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GRANDGULF
ENERGY LIMITED

20 April 2022

Placement Raises \$11 Million to Fund Helium Exploration

- Placement raises **\$11 million**, upsized from the minimum **\$8 million**, following strong support from domestic and international institutions, sophisticated investors and existing shareholders.
- Fully funded for multiple helium exploration wells and further potential strategic acquisitions/opportunities.
- Funding allows for an optimised well design with an increased production tubing diameter, allowing up to a three times flowrate increase, based on further assessment and strategic advice from regional operators, including the neighbouring Doe Canyon Field.
- Maiden potentially company-making pure-play helium well spudding late April 2022.

Grand Gulf Energy Ltd (ASX:GGE) (“Grand Gulf” or the “Company”) is pleased to advise it has received firm commitments for a placement raising AUD\$11 million before costs. The placement fully funds at least two exploration wells, at an estimated US\$3.3M per well, whilst also allowing the Company to evaluate further strategic acquisitions and corporate opportunities.

Placement details

The placement to institutional and sophisticated investors is to be satisfied through the issue of 250,000,000 shares at an issue price of \$0.044c per share along with one free attaching option for every three shares successfully applied for. The issue price of \$0.044c represents a 11.6% discount to the 15-day VWAP of \$0.0498 up to and including 13 April 2022. The 83,333,333 free attaching options have an exercise price of \$0.08c per share with a 3-year term from date of issue.

The issue of the new shares will not be subject to shareholder approval and will be made within the Company’s placement capacity under Australian Securities Exchange (ASX) listing rules 7.1 and 7.1A. 128,311,067 shares will be issued under listing rule 7.1A and 121,688,934 shares will be issued under listing rule 7.1.

The issue of 83,333,333 options will be subject to shareholder approval and an application to have the options quoted will be submitted.

Settlement and issue of the placement shares is expected to occur on or around 28 April 2022.

Red Helium Project Operational Update

The capital raising enables Grand Gulf to optimise well completion and engineering parameters for its maiden pure-play helium exploration well.

Based on high raw gas flow rates from the nearby Doe Canyon Field, advice from strategic discussions with regional operators, and further assessment of seismic and reservoir characteristics, the Company has moved the collar location 50ft to the south of the original well





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location and optimized the well design. The well engineering upgrades to the newly redesignated Jesse#1A well (previously Jesse#1) includes up to 4 & 1/2" production tubing versus the 2 & 7/8" tubing originally planned which will allow for gas flow rates two to three times higher than the original design. Well costs of the optimised Jesse#1A well are approximately US\$3.3M.

The Jesse#1A well is permitted and a rig is contracted to spud the well in late April 2022.

This ASX announcement has been authorised for release by the Board of Grand Gulf Energy Ltd.

For more information about Grand Gulf Energy and its projects, contact:

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About Grand Gulf Energy:

Grand Gulf Energy Ltd (ASX:GGE) is an independent exploration and production company, headquartered in Australia, with operations and exploration in North America. The Red Helium project represents a strategic pivot to a pure-play helium exploration project, located in Paradox Basin, Utah, in the prolific Four Corners region. For further information please visit the Company's website at www.grandgulfeenergy.com

Forward Looking Statements:

This release may contain forward-looking statements. These statements relate to the Company's expectations, beliefs, intentions or strategies regarding the future. These statements can be identified by the use of words like "anticipate", "believe", "intend", "estimate", "expect", "may", "plan", "project", "will", "should", "seek" and similar words or expressions containing same. These forward-looking statements reflect the Company's views and assumptions with respect to future events as of the date of this release and are subject to a variety of unpredictable risks, uncertainties, and other unknowns. Actual and future results and trends could differ materially from those set forth in such statements due to various factors, many of which are beyond our ability to control or predict. These include, but are not limited to, risks or uncertainties associated with the discovery and development of oil, natural gas and helium reserves, cash flows and liquidity, business and financial strategy, budget, projections and operating results, oil and natural gas prices, amount, nature and timing of capital expenditures, including future development costs, availability and terms of capital and general economic and business conditions. Given these uncertainties, no one should place undue reliance on any forward-looking statements attributable to GGE, or any of its affiliates or persons acting on its behalf. Although every effort has been made to ensure this release sets forth a fair and accurate view, we do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise

