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GRANDGULF
ENERGY LIMITED

30 May 2022

Jesse#1A logs indicate gross gas column of 203 feet - consistent with the high quality helium production wells at the nearby Doe Canyon helium field

- Jesse#1A drilled to total depth intercepting the Leadville Formation high to prognosis
- Modern log suite interpretation indicates a gross gas column of 203 feet, with highly dolomitised reservoir throughout, and considered consistent with, or potentially superior to, helium producing wells from the nearby analogous Doe Canyon helium field
- Workover rig mobilising to flow test and determine gas flow rates and helium concentrations

Grand Gulf Energy Ltd (ASX:GGE) (“Grand Gulf” or the “Company”) is pleased to provide a drilling update for Jesse#1A, its potentially company-making maiden pure-play helium well in the Red Helium Project.

The Jesse#1A well is on schedule with the well drilled to total depth with gamma ray correlation indicating the Leadville Formation came in structurally high to prognosis.

A full suite of modern logs were run and preliminary petrophysical interpretations indicate a gross gas column of 203 feet, with highly dolomitised reservoir throughout. The log character is considered analogous to producing wells at the Doe Canyon field (located 15 miles to the east), and given the level of dolomitisation observed, preliminary well results are largely exceeding pre-drill expectations. Detailed petrophysical interpretation is ongoing.

Mud gas returns were characteristically subdued due to operational parameters to prevent formation damage, though quadrupole mass spectroscopy, only a qualitative indicator that entrains significant amounts of atmospheric gases, still detected multiple zones with elevated helium concentrations of up to fifteen times background levels (90 ppm helium). Precise helium concentrations will be determined by laboratory analysis of direct formation gas samples from flow testing.

A work-over rig has been sourced, and with extremely tight market conditions due to high commodity prices, it will be approximately 2 weeks before mobilising to the Jesse#1A well site. The rig will run the 4.5 inch production tubing, acidise the formation, and then perform flow testing to confirm helium concentration, commercial flow rates and connected reservoir properties. As per industry standard practice with vuggy dolomitised carbonate reservoirs, the flow test will be the ultimate determinant of a successful discovery.





Managing Director Dane Lance Commented:

“The Jesse#1A initial log results from the primary Leadville Formation target indicating reservoir development and a large gas column analogous to the Doe Canyon helium field are highly encouraging and further confirmation of the technical basis of the Red Helium Project.

Similarly delivering the Jesse#1A drill program safely and on schedule, including the challenging Paradox Salt formations, demonstrates the quality of the drilling team and their operational planning.

The program is moving to the critical completion and testing phase, in what will be an exciting time for the Company and its shareholders. Further work is also progressing on the independent prospects and leads in the Red Helium Project, as the Company continues to deliver on its planned work program.”

About the Red Helium Project and Jesse#1A:

The Red Helium Project has a P50 gross prospective helium resource of 10.9bcf¹, with the Jesse#1A well targeting one of four mature independent prospects within the Red Helium Project, with additional running room and deeper unexplored potential identified².

The Jesse#1A well is located immediately adjacent to unutilised pipeline connected to the Lisbon helium processing plant (Lisbon), operated by Paradox Resources LLC (Paradox)³. Grand Gulf executed a Helium Offtake Agreement (Offtake) with Paradox in March 2022, providing a pathway to monetisation of a successful Jesse#1A with minimal time / CapEx.

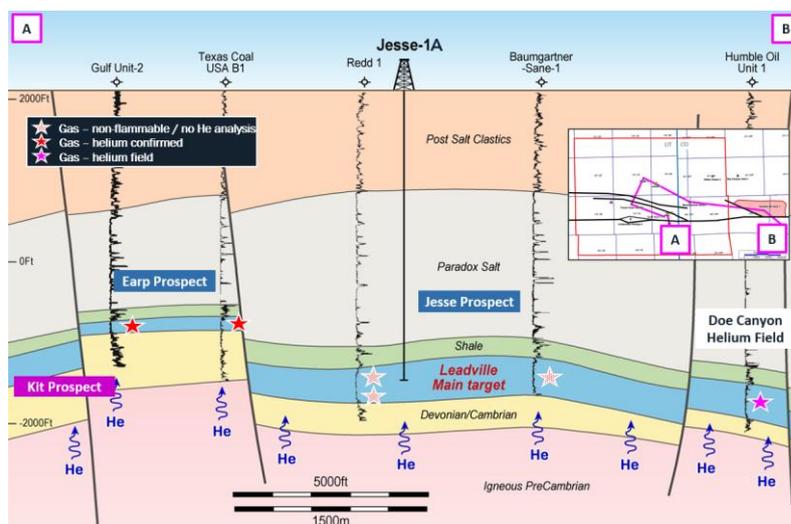


Figure 1: Stylised cross section showing Jesse#1A, Doe Canyon helium field and historic gas samples

¹ 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.

² ASX announcement 1 April 2022

³ ASX announcement 16 March 2022

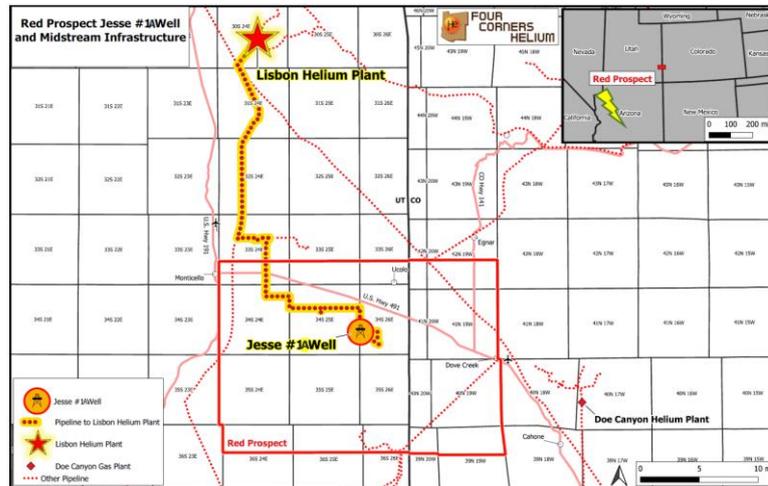


Figure 2: Jesse#1A location in the Valence AMI containing the Red Helium project with local pipelines showing the gas transport route to the Lisbon Helium Plant.

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

Table 1 – September 2021 Maiden Helium Prospective resource

The estimated quantities of helium that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal is required to determine the existence of a significant quantity of potentially moveable helium.

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.grandgulfenergy.com

Competent Person's Statement:

The information in this report is based on information compiled or reviewed by Mr Keith Martens, Technical Director of Grand Gulf. Mr Martens is a qualified oil and gas geologist/geophysicist with over 45 years of Australian, North American, and other international executive oil and gas experience in both onshore and offshore environments. He has extensive experience of oil and gas exploration, appraisal, strategy development and reserve/resource estimation. Mr Martens has a BSc. (Dual Major) in geology and geophysics from The University of British Columbia, Vancouver, Canada.





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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.

