens
Exec Dir – Mark Freeman

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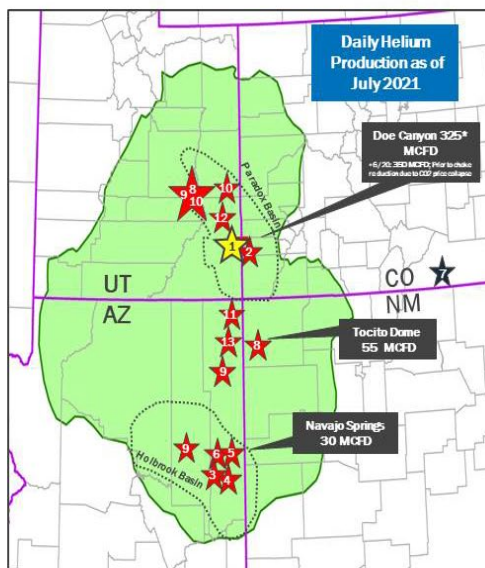


- 250,713 acre AMI with over 24,500 acres (private leases/Utah state leases) leased in drill-friendly Utah (the Red Helium Project) – leasing ongoing with objective of 35,000 acres
- Structurally high to and 8 miles west of Doe Canyon Helium Field and Plant (Air Products Inc – market cap: US\$65B³)
- 190 km’s of 2D seismic across the AMI has been acquired and processed – drill targets established – trap identified is larger than the Doe Canyon Field
- Historic wells with helium concentrations within and proximal to the AMI
- 20 miles south and connected by pipeline to the operational Lisbon Helium Plant
- Current helium pricing is approximately \$280/mcf⁴

ESG: Potential for significant 45Q Tax Credit revenue through sequestering of produced CO₂

High Quality Management Team: Experienced Kessel oil and gas geologist Keith Martens joined the Board of Grand Gulf assisted by highly experienced partners and US-based operators, Four Corners Helium.

-  **Red Helium Project**
 - ~24K acres leased. Greater than one hundred 2D seismic anomalies.
-  **Kinder Morgan Doe Canyon**
 - ~ 1 TCF EUR CO₂ field from Leadville Formation.
 - In 2016 Air Products contractually began stripping and selling He.
 - Current Prod: ~81 MMCFD @ ~ 0.5% helium. Primarily from 7 wells.
 - Helium **Estimated** Ultimate Recovery (EUR): 3-5 BCF
-  **Desert Mountain Energy (TSX: DMEHF)**
 - 85,000 acres leased; 4 wells drilled, no information.
 - Market Cap: US\$245M.
-  **PetroSun/Arizona Energy Partners**
 - ~230,000 acres leased; multiple shallow wells drilled, minimal information.
 - Market Cap: US\$142M.
-  **Ranger Development**
 - Estimated 40,000 leased acres.
 - 9 low volume wells producing from Coconino/Shinarump.
-  **Pinta South Operating**
 - ~27,000 acres leased.
 - Very poor results in Coconino/Shinarump.
-  **Blue Star Helium (ASX:BNL)**
 - 173,000 acres leased, no wells drilled.
 - Market Cap: AUD\$43 million



-  **Tacitus, LLC**
 - ~100,000 acres leased in Central Ut (Temple Springs), no wells
 - Economic Horizontal McCracken completion at Tocito Dome.
-  **IACX**
 - Midstream company with gas processing facilities.
-  **North American Helium**
 - Large acreage position at Temple Springs area.
 - 4 Permits to date.
-  **Navajo Petroleum**
 - Produced ~23 MCF of helium in the mid-60's from Leadville.
 - Recent re-entry: 60 MCFD of helium; trucking to Lisbon plant.
-  **Texaco**
 - 1.5% helium; recent re-entry, results TBD.
-  **Capital Operating group**
 - Helium prod established in a 1960's large oil field.

Leases

Through incorporated JV company Valence Resources LLC (Valence), Kessel and its US partners Four Corners Helium LLC (FCH) and Red Dragon Exploration LLC (RDE) control the Red Helium Project which is comprised of a 250,713 acre area of mutual interest (AMI) where Valence has already directly leased 24,500 acres prospective for helium. The Red Helium Project is located in the SE of Utah in the Four Corners area which is often described as the ‘Saudi Arabia of helium’ given the plethora of producing fields in the area.

Leasing to date has focused on private and Utah state land with state leases issued via an “other business arrangement” (OBA) with the School and Institutional Trust Lands Administration (SITLA). The award of the OBA resulted from Valence successfully demonstrating its helium exploration strategy and technical expertise/experience.

Utah is an excellent operational and commercial environment and the award of the OBA demonstrates Utah’s commitment to encourage and support helium exploration and production. Utah is regarded as permitting-friendly in comparison to Bureau of Land Management (BLM) federal land and other states with helium exploration and production. All leases acquired are 2-year leases with an option to renew for a further 3 years.

³ <https://www.bloomberg.com/quote/APD:US>
⁴ Edison Research Global Helium Market Update, May 2021



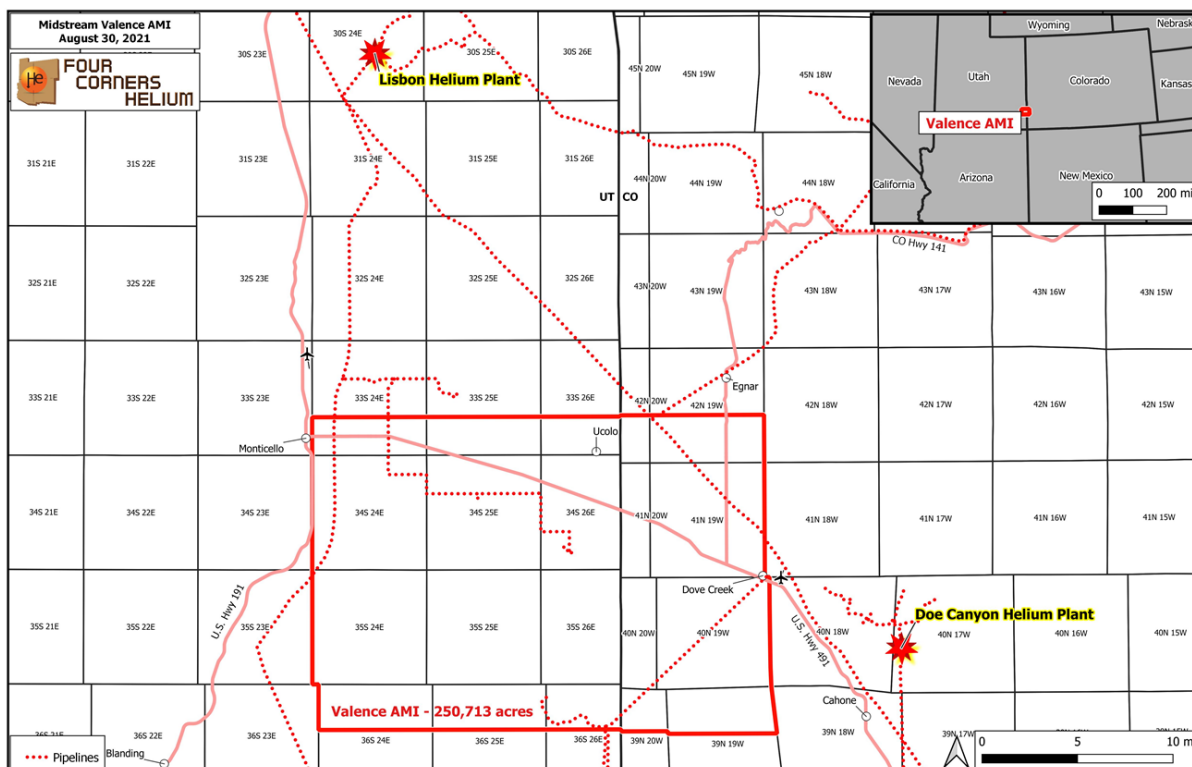


Figure 2: Red Helium Project acreage position and infrastructure

Geology and Analogue Fields

The Red Helium Project is located 8 miles west of the large producing Doe Canyon helium field and plant owned by Kinder Morgan with the helium facility run by Air Products Inc (market cap of US\$65 billion⁵). The Red Helium Project shares the same stratigraphy and lithologies as Doe Canyon including:

1. Source rock – Precambrian granite known to be the source of helium in the area.
2. Reservoir – The Leadville limestone/dolomite is the primary reservoir for helium with the McCracken sandstone a viable secondary target for oil and gas.
3. Seal - The 1,200-foot-thick salt layer (Molas formation) is the ideal seal and a vital component of the helium fields in the area.

The Doe Canyon helium field is regarded as an analogue field to the Red Helium Project and currently produces an average flow rate per well of roughly 18 million cubic feet per day (mmcfpd) of raw gas at an average grade of 0.5% helium⁶. Initial production (IP) flow rates from the Doe Canyon wells ranged from 37mmcfpd to 60mmcfpd with one of the wells testing 5% helium. Doe Canyon has an estimated ultimate recovery (EUR) of 3 – 5 billion cubic feet⁷ of helium. Current helium pricing is approximately US\$280/mcf⁸.

These large flow rates are crucial to the highly commercial nature of Doe Canyon and are a function of the total depth of the Leadville Formation reservoir (approximately 10,000 feet as evident on seismic) and the impermeable salt seal.

20 miles to the north of the Red Helium Project is the Lisbon helium field and processing plant. The Lisbon gas processing facility is comprised of a 60 mmcfpd treating plant with a 45 mmcfpd cryogenic plant⁹. The Lisbon plant is connected by pipeline to the Red Helium Project.

⁵ <https://www.bloomberg.com/quote/APD:US>

⁶ Derived from historical Doe Canyon well production data

⁷ EUR is estimated from the decline curves of the drilled Doe Canyon wells

⁸ Edison Research Global Helium Market Update, May 2021

⁹ <http://www.paradoxresources.com/operations/midstream/>



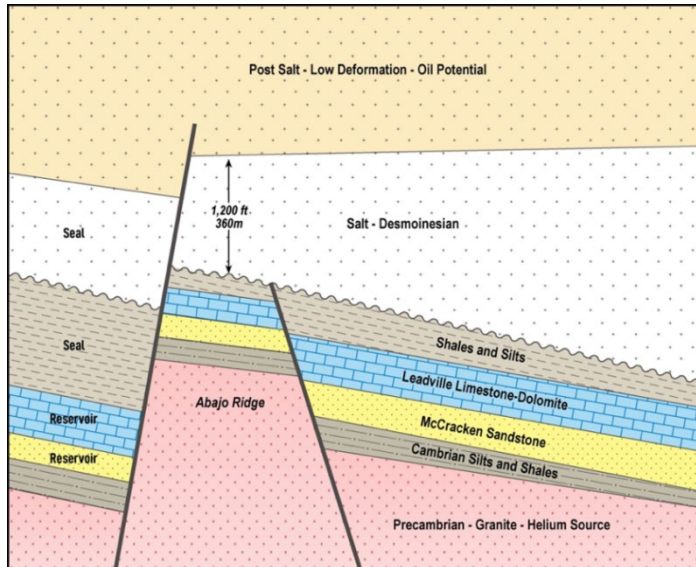


Figure 3: Red Helium Project Stratigraphy – Proven Helium Trap and Seal

Well Control and Seismic

Approximately 190 km’s of 2D seismic has been acquired and reprocessed which has identified a host of helium leads and drill targets.

Old historic wells within and proximal to the AMI contain up to 0.4% helium in drill stem tests (DST) however it is well known that helium capture (gas storage vessels were unsuitable for helium containment) and testing was substandard in the 1950s and 1960s and in many cases led to the understatement of helium concentrations. In most instances helium was not tested as the focus was hydrocarbons in which case gas would be characterized as ‘non-flammable’.

Helium Wells

The wells are relatively low risk, with drilling and completion to a total depth of approximately 10,000 feet expected to cost ~US\$1.5m per well. The first of three earn-in wells will take Grand Gulf’s interest to 50% of Valence with the second and third well earning a further 12.5% each to take the total ownership in Valence to 75%.

Valence draws its technical expertise from the Four Corners Helium Team, which have a strong North American technical presence with the experienced personnel to draw upon and manage ongoing leasing and drilling programs.



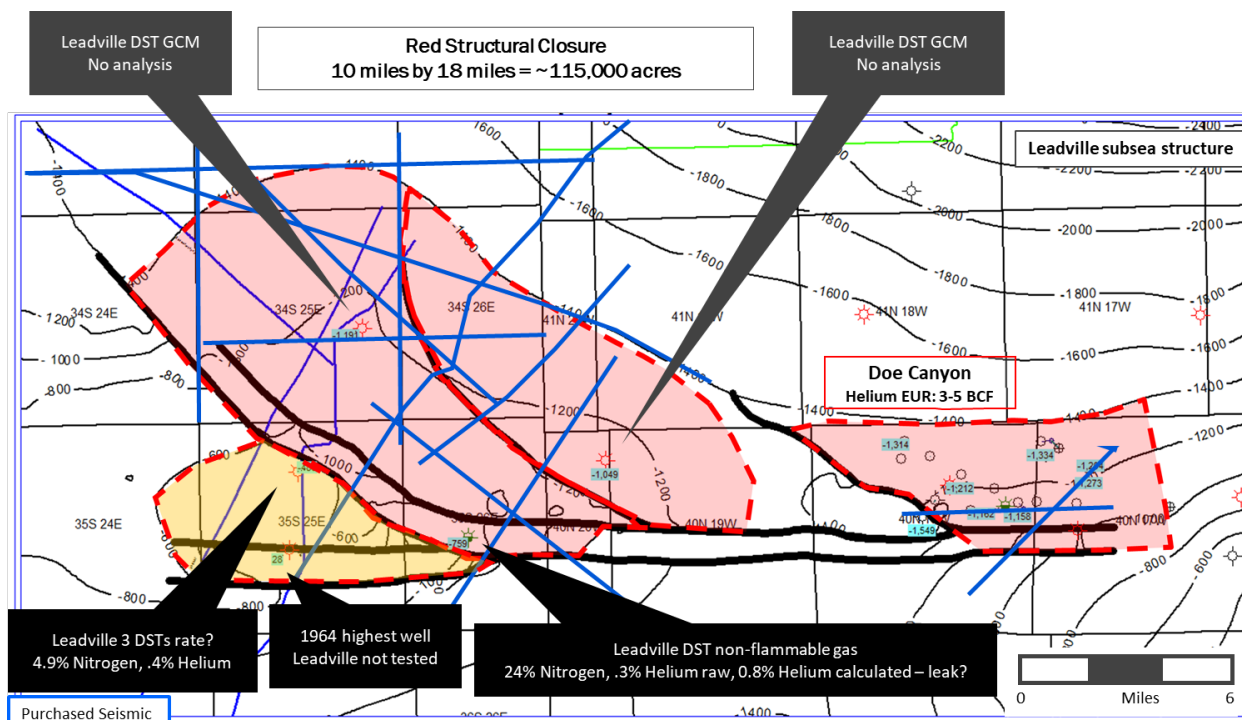


Figure 4: Red Helium Project Well Control and Seismic

ESG – Carbon Sequestration Potential

GGE is in the process of reviewing the potential of the Red Helium Project qualifying under Section 45Q of the US tax code for carbon sequestration (re-injection) of the associated anticipated CO₂ component of the raw gas stream. Key aspects of Section 45Q of the US tax code include:

Section 45Q stipulates tax credits for carbon sequestration

1. The emissions must be from a factory, refinery, power plant or other fuel combustion source, fuel cell, pipeline or manufacturing process. If the carbon dioxide is underground, drawing it out counts as long as the commercial goal is to recover some other gas mixed with it.¹⁰
2. Tax credits belong to the entity who owns the carbon capture equipment, which is defined as the equipment used to separate or capture, treat, process, dry, liquefy, pump or compress the CO₂ up to the point where it is transported for disposal.¹¹

GGE is assessing whether CO₂ produced as a by-product from the Red Helium Project is suitable for carbon sequestration and whether it qualifies, under Section 45Q of the US Tax Code and the various US Environmental Protection Agency stipulations, for tax credits. GGE understands there are specific CO₂ concentration thresholds and other technical requirements that need to be satisfied prior to qualification and that these details will only be known once a well has been drilled at the Red Helium Project and the resultant flow rates and gas concentrations are known. Accordingly, there is no guarantee that any tax credits will be available to the Company but the possibility of the same provides an additional potential upside to the economics of the Red Helium Project should they be available in the event of successful development of the Project.

Key Terms of the Acquisition

The consideration paid to Kessel shareholders for 100% of Kessel was 450 million shares and 100 million performance shares. The milestone for the performance shares, resulting in the conversion of performance shares into ordinary shares, is gross sales of 4 million cubic feet (mmcf) of helium from the Red Helium Project. The vendors have agreed to voluntary escrow of 75% of their consideration shares for 3 months from completion. The acquisition was associated with a \$3.3m capital raise at 1 cent each and 60 million options exercisable at 2.5 cents each.

¹⁰ Norton Rose Fullbright - <https://www.projectfinance.law/publications/2021/february/tax-credits-for-carbon-capture/>
¹¹ Norton Rose Fullbright - <https://www.projectfinance.law/publications/2021/february/tax-credits-for-carbon-capture/>





Kessel has a 25% interest in incorporated JV company, Valence, with a right to secure a further 50% interest (total of 75%) on the following terms:

Earning 75% of Valence Resources	Max Cost	Earning
Completion of Leasing Payments	US\$1.3M (paid)	25% earned
Drilling first well prior to 30 September 2022	US\$1.5M	25%
Drilling second well prior to 30 September 2023	US\$1.5M	12.5%
Drilling third well prior to 30 September 2023	US\$1.5M	12.5%
Total Payments	US\$5.8M	75%

The other shareholders of Valence are helium experts and project partners FCH (60%) and RDE (15%) (both diluting as a result of the above earn-in arrangements). Kessel currently controls the Valence board. A 20% royalty on all commercial production from the leases is payable to the land owners (lessors) and is inclusive of an overriding royalty interest payable to FCH, RDE and several of the project vendors. Completion of the acquisition occurred on 15 October 2021.

Board Appointments

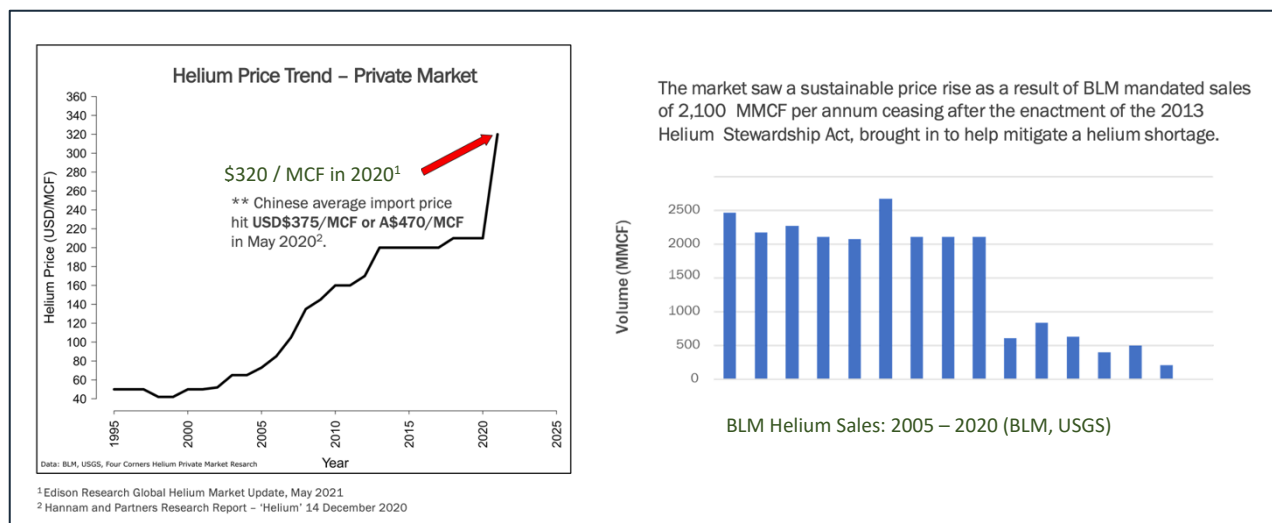
Keith Martens - B.Sc. (Geophysics-Geology) University of British Columbia 1976

Keith has over 40 years’ experience as an oil finder. Keith’s career began in Calgary with Hudson Bay O&G, Home Oil and Marathon Petroleum where he worked as a Geophysicist and Explorationist. Moving to Australia with SANTOS in 1980 he was promoted to Principal Explorationist and was responsible for exploration and development for a variety of basins both on and offshore. In late 2000, he joined Tap Oil as Exploration Manager and in 2005 he joined the newly listed Bow Energy as Exploration Manager where he oversaw extensive exploration in the Cooper-Eromanga and Surat-Bowen basins.

He was the lead explorationist for Victoria Petroleum/Senex and discovered the Growler/Snatcher Oil Fields in central Australia and the NE Akkar and West Zhetybai Oil Fields in Kazakhstan (Jupiter Energy). Keith was the Technical Director of Saccasco exploring in California and also consulted to Rey Resources and Buru working on their Canning Basin interests.

Helium Pricing US\$

The price of helium has seen a rapid expansion in both spot public auctions and longer term negotiated private contracts. During the last period of oversupply (2013–16), which peaked in 2013–14, BLM conservation (private sector) prices were \$80–90/mcf for crude helium, 30% below the FY18 auction price (\$119/mcf) and 70% below the final BLM auction price in FY19 (\$280/mcf).¹²



¹² Edison Research Global Helium Market Update, May 2021



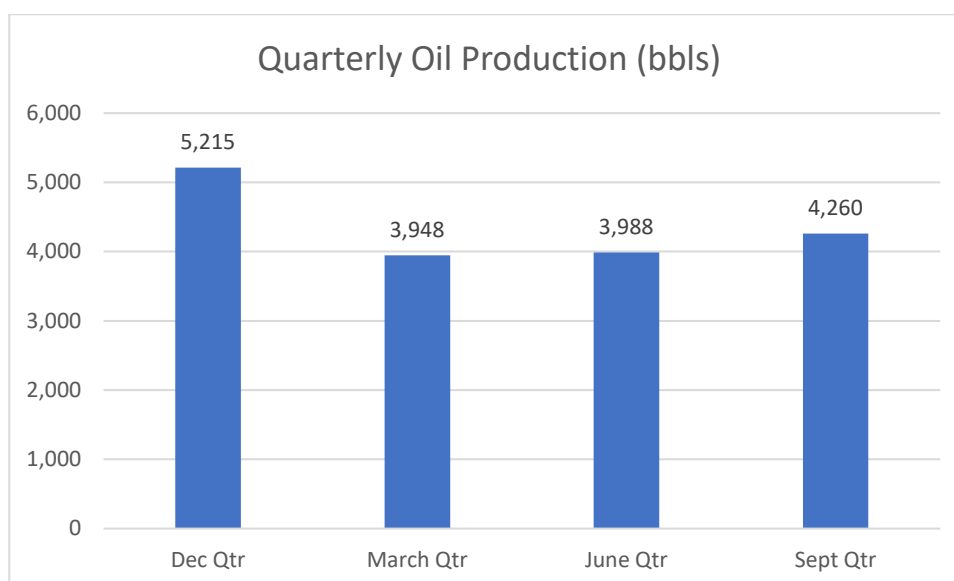


PRODUCTION SUMMARY

Total Net Quarterly Oil Production

	Dec Qtr	March Qtr	June Qtr	Sept Qtr
Oil (bbls)	3,960	3,998	4,524	4,260

	Working interest	Parish	Quarterly Bo		Daily Bo	
			Gross	Net	Gross	Net
Desiree Field	39.65%	Assumption	4,577	1,812	65	26
Dugas & Leblanc Field	61.8%	Assumption	5,616	2,448	69	29
Total			10,193	4,260	135	55



Dugas & Leblanc Field

Napoleonville- Dugas & Leblanc #3 Well, Assumption Parish, Louisiana, Non-Operator 61.8% WI

The well produced a total for the quarter of 5,616 barrels of oil and averaged 69 bo/d. The well was off-line primarily due to Hurricane IDA. The well has produced 374,027 barrels of oil to 30 September 2021. The D&L #3 well continues to outperform previous reserve estimates. As at 30 June 2021, the 3P reserves were ~71,000 bbls net to GGE.

Desiree Field

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

The Hensarling #1 well (Desiree Field) produced a total for the quarter of 4,577 barrels of oil. The well was had a workover completed in July which has seen production rates increase from below 40 boe/d to >80 boe/d. Together with a shut in for Hurricane Ida the well was off production for 20 days during the quarter. Averaged production was 65 bo/d. September production was 2,296 bo. As at 30 June 2021, the 3P reserves attributed to the Cris RII and RIII sands were ~128,000 bbls net to GGE. Desiree remains a substantial asset to the Company with long term reserves and cash flow.

DJ Basin, Colorado, USA (66% WI)

The Company has ~66% working interests in 355 net acres in Weld County. The Company is looking at ways to unlock the sale of its interest in the DJ Basin.

OTHER PROJECTS

The Company is actively reviewing and assessing alternative projects to acquire.

CORPORATE

- On 9 September 2021 the Company issued 95,000,000 ordinary fully paid shares at 1c each to raise 950,000 (before costs)
- On 15 October 2021 the Company issued:
 - 235,000,000 Ordinary fully paid shares at 1c each to raise \$2,350,000 (before costs)
 - 450,000,000 ordinary fully paid shares to Shareholders of Kessel





- 19,800,000 ordinary fully paid shares to CPS in lieu of capital raising fees
 - 60,000,000 Broker and vendor options (exercisable at 2.5c each on or before 15 October 2024)
 - 100,000,000 Performance Shares expiring 15/10/26 - The shares vest upon the sale of the first 4 MMCF gross helium produced from the Utah Leases.
 - 55,000,000 Performance Shares expiring 15/10/26 - 50% of the performance shares vest subject to the VWAP of Shares trading on the ASX being at least 3 cents over 20 consecutive trading days (on which Shares have actually traded), the remaining 50% vest upon the sale of the first 4 MMCF gross helium produced from the Utah Leases.
- On 22 October 2021 the Company issued 8,400,000 ordinary fully paid shares in lieu of fees.

RELATED PARTY PAYMENTS

During the quarter ended 30 September 2021, the Company made payments of \$56,000 to related parties and their associates. These payments relate to existing remuneration agreements with Directors.

- A\$40,000 paid to Meccano Consulting for directors fees and consulting services (\$10,000 relates to pre 30 June 2021 balances) and \$4,925 for recovery of bookkeeping services. Mr. Freeman is a Director of this Company.
- A\$10,000 paid to Chivington Pty Ltd for directors fees. Mr. Bath is a Director of this Company.

LEASE SCHEDULE

The Company provides the following Schedule of lease interest held for the quarter as at 30 September 2021 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%	61.8%
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%
DJ Basin	Weld County, Colorado	Lease A	52.2%	52.2%
DJ Basin	Weld County, Colorado	Lease B	52.2%	52.2%
DJ Basin	Weld County, Colorado	Lease C	52.2%	52.2%

Forward Looking Statements

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.

Competent Persons Statement

The information contained in these statements has been compiled by Kevin James Kenning, Registered P.E. State of Texas #77656, who is a consultant of the Company, is qualified in accordance with ASX listing rule 5.11 and has consented to the publication of this report.

Oil and Gas Glossary

Abbreviation	Abbreviation meaning	Abbreviation	Abbreviation meaning
1P	proved reserves	A\$ or AUD	Australian dollars
2P	proved plus Probable reserves	US\$ or USD	United states dollars
3P	proved plus Probable plus Possible reserves	Q1	first quarter ended September 30 th
bbl or bbbls	barrel of oil	Q2	second quarter ended December 31 st
boe	barrel of oil equivalent (1 bbl = 6 Mcf)	Q3	third quarter ended March 31 st
d	suffix - per day	Q4	fourth quarter ended June 30 th
GJ	gigajoules	YTD	year-to-date
mbl	thousands of barrels	YE	year-end
mboe	thousands of barrels of oil equivalent	H1	six months ended June 30 th
Mcf	thousand cubic feet	H2	six months ended December 31 st
MMcf	million cubic feet	B	Prefix - Billions
PDP	proved developed producing reserves	MM	Prefix - Millions
PUD	Proved Undeveloped Producing	M	Prefix - Thousands
C	Contingent Resources - 1C/2C/3C - low/most likely/high	/d	Suffix - per day
Net	Working Interest after Deduction of Royalty Interests	bbl	Barrel of Oil
NPV (10)	Net Present Value (discount rate), before income tax	boe	Barrel of Oil Equivalent (1bbl = 6 mscf)
EUR	Estimated Ultimate Recovery per well	scf	Standard Cubic Foot of Gas
WTI	West Texas Intermediate Oil Benchmark Price	Bcf	Billion Standard Cubic Foot of Gas
LLS	Louisiana Light Oil Benchmark Price	CY	Calendar Year
1P or TP	Total Proved	OCF	Operating Cash Flow, ex Capex
2P or TPP	Total Proved plus Probable Reserves	E	Estimate
3P	Total Proved plus Probable plus Possible Reserves	Net Acres	Working Interest
EBITDA	Earnings before interest, tax, depreciation, depletion and amortisation		



Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

GRAND GULF ENERGY LTD

ABN

22 073 653 175

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	405	405
1.2 Payments for		
(a) exploration & evaluation	(20)	(20)
(b) development	(22)	(22)
(c) production	(203)	(203)
(d) staff costs	(31)	(31)
(e) administration and corporate costs	(31)	(31)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Legal Settlement	-	-
1.9 Net cash from / (used in) operating activities	98	98

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(340)	(340)
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(340)	(340)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	950	950
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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)	-	-
3.10	Net cash from / (used in) financing activities	950	950

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,058	1,058
1,	Net cash from / (used in) operating activities (item 1.9 above)	98	98
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(340)	(340)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	950	950

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	46	46
4.6	Cash and cash equivalents at end of period	1,812	1,812

5. Reconciliation of cash and cash equivalents 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	1,812	1,058
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,812	1,058

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	64
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	948
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(340)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(242)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,812
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,812
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	7
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date: 29/09/2021

Authorised by:

By the board.

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.