21 August 2024

Placement and rights issue to raise approximately $2 Million

Grand Gulf Energy Ltd (**ASX:GGE**) (**"Grand Gulf"** or the **"Company"**) is pleased to advise it has received firm commitments to raise $1.0 million (before costs) through a placement of 250 million fully paid ordinary shares in Grand Gulf ("**Placement Shares**") to professional and sophisticated investors at an issue price of $0.004 per Placement Share ("**Placement**"). Each participant in the Placement will be offered 1 free attaching option (exercisable at $0.012 each on or before the date that is 3 years from the date of issue) ("**Placement Options**") for every 4 Placement Shares issued.

The Placement was well supported by a number of new and existing investors.

The Company will also undertake a 1 for 8 pro-rata non-renounceable rights issue to raise up to approximately another $1.0m (before costs) on the same terms as the Placement ("**Rights Issue**").

Funds raised from the Placement and Rights Issue will be utilised primarily to fund progression of the Company's Red Helium Project, business development and general working capital.

Placement details

Under the Placement, the Company will issue 250,000,000 Placement Shares at an issue price of $0.004 per Placement Share together with 62,500,000 free attaching Placement Options on the basis of 1 Placement Option for every 4 Placement Shares issued.

The issue of the Placement Shares and Placement Options will not be subject to shareholder approval and will be made utilising the Company's available placement capacity under ASX Listing Rule 7.1A (209,524,703 Placement Shares) and ASX Listing Rule 7.1 (40,475,297 Placement Shares and 62,500,000 Placement Options).

The Placement Shares are intended to be issued on Wednesday, 28 August 2024.

The Placement Shares will rank equally with existing ordinary shares from the date of issue.

Non-Renounceable Rights Issue

The Company will also undertake a 1 for 8 pro-rata non-renounceable Rights Issue to raise up to approximately $1,047,624 (before costs) on the same terms as the Placement.

The Rights Issue is open to all eligible shareholders who are registered shareholders with a registered address within Australia or New Zealand as at 7:00pm (AEST) on Monday, 26 August 2024 ("**Record Date**") ("**Eligible Shareholders**").

Under the Rights Issue, Eligible Shareholders will be entitled to apply for one (1) fully paid ordinary share in Grand Gulf ("**Share**") for every eight (8) Shares held on the Record Date at an issue price of $0.004 per Share (total of approximately 261,905,878 Shares, assuming no Shares are issued prior to the Record Date) ("**Rights Issue Shares**"). As per the terms of the Placement, Eligible Shareholders who participate in the Rights Issue will also receive 1 free attaching option (on the same terms as the Placement Options ("**Rights Issue Options**") for every 4 Rights Issue Shares subscribed for (total of approximately 65,476,470 Rights Issue Options).

To the extent there is any shortfall Rights Issue Shares, the Board reserves the right to place those remaining shortfall Rights Issue Shares. Eligible Shareholders can also apply for any shortfall Rights Issue Shares in addition to their entitlement. The allocation of shortfall Rights issue Shares will be made at the discretion of the Directors.

Shareholders whose registered address is outside of Australia and New Zeeland will be ineligible to participate in the Rights Issue. Placement participants will be excluded from participating in the Rights Issue.

The Rights Issue Shares will rank equally with existing ordinary shares from the date of issue.

A prospectus in relation to the Rights Issue was lodged with ASIC today (**Prospectus**), which sets out further details on the Rights Issue and how Eligible Shareholders may apply for all or part of their entitlement and any shortfall. The Prospectus will be made available to Eligible Shareholders, together with a personalised application form, in accordance with the below indicative timetable.

The indicative timetable for the Rights Issue is set out below:

Event	Date
Lodgement of Prospectus with the ASIC and Appendix 3B with ASX	Pre-market open Wednesday, 21 August 2024
Ex date	Friday, 23 August 2024
Record Date for determining entitlements	Monday, 26 August 2024
Opening date, Prospectus sent out to shareholders and Company announces this has been completed	Thursday, 29 August 2024
Last day to extend the Closing Date	Thursday, 12 September 2024
Closing Date as at 5:00pm*	Tuesday, 17 September 2024
Shares quoted on a deferred settlement basis	Wednesday, 18 September 2024
ASX notified of under subscriptions	Thursday, 19 September 2024

Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares (before noon Sydney time)	Thursday, 19 September 2024
Quotation of Shares issued under the Rights Issue	Friday, 20 September 2024

***Note:** The above dates are indicative only. The Directors reserve the right to vary the key dates without prior notice, subject to the ASX Listing Rules. The Directors may extend the closing date by giving at least three business days' notice to ASX prior to the closing date. Accordingly, the date the Rights Issue Shares are expected to commence trading on ASX may vary.*

Lead Manager

CPS Capital Group Pty Ltd (**CPS Capital**) has been appointed as the lead manager, broker and corporate advisor to the Placement and Rights Issue. In part consideration for services being provided in relation to the Placement and Rights Issue, the Company will issue CPS Capital 10,000,000 options for its role as lead manager and 40,000,000 options for its role as broker to the Placement and Rights Issue (together, the "**Lead Manager Options**"). The Lead Manager Options will have the same terms as the Placement Options and Rights Issue Options.

The Issue of the Lead Manager Options will be made utilising the Company's available placement capacity under ASX Listing Rule 7.1.

It is proposed that the Company will make an offer for the Placement Options and the Lead Manager Options under the Prospectus.

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:
Dane Lance
Managing Director
E: info@grandgulfenergy.com

About the Red Helium Project:

<u>Helium Prolific Location - "the Saudi Arabia of Helium"</u>

- The Red Helium project, located in the proven helium producing 'Four Corners' area of Utah, USA, contains a gross **P50 unrisked helium Prospective Resource of 12.7 bn cubic feet**[1] (bcf independently verified, based on ~28,000 gross acres with ~19,000 net acres).
- GGE currently own 83% of the incorporated joint venture company Valence Resources LLC, operator of the Red Helium project, with the right to earn 90.5% for a further US$1.5M spend.
- The adjacent (15 mi east) giant Doe Canyon (DC) helium field (est. 3 – 5 bcf helium), operated by Air Products (NYSE:APD), with a Market Capitalization (MC) of US$61B, demonstrates the same geology as the Red Helium Project de-risking the primary formation play elements.
- Doe Canyon has **high productivity wells**, an average DC well initial production (IP) rate is 20 million cubic feet per day (mmcfd) of raw gas = 200,000cfd helium @1% concentration = US$130k/d revenue @US$650/mcf.
- Exxon (NYSE: XOM, MC US$528B) LaBarge field (north in Wyoming) has the same geology and produces 20% of world supply.
- The Company currently has ~30,000 gross acres (~14,500 net acres) leased (private leases/state leases), as it continues to optimize its lease position around the Jesse-1A discovery, in a 250,000-acre Area of Mutual interest (AMI) in the heart of **drill friendly Utah,** one of the most prolific helium-producing regions in the world.

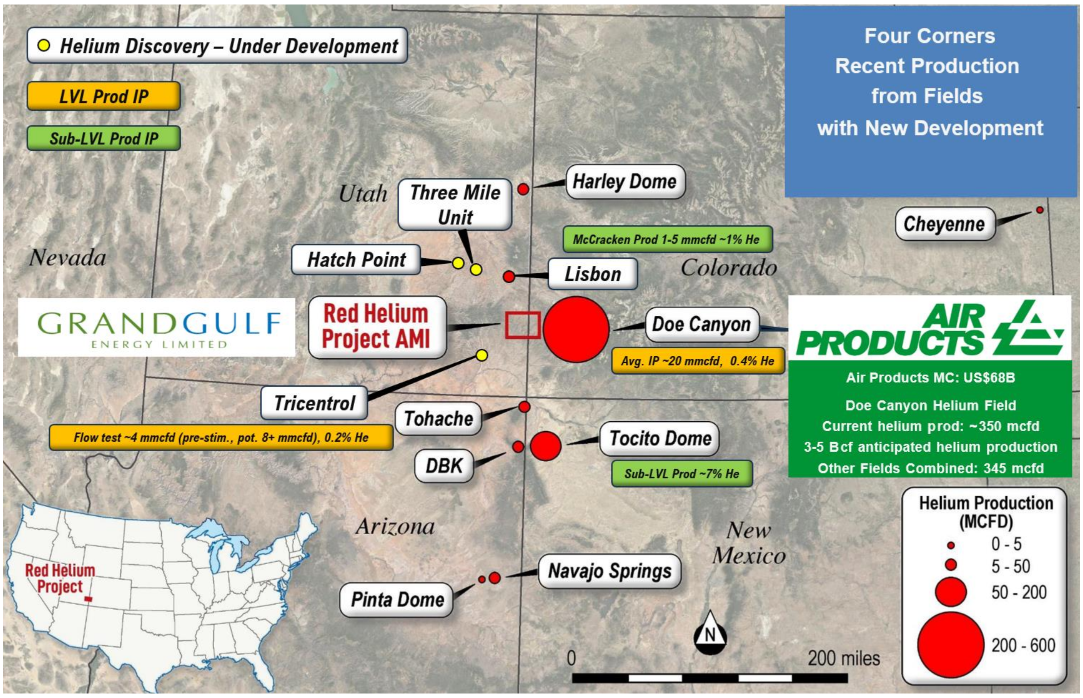

Figure 1: Red Helium project location in the helium prolific 'Four Corners', adjacent the giant Doe Canyon helium field, showing offset helium production and development.

<u>Jesse Discovery</u>

- The Jesse-1A wildcat intersected a **200-foot gross gas column** in the Leadville Dolomite formation, with **101 feet of net pay** (independently verified and meets criteria for contingent resource), and a **1% helium** downhole sample.
- The Jesse-1A flow-test demonstrated **commercial helium concentrations flowing to surface at a material rate of 1mmcfd.** The current wellbore completion configuration / water isolation made the wellbore unsuitable for production.
- **Improved well engineering in future wells**, in the form of a case & perforate design (cemented behind pipe), provides water isolation, allows multiple production zones including deeper targets, and focused zonal stimulation providing production rate upside.
- **Deeper potential to be tested in future wells.** The historic Redd-1 well intersected gas on logs in the Devonian McCracken sandstone formation, which produces at 7-8% helium south in New Mexico in the Tocito Dome Helium field, and at 1% helium 20 miles north in the Lisbon with examples of initial production rates of >1-5mmcfd.
- The Jesse areal closure spans >70,000 acres, over 4x DC, with the **potential to host 20+ development wells**, based on the DC analogue.

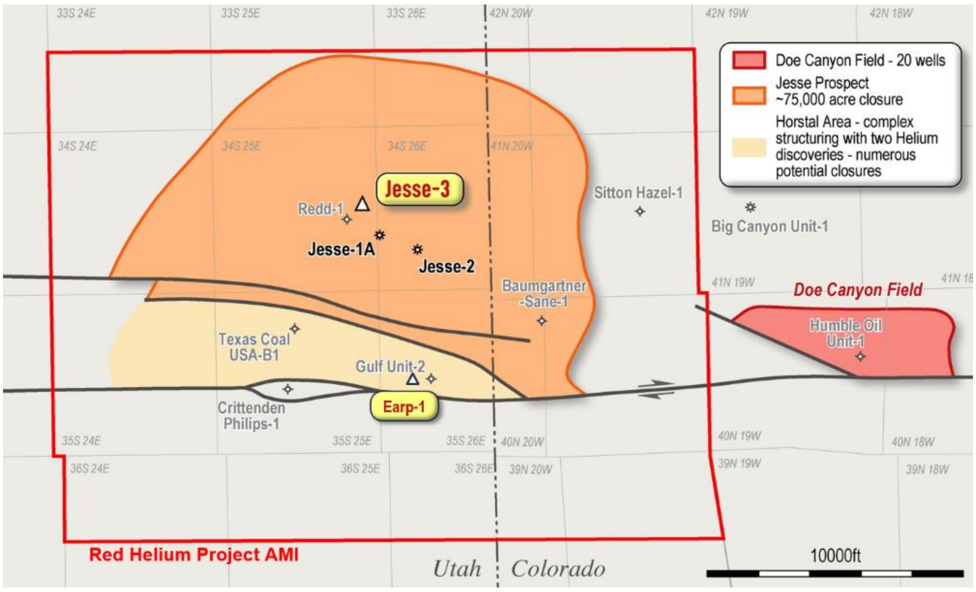

Figure 2: Red Helium project area showing structural closure, six historic wells, Jesse-1A and Jesse-2 locations, and the proposed Jesse-3 (up-dip twin to Redd-1) and Earp-1 (up-dip twin to Gulf Unit-2) locations, and the giant Doe Canyon helium field.

Midstream: Potential for Near Immediate Production and FCF with Minimal Time and Capex

- The Jesse field is located under an **existing gathering system (pipeline) connected to the Lisbon helium plant.**
- A **binding helium offtake agreement** has been executed with Green Natural Gas LLC, owners of the advanced Lisbon helium processing plant located 20 miles north of the Red Helium Project.
- The Red Helium Project is set to be a **potential priority supplier** to re-start the Lisbon liquefier (current helium production derived from the purifier train only) – capable of producing **high purity 99.9995% helium - which attracts premium pricing, currently US$650 - 1,250/mcf, >300x natural gas price[2].** (Crude helium >$500/mcf).
- The Lisbon plant is currently processing CO_2 and advanced in permitting for 45Q sequestration tax credits (revenue).
- **CO_2 sequestration is a potential material future revenue stream** for the Red Helium project, with the Biden Inflation Reduction Act 2022 increase 45Q CO_2 price to $85/mt or ~$4.5/mcf, or >2x natural gas price.
- The US is also facing an acute food grade CO_2 shortage, providing further project upside.

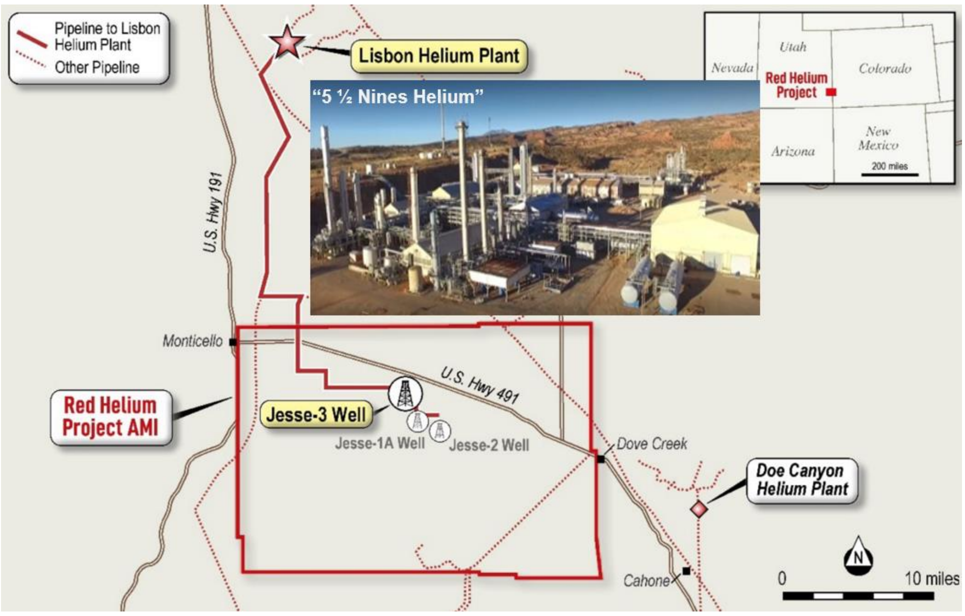

Figure 3: Jesse-3 well location in the Red Helium project AMI with local pipelines / gas transport route to the advanced Lisbon Helium Plant.

Multiple Independent Development Opportunities, Near-term Production Potential

- **Production Potential 6 Months from Success:** Minimal wellhead facilities cost <US$4M, with a new build execution time frame of 6-9 months, and the potential to accelerate by renting / purchasing pre-owned reducing Capex.
- **Jesse-3 New Drill (Permitted) – Up-dip Twin of Historical Well with Proven Gas/Reservoir:** Jesse-3 targets a seismic structural high, proximal and up-dip to a historic well targeting hydrocarbons (Redd-1), with proven gas in Leadville and gas on logs in the McCracken with good porosity development in both formations.
- **Earp-1 New Drill (Permitted) – Up-dip Twin of Historical Well with Proven Gas/Reservoir:** Earp-1 is in an upthrown fault block independent to Jesse, containing two historic helium discoveries. Earp-1 targets a seismic structural high, proximal and up-dip to a historic well targeting hydrocarbons (Gulf Unit-2), with proven gas in Leadville/McCracken and gas on logs with good porosity development in both formations, and three deeper untested formations.
- **Well Engineering and Design to Unlock Red Helium Value:** Case and perforate well design (cemented behind pipe) provides water isolation, whilst facilitating multiple production zones, including deeper targets (non-binary) and zonal stimulation. The well design allows penetration and testing of the full basinal stratigraphic section to the basement.
- **Production rate upside:** Excellent acid solubility observed in rock cutting samples from Jesse-1A analyzed by Halliburton make the Leadville formation an ideal candidate for acid stimulation and provides production rate upside.
- **Running Room:** Multiple independent targets and formations. Gulf Unit-2 has good porosity and gas on logs in three deeper formations to be tested in future wells. Deeper targets proximal to the basement helium source have helium concentration upside.
- **Experienced US Engineering and Execution team:** Walsh Engineering LLC engaged to provide drilling, completion, stimulation, engineering and wellsite management support. Walsh have the requisite in-depth knowledge and relevant experience in drilling, completing and testing helium wells in the precise area of the Paradox Basin where the Red Helium Project is located, with 50 years' operating O&G and helium assets in the Four Corners, with access to an extensive network of local contractors and over greater North America
- **Low-Cost Jesse-1A Sidetrack:** Jesse-1A to be deepened (drilled), with Jesse-1A within the McCracken gas zone proven by Redd-1, and to be completed/tested in the upper and middle Leadville and the McCracken for a modest cost.

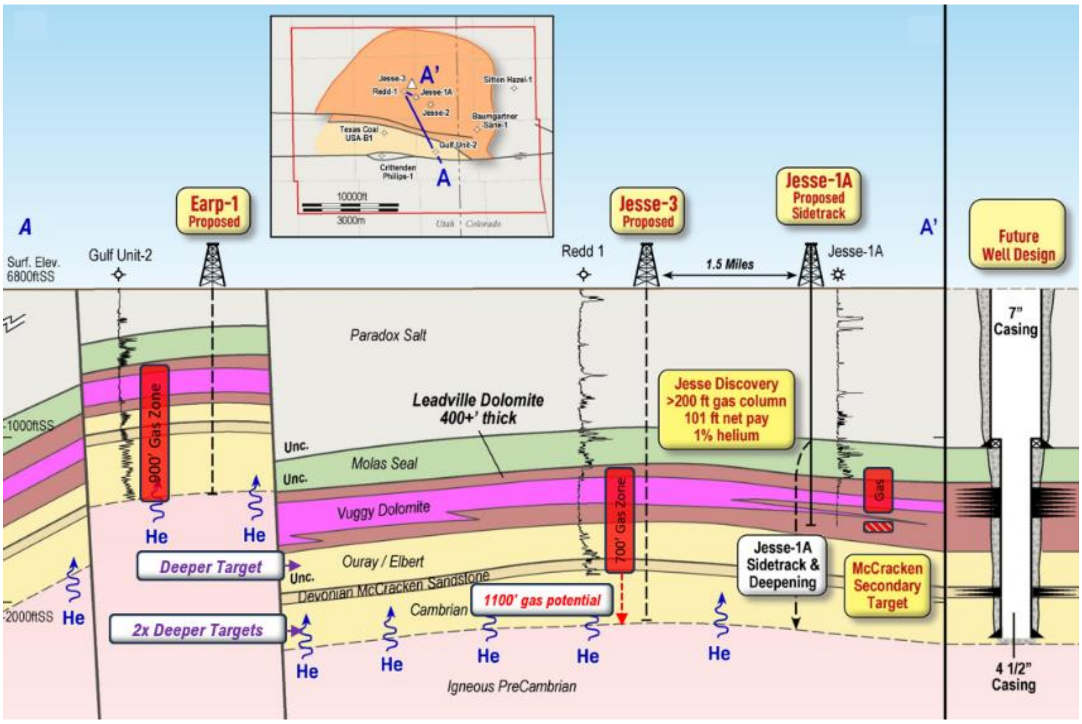

Figure 4: Stylised cross-section showing the Jesse-1A discovery well, the proposed Jesse-3 (up-dip twin to Redd-1) and Earp-1 (up-dip twin to Gulf Unit-2) locations, and the Jesse-1A discovery well and proposed sidetrack.

Booming Commodity - Helium at >300x Natural Gas Prices

- **Helium is irreplaceable** in multiple high growth **state of the art technologies** such as Semiconductors, Medical, Space, Defense and Fibre Optics.
- A **structural deficit in the helium market** whilst demand continues to grow, due to multiple factors outlined below, has the world facing an ongoing helium shortage, due to multiple factors outlined below, leading to **sustained upward price pressure** – decoupled from normal commodity cycles and geopolitics.
- **US production is declining from a historical majority** producer of ~70% of global helium supply, to a projected value of ~30% in 2025, whilst being replaced by historically unreliable actors such as Russia, Qatar and Algeria.
- There is potential for further **near-term price pressure** with recent **EU sanctions on Russian helium** and natural gas, and US sanctions on Russian use of the SWIFT international money transfers, set to restrict Russian helium export capability (20% global).
- Algeria is diverting gas from LNG production to Europe due to the Ukraine conflict meaning helium is not stripped/sold.
- US strategic helium reserve has been privatised and sold resulting in near depletion (10% world supply).
- **In 2022 NASA signed a long-term contract**, US$1.1B for 0.9Bcf helium, with Air Products (DC helium operator) at an implied price of **~US$1200/mcf.**
- **Biden 2022 $52B CHIPS Act:** Promoting **domestic helium-hungry semiconductor fabrication**, among an ongoing AI driven surge in chip production levels (eg. NVIDIA, NASDAQ: NVDA, MC – US$2.9T).
- Plethora of investment proximal to the Red Helium project - Intel and TSMC investing >US$60B in Arizona, and in 2023 Texas Instruments made the largest ever Utah economic investment of $13B. (MC: NYSE:TSM - US$762B, NASDAQ:INTC - US$85B, NASDAQ:TXN - US$178B)

Footnotes

[1] *Gross P50 prospective resource as announced on ASX on 8 December 2021 and 22 June 2023.* 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. See cautionary statement for Prospective Resources.

[2] ASX Announcement 6 August 2024 – Red Helium Project Drill Permit Secured.

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

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 is 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.