8 July 2024

Helium Offtake Agreement Secured

- **Gas Sales & Processing Agreement (GSPA, Offtake) executed with Green Natural Gas LLC (GNG), new owners of the advanced Lisbon Helium Processing Plant located 20 miles north of the Red Helium Project**
- **GSPA provides the opportunity to monetize a successful well, providing near-term cashflow with minimal time and CAPEX**
- **The Lisbon facility includes a liquefaction train capable of generating 99.9995% purity helium suitable for the lucrative and premium-pricing semi-conductor, defense and space industries**
- **The key terms of the GSPA include an industry standard revenue split in favour of the producer (GGE) as well as standard tariffs for gathering and processing, including access to helium liquefaction and associated premium grade helium markets and prices**
- **Lisbon Plant is also currently processing carbon dioxide and is well advanced in the permitting process to qualify for carbon capture tax credits under Section 45Q (revenue) of the US tax code**

Grand Gulf Energy Ltd (**ASX:GGE**) (**"Grand Gulf" or the "Company"**) is pleased to advise of the execution of a Gas Sales & Processing Agreement ("GSPA", "Offtake") with Green Natural Gas LLC ("GNG"), new owners of the advanced Lisbon Helium Processing Plant ("Lisbon", "Lisbon Plant") located 20 miles north, and connected by pipeline, to the Red Helium project.

In the event of a successful commercial gas flow, the GSPA facilitates near-immediate monetization of the Company's Red Helium project with minimal CAPEX. The GSPA continues a relationship with a proven helium refining facility with extensive helium processing and marketing experience. The key terms include an industry standard revenue split in favour of the producer (GGE) as well as standard tariffs for gathering, compression and processing, including access to the helium liquefaction train and associated premium grade helium markets and prices.

The GSPA represents recognition from GNG of the significant potential of the Red Helium Project and the technical merits of the proposed near term development activities including the Jesse-3 and Earp-1 up-dip twins of historical wells with proven gas and reservoir.

Grand Gulf and GNG are participating in preliminary discussions to identify further strategic business opportunities.

Lisbon Helium Processing Plant

The Lisbon Plant is comprised of a 60 million cubic feet per day ("mmcfd") treatment plant with a 45 mmcfd cryogenic plant capable processing 1.1 mmcfd of helium, including liquefaction of 550 mcfd of high purity 99.9995% helium, that attracts premium pricing for advanced applications such as semiconductor, medical, research, space and defense industries.

The helium is currently sold to multiple suppliers and direct to downstream retail consumers via GNG's logistics arm comprising precisely engineered specialist tube trailers.

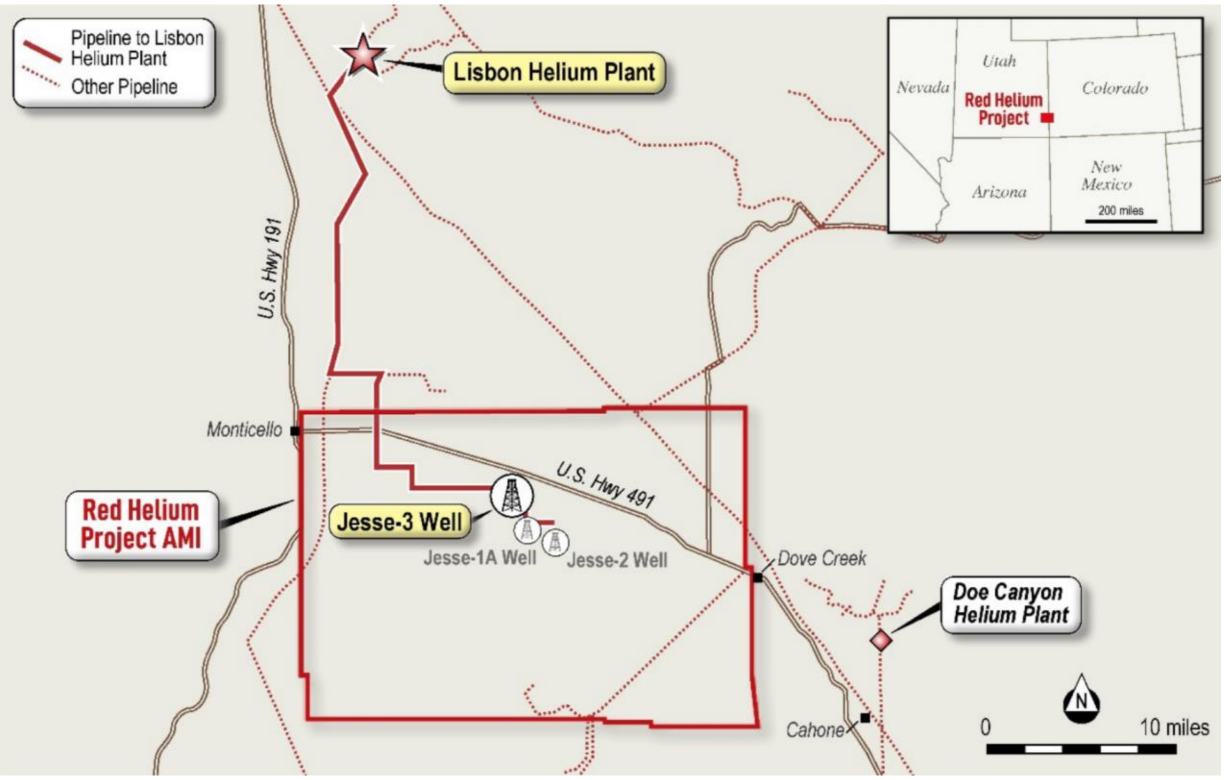

Figure 1: Jesse-3 location in the Valence AMI containing the Red Helium project with local pipelines showing the gas transport route to the Lisbon Helium Plant.

The Lisbon Plant was built specifically to process the Paradox Basin natural gas that often has high CO_2, H_2S, N_2 and He content. GNG believe that the Lisbon Plant can produce approximately 3.4% of the US liquid helium production (or 1.7% of the World's liquid helium). The Lisbon Plant is currently operational and processing gas and purifying helium which is sold as gaseous helium directly to industrial consumers via truck.

GNG plans to quickly recommission the liquification unit, with Red Helium project gas identified as a priority supplier, to rapidly move the Lisbon Plant back into the premium markets of producing and selling liquified helium potentially by the end of this calendar year, as well as further opportunity to invest in additional iso-containers which would provide the business with even greater price command.

The Lisbon Plant helium liquefication unit has been in care and maintenance since around 2013 due to limited helium supply (in 2013 the liquified helium price was only ~US$60/ thousand cubic foot (“mcf”) versus the US$650-1,250 /mcf range available today[1]. Recent EU sanctions on Russian helium imports[2] are also likely to put further stress on an already fragile helium market supply side.

The Lisbon Plant is also currently processing carbon dioxide and is well advanced in the permitting process to qualify for carbon capture tax credits (revenue) under Section 45Q of the US tax code, with plans to expand CO2 sequestration capacity. The Biden Inflation Reduction Act (2022) increased the value of sequestering CO2 to $85 / metric ton, providing a potential material future revenue stream.

Figure 2: GNG Advanced Lisbon Valley Helium Processing Plant

[1] Various sources, limited public pricing information available: Edelgas group, Kornbluth, GNG, Gasworld

[2] https://www.gasworld.com/story/latest-eu-sanctions-package-bans-russian-helium-imports/2140551.article/

Dane Lance, Grand Gulf Energy Managing Director commented:

"We are excited to partner with GNG, a new major player in the North American premium helium market with advanced processing capability, and we look forward to exploring future opportunities together. The Offtake agreement is further validation of the technical merit of the pureplay Red Helium project, targeting a gross prospective resource of 12.7 bcf. The Offtake provides line of sight to monetisation of success at the Red Helium Project, with minimal time and CAPEX in a burgeoning helium market."

The Red Helium project is held by majority-owned incorporated joint venture company Valence Resources LLC ("Valence") (GGE currently holds 83% of Valence with the right to earn up to 90.5%).

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 is 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

Cautionary Statement for Prospective Resource Estimates

With respect to the Prospective Resource estimates contained within this report, it should be noted that the estimated quantities of gas that may potentially be recovered by the future application of a development project relate to undiscovered accumulations. These estimates have an associated risk of discovery and risk of development. Further exploration and appraisal are required to determine the existence of a significant quantity of potentially moveable helium.

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.