

**December 2021 ASX Quarterly Report**

27 January 2022

## 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 December 2021 quarter.

- Red Helium Project Updates
  - **Maiden Resource** - On 8 December 2021 the Company announced a maiden Prospective Helium Resource of 10.9 BCF helium (most likely – P50) gross to incorporated JV company Valence Resources LLC (net 7.4 BCF to Valence). The Prospective Resource is expected to grow as leasing continues. The total (most likely – P50) helium Prospective Resource for the Red Project Area of mutual Interest (AMI) is 20.8 BCF, with a maximum (P10) of 57.6 BCF (Sproule calculations)
  - **Acquisitions** – The Company acquired an additional 30% interest in Valence Resources LLC increasing its interest in the Project to 55% with a right to earn 85%
  - **Top Drilling Manager appointed** - Experienced Drilling Engineer, Doug Frederick, has been appointed as Drilling Superintendent for the Red Helium Project:
    - Ex-Shell engineer with 20 years of experience at neighboring Doe Canyon helium/CO2 field.
    - Mr Frederick’s hands-on local knowledge is a major step towards implementing a large-scale drilling programme.
  - **Acreage increases** - on 18 November 2021 the Company had increased its acreage position to 27,303 acres, this has subsequently been increased to over 29,000 acres within the 243,200 acre AMI in drill permitting-friendly Utah
  - **Well Permitting** - Optimal well site selected and permitting commenced for the maiden helium well, Jesse #1
- Existing US oil production from the Desiree Field (39.6% WI) and Dugas & Leblanc #3 Field (61.8% WI) grossed a total of 12,314 bo and averaged 148 bo/d during the quarter, net to GGE was 4,997 bo.

### CAPITAL STRUCTURE AND FINANCIAL SNAPSHOT

ASX Code	GGE	Ordinary Shares	1,283 million
Performance Shares	155 million	Option (2.5c exp 15/10/24)	60 million
Share Price	2.7 cent	Market Capitalisation	\$35 million
Cash Reserves @ 30/09	\$3.0 million	Producing Fields	2
Quarterly Net BO	4,997 bbls	Daily Net BO	60 bbls/d

### RED HELIUM PROJECT UPDATES

#### Maiden Prospective Helium Resource

On 8 December 2021 the Company announced that Sproule Energy Consulting Ltd. (“Sproule”) had completed the maiden Prospective Resource Report for the Red Helium Project located in the Paradox Basin, Utah USA. Sproule is an independent resources and reserves certification specialist with extensive experience in helium and the Paradox Basin.

Sproule has confirmed a P50 10.9 billion cubic feet (BCF) Prospective Resource over gross leased acreage and P50 of 7.4 BCF on a net acre basis to Valence. The Sproule Prospective Resource calculation is based on the current acres held by incorporated joint venture company Valence Resources LLC (Valence) at 8 December 2021. Table 1 below is based on leases owned at 8 December 2021, since that date the Company has acquired ~ 1,000 additional acres.



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

**Registered Office**  
 Suite 4, 246-250 Railway Parade  
 West Leederville WA 6007  
 T +61 8 6102 4826  
 E info@grandgulf.net

Table 1 - Valence Prospective Resources<sup>1</sup>

Recoverable Helium	1U (P90) (BCF)	2U (P50) (BCF)	3U (P10) (BCF)
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 net Valence)	4.4	6.3	7.2
Red Project Total	7.9	20.8	57.6

#### Acquisitions - Interest in Valence LLC increases 30% (total now 55%, earning up to 85%)

During the December 2021 quarter the Company entered into a binding agreement to acquire an additional 30% of incorporated JV company, Valence Resources LLC ("Valence") taking the Company's interest in Valence to 55% with a right to earn 85% of the issued share capital of Valence ("the Acquisition"). The Company settled on the acquisition on 22 December 2021 for ~91.1 million shares and A\$400,000. The Vendors have agreed to voluntary escrow for the lesser of 22 June 2022 or the date the first Red Helium well is completed.

GGE now has a 55% interest in Valence with a right to secure a further 35% interest (total of 85%) on the following terms:

Earning 85% of Valence Resources	Max Cost	Cumulative Interest
Completion of Leasing Payments		55%
Drilling first well prior to 30/09/2022	US\$1.5M (cost overruns to be split 70/30)	70%
Drilling second well prior to 30/09/2023	US\$1.5M (cost overruns to be split 77.5/22.5)	77.5%
Drilling third well prior to 30/09/2023	US\$1.5M (cost overruns to be split 85/15)	85%

A 20% royalty on all commercial production from the leases is payable to the landowners and project generators.

#### Top Drilling Manager Appointed

As announced on 17 January the Company announced the appointment of Doug Frederick to the position of Drilling Superintendent for the forthcoming helium drilling programme at the Red Helium Project. Doug has over 40 years' experience in drilling and completion, including 16 years working for Shell Oil Company.

Valence is fortunate to secure the services of Mr Frederick. During his 20-year tenure with Kinder Morgan<sup>2</sup> (market cap: US\$40B<sup>3</sup>), he oversaw upto 9 drilling and 30 workover rigs annually which culminated in McElmo Dome Field becoming one of the largest CO<sub>2</sub> producing fields in the world (~1 BCF/day); and Doe Canyon Field, the second largest North American helium discovery in over 60 years.

As Drilling Director at Kinder Morgan, Mr Frederick was responsible for drilling and workover operations of source wells and injection/production wells. He was responsible for annual capital budgets up to US\$300M and OPEX budgets up to US\$200M and focused on continuous improvement to increase efficiency and lower cost in delivering a quality wellbore.

Mr Frederick in conjunction with our JV Partner, Four Corners Helium ("FCH") (<https://www.fourcornersheliumllc.com/>), have the requisite in-depth knowledge and relevant experience in drilling and completing helium wells in the precise area of the Paradox Basin where the Red Helium Project is located.

#### Lease Acreage Increases

Since Grand Gulf's initial acquisition, the Red Helium Project lease position has increased from 23,600 to ~29,000 acres, increasing the overall land position by over ~23%. Leasing activities will continue ahead of drilling of the first well (Jesse #1).

All recently leased acreage is strategically located freehold land which will ensure a shorter streamlined timeframe for permitting exploration wells, pipelines and future developments. The Company has focused its land acquisitions to date primarily on freehold land and to a lesser extent Utah state land (under an exclusive other business agreement (OBA)).

<sup>1</sup> \* Sproule 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.

<sup>2</sup> Kinder Morgan owns the Doe Canyon Field whilst Air Products operates the helium component of production

<sup>3</sup> <https://finance.yahoo.com/quote/KMI/>





**Jesse #1 Permitting**

After a year of in-depth research, the optimal drill site has been selected for the maiden helium well (Jesse #1), with Valence designated as Operator. Permitting of the well is underway and is expected to be completed in less than 3 months.

Under the farmin agreement, Grand Gulf is to fund the Jesse #1 well up to a value of \$US1.5 million, with any additional costs to be paid 70% Grand Gulf and 30% FCH. On completion of the first well Grand Gulf will have earned a 70% interest in Valence.

**About the Red Helium Project**

The Red Helium Project provides exposure to the burgeoning helium industry in a known helium-producing area that comprises:

- 250,713 acre area of mutual interest (AMI) with over 29,000 acres (private leases/Utah state leases) leased in drill-friendly Utah in the heart of the most prolific helium-producing region in the world
- Geologically analogous to Doe Canyon Field (refer ASX announcement 8/12/21, pg 4), Doe Canyon is situated 15 miles due east of the Red Helium project, and is currently producing approximately 10,700,000 cubic feet of helium per month, the bulk of which comes from only 7 wells. Air Products is processing the helium, and it is anticipated that Doe Canyon will ultimately produce 3-5 billion cubic feet of helium. With additional drilling, this resource figure could increase
- 315 kms of well-placed 2D seismic has been acquired and reprocessed – identifying multiple drill targets – and confirming a structural trap 4-5 times larger than the Doe Canyon Field
- 20 miles south of and connected by pipeline to the operational Lisbon Helium Plant (99.9995% purity)
- Current helium strip pricing ranges from \$250-\$400/mcf<sup>4</sup>

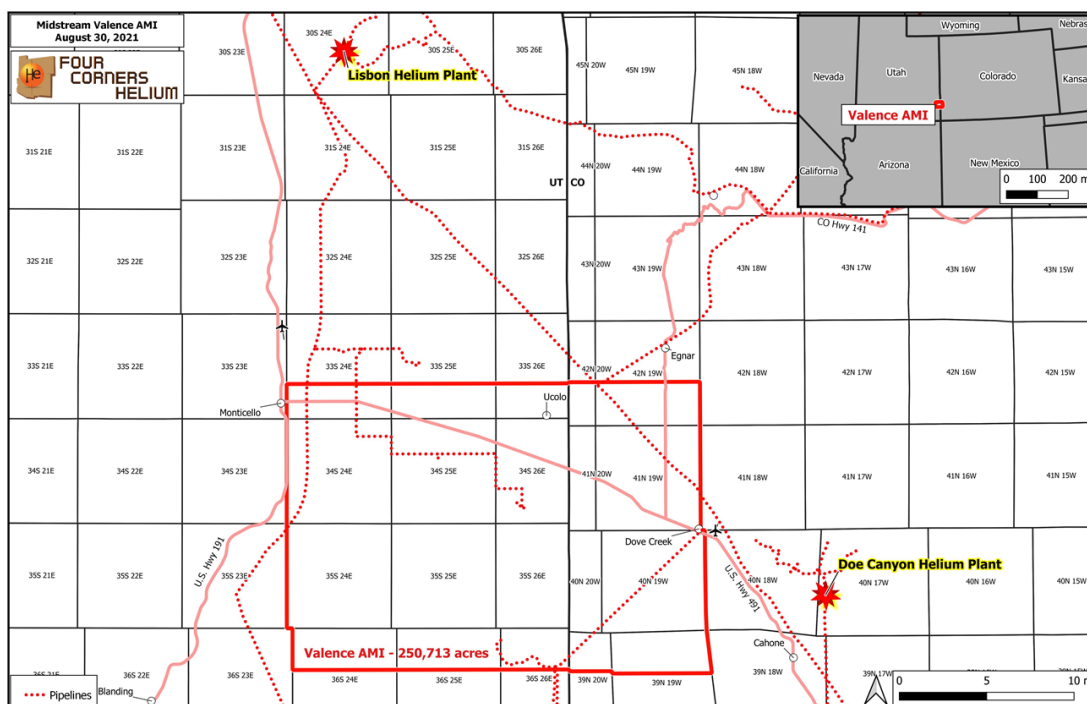


Figure 1 Valence AMI containing the Red Helium Project with local pipelines (dotted red) and the two nearby helium fields/processing plants

<sup>4</sup> Edison Research Global Helium Market Update, May 2021



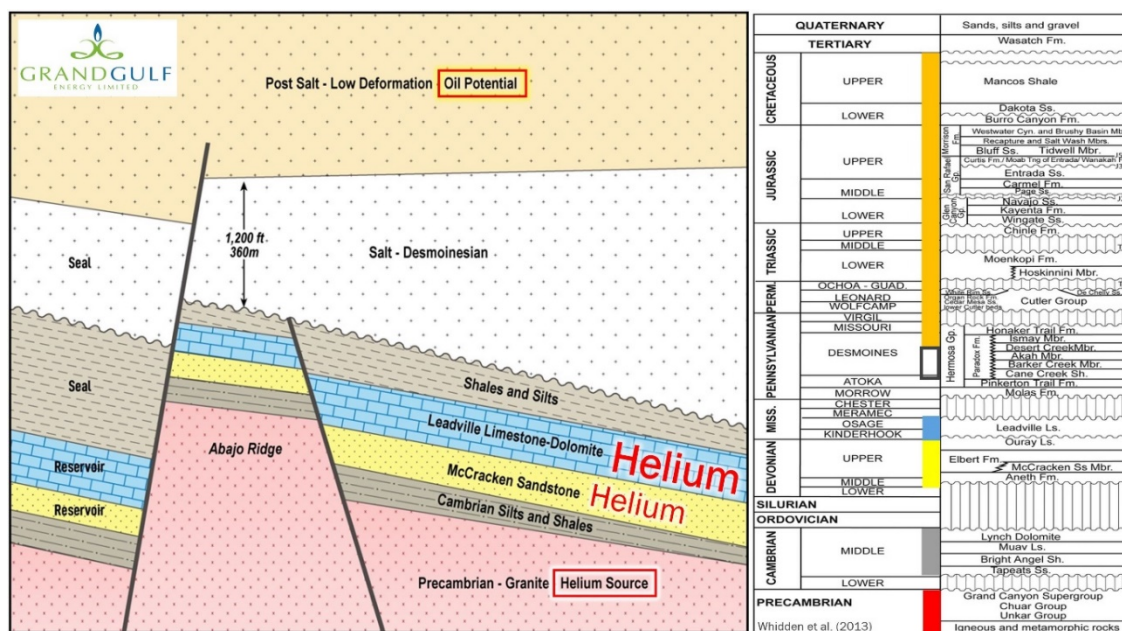
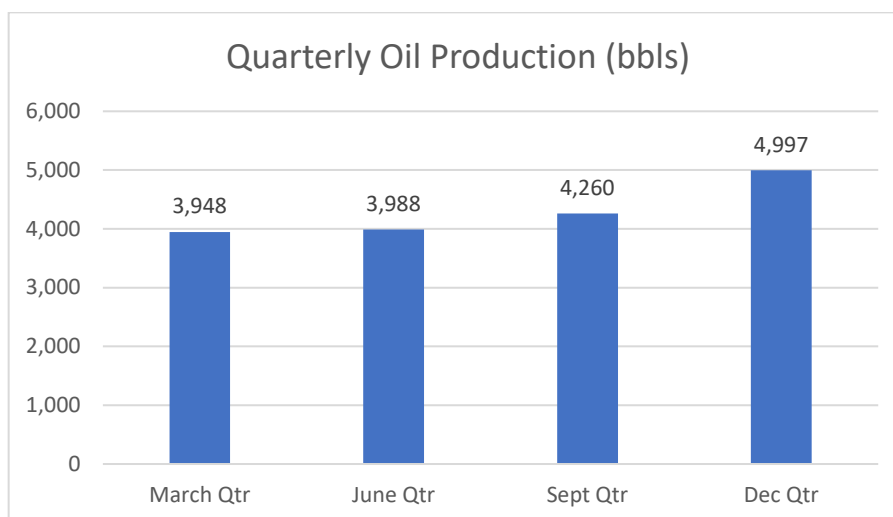


Figure 2 – SE Utah Stratigraphic Chart colour coded to a stylized representation of the Red Helium structure

PRODUCTION SUMMARY - Total Net Quarterly Oil Production

	March Qtr	June Qtr	Sept Qtr	Dec Qtr
Oil (bbls)	3,998	4,524	4,260	4,997

	Working interest	Parish	Quarterly Bo		Daily Bo	
			Gross	Net	Gross	Net
Desiree Field	39.65%	Assumption	5,931	2,348	76	30
Dugas & Leblanc Field	61.8%	Assumption	6,383	2,649	72	30
Total			12,314	4,997	148	60



Desiree Field

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

The well produced a total for the quarter of 6,383 barrels of oil and averaged 72 bo/d. The well was off-line for 1 day during the quarter for standard maintenance. As at 30 December 2021, the 3P reserves attributed to the Cris RII and RIII sands were ~126,000 bbls net to GGE. Desiree remains a substantial asset to the Company with long term reserves and cash flow.





### 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 5,931 barrels of oil and averaged 76 bo/d. The well was off-line for 12 days during the quarter mostly for standard maintenance. The D&L #3 well continues to outperform previous reserve estimates. As at 31 December 2021, the 3P reserves were ~86,000 bbls net to GGE.

### 31 December 2021 Reserve Statement

2021 Reserves and Resources Summary										
Reserves and Resources as of 31 December 2021										
Net to Grand Gulf Energy Ltd										
FILED (LICENCE)	NET REV INTEREST	PROVED(1P)			PROVED + PROBABLE (2P)			PROVED, PROBABLE, POSSIBLE (3P)		
		LIQUIDS MBBL	GAS MMCF	OIL EQUIV <sup>(1)</sup> MBOE	LIQUIDS MBBL	GAS MMCF	OIL EQUIV <sup>(1)</sup> MBOE	LIQUIDS MBBL	GAS MMCF	OIL EQUIV <sup>(1)</sup> MBOE
<b>Reserves</b>										
<b>USA</b>										
Dugas & Leblanc #3	47.04%	28	259	71	36	259	80	43	259	86
Desiree	30.96%	46	-	46	110	-	110	126	-	126
<b>Total Reserves</b>		<b>73</b>	<b>259</b>	<b>117</b>	<b>147</b>	<b>259</b>	<b>190</b>	<b>169</b>	<b>259</b>	<b>212</b>
<b>CONTINGENT RESOURCES</b>										
<b>USA</b>										
Dugas & Leblanc #3	47.04%	-	235	39	-	353	59	-	706	118
Desiree	30.96%	-	-	-	-	-	-	-	-	-
<b>Total Contingent Resources</b>		<b>-</b>	<b>235</b>	<b>39</b>	<b>-</b>	<b>353</b>	<b>59</b>	<b>-</b>	<b>706</b>	<b>118</b>
<b>Total Reserves and Resources</b>		<b>73</b>	<b>494</b>	<b>156</b>	<b>147</b>	<b>611</b>	<b>249</b>	<b>169</b>	<b>964</b>	<b>330</b>

### Competent Persons Statement

The information in this report has been reviewed and signed off by Kevin Kenning (Registered Reservoir Engineer) with over 38 years relevant experience within oil and gas sector. 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.

### 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 21 December 2021 the Company issued 91.1 million shares in part consideration for an additional 30% interest in Valence.
- The Company AGM will be held on 31 January 2022 at 11am located at Suite 4, 246-250 Railway Parade, West Leederville WA 6007

### RELATED PARTY PAYMENTS

During the quarter ended 31 December 2021, the Company made payments of \$193,361 to related parties and their associates. These payments relate to existing remuneration agreements with Directors.

- A\$120,000 paid to Skye Equity for directors fees and consulting services (\$108,000 relates to pre 30 June 2021 balances) services. Mr. Burton is a Director of this Company.
- A\$16,666 paid to Martens Petroleum Consulting for directors and consulting fees. Mr. Martens is a Director of this Company.
- A\$40,000 paid to Meccano Consulting for directors fees and consulting services and \$6,695 for recovery of bookkeeping services. Mr. Freeman is a Director of this Company.
- A\$6,000 paid to Chivington Pty Ltd for directors fees. Mr. Bath is a Director of this Company.





- A\$4,000 paid to Calima Energy Ltd for lease of serviced office space for 4 months. Mr Freeman is a director of Calima Energy Ltd.

**LEASE SCHEDULE**

The Company provides the following Schedule of lease interest held for the quarter as at 31 December 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%
Red Helium Project	San Juan County, Utah	1000	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1001	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1002	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1003	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1004	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1005	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1006	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1007	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1008	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1009	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1010	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1011	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1012	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1013	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1014	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1015	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1016	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1017	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1018	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1019	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1020	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1021	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1022	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1023	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1024	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1025	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1026	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1027	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1028	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1029	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1030	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1031	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1032	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1033	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1034	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1035	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1036	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1037	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1038	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1039	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1040	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1041	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1042	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1043	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1044	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1045	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1046	0.00%	55.00%





Red Helium Project	San Juan County, Utah	1047	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1048	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1049	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1050	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1051	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1052	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1053	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1054	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1055	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1056	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1057	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1058	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1059	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1060	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1061	0.00%	55.00%
Red Helium Project	San Juan County, Utah	ML 54121 OBA	0.00%	55.00%
Red Helium Project	San Juan County, Utah	ML 54122 OBA	0.00%	55.00%
Red Helium Project	San Juan County, Utah	ML 54123 OBA	0.00%	55.00%
Red Helium Project	San Juan County, Utah	ML 54124 OBA	0.00%	55.00%
Red Helium Project	San Juan County, Utah	ML 54125 OBA	0.00%	55.00%
Red Helium Project	San Juan County, Utah	ML 54126 OBA	0.00%	55.00%
Red Helium Project	San Juan County, Utah	ML 54127 OBA	0.00%	55.00%
Red Helium Project	San Juan County, Utah	ML 54128 OBA	0.00%	55.00%
Red Helium Project	San Juan County, Utah	ML 54129 OBA	0.00%	55.00%
Red Helium Project	San Juan County, Utah	ML 54130 OBA	0.00%	55.00%
Red Helium Project	San Juan County, Utah	ML 54131 OBA	0.00%	55.00%
Red Helium Project	San Juan County, Utah	ML 54132 OBA	0.00%	55.00%
Red Helium Project	San Juan County, Utah	ML 54133 OBA	0.00%	55.00%
Red Helium Project	San Juan County, Utah	ML 54134 OBA	0.00%	55.00%
Red Helium Project	San Juan County, Utah	ML 54135 OBA	0.00%	55.00%
Red Helium Project	San Juan County, Utah	ML 54136 OBA	0.00%	55.00%
Red Helium Project	San Juan County, Utah	ML 54137 OBA	0.00%	55.00%
Red Helium Project	San Juan County, Utah	ML 54138 OBA	0.00%	55.00%
Red Helium Project	San Juan County, Utah	ML 54139 OBA	0.00%	55.00%
Red Helium Project	San Juan County, Utah	ML 54140 OBA	0.00%	55.00%
Red Helium Project	San Juan County, Utah	ML 54141 OBA	0.00%	55.00%
Red Helium Project	San Juan County, Utah	ML 54142 OBA	0.00%	55.00%
Red Helium Project	San Juan County, Utah	ML 54143 OBA	0.00%	55.00%
Red Helium Project	San Juan County, Utah	ML 54144 OBA	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1062	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1063	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1064	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1065	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1066	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1067	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1068	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1069	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1070	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1071	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1072	0.00%	55.00%







Red Helium Project	San Juan County, Utah	1073	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1074	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1075	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1076	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1077	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1078	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1079	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1080	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1081	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1082	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1083	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1084	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1085	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1086	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1087	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1088	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1089	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1090	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1091	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1092	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1093	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1094	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1095	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1096	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1097	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1098	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1099	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1100	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1101	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1102	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1103	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1104	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1105	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1106	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1107	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1108	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1109	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1110	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1111	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1112	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1113	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1114	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1115	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1116	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1117	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1118	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1119	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1120	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1121	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1122	0.00%	55.00%





Red Helium Project	San Juan County, Utah	1123	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1124	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1125	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1126	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1127	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1128	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1129	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1130	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1131	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1132	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1133	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1134	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1135	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1136	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1137	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1138	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1139	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1140	0.00%	55.00%
Red Helium Project	San Juan County, Utah	1141	0.00%	55.00%

### 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 <sup>th</sup>
bbl or bbls	barrel of oil	Q2	second quarter ended December 31 <sup>st</sup>
boe	barrel of oil equivalent (1 bbl = 6 Mcf)	Q3	third quarter ended March 31 <sup>st</sup>
d	suffix - per day	Q4	fourth quarter ended June 30 <sup>th</sup>
GJ	gigajoules	YTD	year-to-date
mbbl	thousands of barrels	YE	year-end
mboe	thousands of barrels of oil equivalent	H1	six months ended June 30 <sup>th</sup>
Mcf	thousand cubic feet	H2	six months ended December 31 <sup>st</sup>
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")

31 December 2021

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	511	916
1.2 Payments for		
(a) exploration & evaluation	(665)	(686)
(b) development	(17)	(39)
(c) production	(258)	(460)
(d) staff costs	(165)	(196)
(e) administration and corporate costs	(86)	(117)
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	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(680)</b>	<b>(582)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(346)	(686)
(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(346)</b>	<b>(686)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,351	3,301
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	(8)	(7)
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)	(62)	(62)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>2,281</b>	<b>3,232</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	1,812	1,057
1,	Net cash from / (used in) operating activities (item 1.9 above)	(680)	(582)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(346)	(686)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,281	3,232

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(14)	31
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,053</b>	<b>3,053</b>

<b>5. 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	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	3,053	1,812
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>3,053</b>	<b>1,812</b>

<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1	193
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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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)	-	-
<b>7.4 Total financing facilities</b>	-	-
<b>7.5 Unused financing facilities available at quarter end</b>		-
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(680)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(346)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,026)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,053
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,053
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>3</b>
<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: 27/01/2022

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.