

ASX/Media Release

29 June 2010

NAPOLEONVILLE WELL DRILLING UPDATE

Napoleonville-- Dugas & Leblanc #1 Well, Assumption Parish, Louisiana, Operator 39.5% WI

The Board of Grand Gulf Energy Ltd (ASX: GGE) is pleased to advise the Dugas & Leblanc #1 well is presently drilling ahead at 5,700 ft following successful surface casing having been set at 2,450 ft. The well is expected to reach total depth within the next 4 days. Once the well has reach TD an electric logging operation will commence.

The Dugas & Leblanc #1 well is testing the Big Hum and Operc Sands with an amplitude anomaly targeting 1.2 MMBO and 3 BCF gas. If the well is successful initial flow rates are expected to be around the 200+ barrels of oil per day and 1,000 MCF per day. The Company's share of drill hole and completion costs are US\$465,000 and \$320,000 respectively.

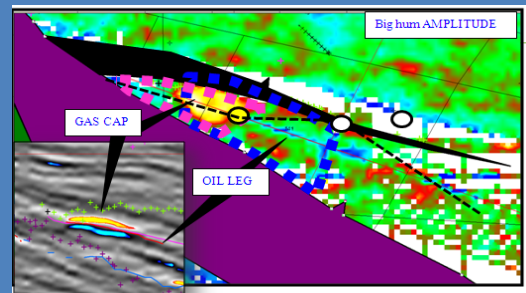
Partners in the Dugas & Leblanc #1 Well are:

Grand Gulf Energy Ltd (ASX: GGE)	39.50% WI
Golden Gate Petroleum Ltd (ASX: GGP)	15.00% WI
Other partners	45.50% WI

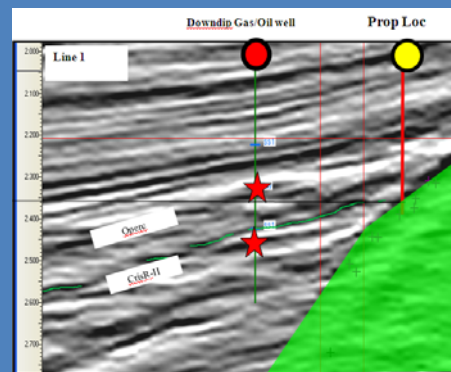
Well # 2

Spud date is anticipated to be mid to late July. The Company will have a 39.50% working interest.

The second well is testing the Operc and Cris R III Sands as primary objectives with 300,000 barrels and 1.2 BCF of gas classified as a PUD with further upside in secondary exploration objectives in the Marg A and Cris R I of 300,000 barrels of oil and 1.2 BCF of gas. If the well is successful initial flow rates are expected to be around the 200+ barrels of oil per day and 500 MCF per day. The Company's share of drill hole and completion costs are US\$502,000 and US\$212,000 respectively.



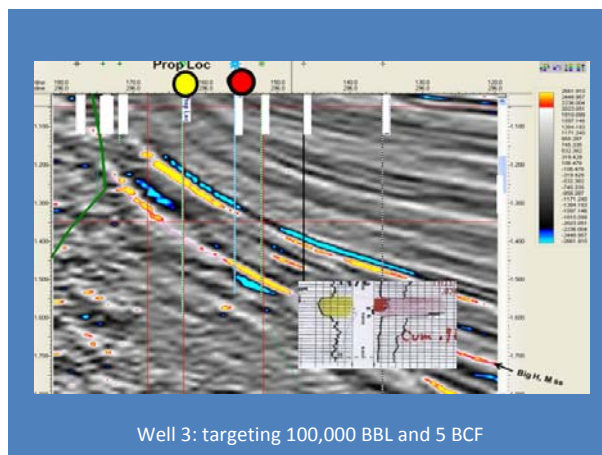
Dugas & Leblanc #1 well targeting 1.2 MBO and 3 BCF



Well 2: targeting 600,000 BBL and 2.4 BCF

Well #3

The third well is testing a primary objective in the Big Hum sand with 5 BCF classified as a PUD and targeting further exploration upside objectives in the Tex W of 100,000 barrels oil. If the well is successful initial flow rates are expected to be around the 5,000 MCF per day and 100+ barrels of oil per day. Total dry hole costs are estimated at US\$800,000.



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Background to the Napoleonville Salt Dome

- The Napoleonville Salt Dome has the potential to contain 520 billion cubic feet (BCF) of gas and 4.5 million barrels of oil (MMBO) from over 60 prospects and leads which have been identified so far from Grand Gulf's proprietary 50 square mile 3D seismic survey. The agreement with Grand Gulf includes access to the entire Napoleonville potential.
- The Napoleonville Salt Dome has historically produced 188 billion cubic feet of gas and 20.2 million barrels of oil. Multiple high quality targets have been identified from the recent 50 sq mile 3D seismic survey and as the technical work continues, it is likely to generate significantly more prospect and PUD opportunities. The primary targeted sands are Tex W, Big Hum, Operc, Cris R II – VII, Marg Vag, Camerina and Miogyp with sands commencing at 4,000ft to 14,000ft.
- As of February 2010, approximately 5,700 acres of leases had been exercised from Grand Gulf and partners 35,300 optioned acres pertaining to the seismic shoot. Relationships with the various landowners previously under option have been maintained in preparation to lease newly developed prospects as they advance.

About Grand Gulf Energy: Grand Gulf is an ASX listed US based oil and gas exploration and production company with management in Houston and assets in Louisiana and Texas.

COMPETENT PERSONS STATEMENT: The information in this report has been reviewed and signed off by Mr James Trimble (Registered Professional Engineer, Texas USA), with over 38 years respective relevant experience within oil and gas sector.

This report contains forward looking statements that are subject to risk factors associated with resources businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.