



Grand Gulf Energy Limited

Suite 8, 7 The Esplanade
Mt Pleasant 6153
Western Australia

T +61 (0) 8 9324 3011
F +61 (0) 8 9324 3055
E info@grandgulf.net
www.grandgulfenergy.com
ABN 22 073 653 175
ASX GGE

ASX/Media Release

27 April 2009

Quarterly Activity Report for the Quarter Ended 31 March 2009

Grand Gulf Energy Limited (ASX: GGE) (Grand Gulf) is pleased to provide its Quarterly Activities Report for the quarter ended 31 March 2009.

Operations:

- Net production for the March Quarter was 33,385 mmcf.
- Reserves prepared by T J Smith & Company, Inc as of March 1, 2009 were net proved 6,915 MMCF & 22.8 MBLS with a PV 10 US\$12.6 million, based on Macquarie Bank price deck as at end February 2009
- In the Foothills JV, the Robert Kimball #1-19 and the Dog Creek Ranch #2-8 both were completed and came on in March at a choked back rate because of low gas prices in the US.
- At the Napoleonville Salt Dome Project, the Dugas & LeBlanc #1 well was drilled to a TD of 9,500 ft to test 3 potential sands. All three sands were found as mapped, but were water wet with high porosity. A re-evaluation of the project is underway.

Corporate:

- The previously announced placement of 100,000,000 shares at \$0.1 was cancelled.
- The Directors and Officers still intend to take shares in lieu of cash for their fees and salaries for the first half of 2009 at a share price to be approved at a later date.
- The Oklahoma Asset Sale that was initiated in December of 2008 has met with delays, as the asset divestiture market has dried up in the US, with companies only looking at PDP value at a deep discount.

FINANCES

As previously reported the Company advises that it continues to explore a number of potential transactions which could provide a positive outcome for the Company and its shareholders including:

1. seeking to dispose of its Oklahoma assets;
2. discussing farmout opportunities and/or sale of part of its Napoleonville Salt Dome interests with a number of parties both in Australia and the USA; and



Grand Gulf Energy Limited

Suite 8, 7 The Esplanade
Mt Pleasant 6153
Western Australia

T +61 (0) 8 9324 3011

F +61 (0) 8 9324 3055

E info@grandgulf.net

www.grandgulfenergy.com

ABN 22 073 653 175

ASX GGE

3. commencing merger discussions with more than one entity with aligned interests.

Grand Gulf's principal financier, Macquarie Bank, has provided Grand Gulf with a waiver of the Events of Default as relates to the Proven Producing Reserves ratio and the fact that its securities have been suspended for a period more than five business days for a period until 16 May 2009.

The Company remains hopeful of a positive outcome for one or more of these potential transactions and will report on any progress.

OPERATIONS

Oklahoma

Foothills

The Joint Venture with Foothills Minerals continues to grow with Grand Gulf now having various interests in 23 producing wells. The Robert Kimball #1-19 well (12.2%) was drilled in December and completed in February, testing the Atoka A & B Sands at a depth of 5,500 feet at a rate of 1,200 mcf per day. This well was turned into line in March. The Dog Creek Ranch #2-18 well (4.5%) was drilled in January and completed in the Brazil Sand at a depth of 9,330 feet in March at a reduced rate of 350 mcf per day. There is also a shallow 15 foot pay sand behind pipe in the Atoka Sand. The McClain #2-17 well was drilled as a Horizontal well with a 2,500 ft horizontal leg in the Red Oak Sand and was completed in March at a rate of 3,500 mcf per day. Grand Gulf has a 5.6% reversion interest after payout in this well. All three wells were in the 3D seismic area of LeFlore County, Oklahoma. Due to low gas prices in the US, no further drilling is scheduled until 2010.

Custer County

Grand Gulf has a 3.825% working interest in 16 wells that are producing from the Skinner Formation and operated by Noble Energy. No new wells have been drilled since the June quarter of 2008, due to low gas prices. The company has 4 PUD locations in this prospect. The initial producing rate for each well has exceeded 1 mmcf/d and over 50 BOPD.

Louisiana

Napoleonville Salt Dome

Grand Gulf maintains its 26.3% interest in the Napoleonville Salt Dome project. The processing on the 50.4 square mile 3D shoot, which encompasses some 28,000 gross lease optioned acres and 6,000 gross permitted acres, was completed in November 2007. To date over 90 specific "leads" have been identified.



Grand Gulf Energy Limited

Suite 8, 7 The Esplanade
Mt Pleasant 6153
Western Australia

T +61 (0) 8 9324 3011

F +61 (0) 8 9324 3055

E info@grandgulf.net

www.grandgulfenergy.com

ABN 22 073 653 175

ASX GGE

Since the drilling of Dugas & LeBlanc #1 and its failure to find hydrocarbons Grand Gulf has contracted a geosciences group in house to review the project and work up and prioritise new drilling locations to decide future operations.

During the quarter Grand Gulf participated in the drilling of the Dugas & LeBlanc #1 (26.45%) to a total depth of 9,500 feet. The well encountered the three sands, the Big Hum, Operc and Marg A as expected from the seismic with the AVO bright amplitudes as was predicted. The sands were all water wet with higher than normal porosity. With the data acquired from this well, re-evaluating of the prospects is taking place. This will delay drilling for several months. Grand Gulf continues to be excited about the potential of the Napoleonville Salt Dome Project.

Texas

Grand Gulf has 2 wells producing in the Francitas Field. The wells came on line in August of last year and are producing at a gross combined rate of 100 BOPD and 100 MMCFPD of associated gas.

James M. Trimble
Managing Director & Chief Executive Officer

For further information contact:

Mr James Trimble

Tel. +1 (713) 829-7930

Email: jtrimble@grandgulf.net or

Mr Charles Morgan

+61 412 152534

Email: cmorgan@seaspin.com.au

For more information visit www.grandgulfenergy.com and sign up for email news.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

GRAND GULF ENERGY LIMITED

ABN

22 073 653 175

Quarter ended ("current quarter")

31 March 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	170	844
1.2 Payments for (a) exploration and evaluation	(1,675)	(5,026)
(b) development	-	-
(c) production	-	-
(d) administration	(197)	(887)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	5	26
1.5 Interest and other costs of finance paid	(9)	(95)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(1,706)	(5,138)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	19	17
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – Macquarie Loan	1,038	2,657
Net investing cash flows	1,057	2,674
1.13 Total operating and investing cash flows (carried forward)	(649)	(2,464)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(649)	(2,464)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – capital raising costs	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(649)	(2,464)
1.20	Cash at beginning of quarter/year to date	1,258	2,412
1.21	Exchange rate adjustments to item 1.20	194	855
1.22	Cash at end of quarter	803	803

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	140
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

--

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

On 11 September 2008 Grand Gulf Energy Limited wholly owned subsidiary, Grand Gulf Energy Inc. (USA) and Macquarie Bank Limited (Macquarie) entered into a Working Capital Facility Agreement. On execution of the agreement Grand Gulf Energy Limited issued 45,000,000 options to acquire ordinary shares to Macquarie and received access to an initial borrowing base of \$2,500,000. The value of the options was \$460,000.
--

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available	Amount used
3.1 Loan facilities	USD 2,500,000	USD 2,500,000
3.2 Credit standby arrangements		

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	189
Development	306
Total	495

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	803	1,258
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	803	1,258

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	N/A	N/A		
7.2 Changes during quarter	N/A	N/A		
7.3 +Ordinary securities	302,856,627	302,856,627		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>	N/A	N/A		
7.6 Changes during quarter	N/A	N/A		
7.7 Options Unlisted options	1,000,000 1,000,000 500,000 1,625,000 4,875,000 1,200,000 900,000 900,000 45,000,000 16,775,000	- - - - - - - - - -	<i>Exercise price</i> \$0.08 \$0.10 \$0.08 \$0.075 \$0.075 \$0.08 \$0.10 \$0.12 \$0.04 \$0.04	<i>Expiry date</i> 31 Dec 2010 31 Dec 2010 27 Dec 2009 03 Jan 2010 26 Jun 2010 31 Dec 2010 31 Dec 2010 31 Dec 2010 18 Sep 2012 2 Dec 2012
Listed Options		-		
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	74,464,156		\$0.06	28 Feb 2009
7.11 Debentures <i>(totals only)</i>	N/A	N/A		
7.12 Unsecured notes <i>(totals only)</i>	N/A	N/A		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 27.04.09
(Director/Company secretary)

Print name: MARK PITTS

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==