

9 March 2022

Potentially Company-making Helium Well on Track for Spud mid-April

- Permitting running ahead of schedule - on track for mid-April spud of potential Company-making well Jesse#1
- Drill contract signed

Grand Gulf Energy Ltd (ASX:GGE) (“Grand Gulf” or the “Company”) is pleased to provide an update regarding the forthcoming maiden pure helium well, Jesse#1.

Jesse#1 Well

Jesse#1 is the first pure helium well to be drilled in the Red Helium project area, which contains a gross P50 unrisks helium Prospective Resource of 10.9 billion cubic feet (bcf)¹. At December 2021 helium import prices were trending over US\$300 per thousand cubic feet (mcf), with reports of prices up to US\$400-500/mcf, and further supply side pressures emerging in recent times².

The Jesse#1 well is located within a structural closure interpreted to be high to, and 4 - 5 times bigger than, the geologically analogous Doe Canyon helium field located 15 miles to the east. Doe Canyon is currently producing 10.7 million cubic feet (mmcf) of helium per month and has anticipated total production of 3 - 5 bcf of helium¹.

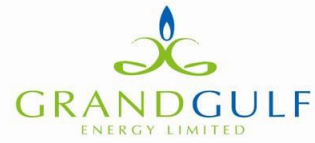
The primary reservoir target is the Mississippian Leadville dolomite formation, a prolific reservoir within the Paradox Basin, and a proven helium producing zone at Doe Canyon. Average initial raw gas production per well rates at Doe Canyon are almost 20 million cubic feet per day (mmcfd) at an average grade of 0.5% helium³.

¹ Maiden Prospective Resource, based on Sproule Report, 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 Hannam & Partners 1st February 2022: https://www.renegen.co.za/wp-content/uploads/2022/02/Renegen_Initiation_Final_1_Feb_2022.pdf (pages 5, 7, 27-28, 42)

³ Derived from historical Doe Canyon well production data

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The Jesse#1 well is immediately adjacent to the pipeline connected to the Paradox Resources LLC, Lisbon gas processing plant, located 20 miles to the North. The Lisbon gas processing facility is comprised of a 60 mmcf/d treating plant with a 45 mmcf/d cryogenic plant capable of 0.5 mmcf/d of 99.9995% helium⁴.

Drilling Contractor

Aztec Well Servicing, Co. (Aztec) has been contracted to drill the Jesse#1 well at the Red Helium project. The total costs to drill, evaluate and flow test Jesse#1 are estimated at US\$1.6M with a firm mid-April 2022 spud date.

Aztec is based approximately 125 miles southeast of the Red Helium project area, in Aztec, New Mexico. GGE's Drilling Manager, Doug Frederick, has previously worked with Aztec whilst drilling wells at the Doe Canyon field.

Under the earn-in agreement Grand Gulf is liable for the first US\$1.5M of Jesse#1 costs, which will earn the Company a 70% working interest (WI) in the JV Operator, Valence Resources LLC, with any costs incurred post this split on a 70/30 basis with Four Corners Helium LLC.

Permitting Update

A Utah Division of Oil, Gas and Mining (UDGOM) site visit of the Jesse#1 surface location was completed on 25th February 2022. The Application for Permit to Drill (APD) is expected to be approved ahead of schedule to support the mid-April spud date. A Surface Land Use Agreement (SLUA) for the Jesse#1 location was executed with the private landowner in January 2022, granting an easement for access and allows for the construction of the well site pad.

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

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⁴ <http://www.paradoxresources.com/operations/midstream/>

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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 pureplay 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, CEO 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.



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