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GRANDGULF
ENERGY LIMITED

29 June 2022

Jesse#1A Confirms Helium Discovery

- Multiple well head samples confirm helium concentrations up to 0.65% helium, indicating the presence of a working helium reservoir
- Bottomhole pressure gauges during the flow-back indicate a reservoir pressure of 2280 psia, in line with pre-drill virgin pressure modelling
- Workover rig demobilized whilst well design options to enable gas production are considered

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

The Jesse#1A well received multiple well-head samples consistently in the range of 0.44% – 0.65% helium, after correcting for atmosphere in the samples. Carbon dioxide concentrations in the range 59% - 65% were significantly lower than pre-drill expectations of 85%, which is a material positive to the project economics, with the bulk of the remaining gas being nitrogen.

Bottomhole pressure gauges during the flow-back indicate a reservoir pressure of 2,280 pounds per square inch absolute, indicative of a well pressurised reservoir with reservoir gases flowing freely into the well when water was removed. Due to the formation water ingress, and the reservoir pressures being sub-hydrostatic, the well was unable to be stably flowed without using air lift or first removing the load water.

The work-over rig has been de-mobilised to allow the technical team to develop the appropriate well design to enable gas production. Planning and equipment resourcing is currently underway to re-enter and test the well, with a potential schedule that supports early to mid Q3 2022.

Managing Director Dane Lance commented:

“Helium grades above expectation and the identification of a working helium reservoir at appreciable pressure confirm a helium discovery at the Red Helium Project.”

Jesse#1A is essentially a wildcat well in a new prospect and the Company is thrilled with the outcome and looks forward to the design and implementation of a well configuration that will potentially facilitate the flow of raw gas to surface.”





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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

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.

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.

