

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002.

Name of entity

Grand Gulf Energy Limited

ABN

22 073 653 175

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 +Class of +securities issued or to be issued

Shares

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

470,357,099

3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

Ordinary Fully Paid Shares

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4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?	<p>Yes</p>				
	<p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 					
5	Issue price or consideration	0.015 cents				
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Shares offered pursuant to a non-renounceable entitlements issue prospectus dated 10 August 2010.				
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	TBA				
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="883 1266 1078 1297">Number</th> <th data-bbox="1078 1266 1395 1297">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="883 1297 1078 1520">1,411,071,297</td> <td data-bbox="1078 1297 1395 1520">Ordinary Fully Paid Shares</td> </tr> </tbody> </table>	Number	+Class	1,411,071,297	Ordinary Fully Paid Shares
Number	+Class					
1,411,071,297	Ordinary Fully Paid Shares					

+ See chapter 19 for defined terms.

	Number	Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	Options expiring 31 December 2010 exercisable at 8c each
	1,000,000	Options expiring 31 December 2010 exercisable at 10c each
	1,000,000	Options expiring 26 June 2010 exercisable at 7.5c each
	4,875,000	Options expiring 31 December 2010 exercisable at 8c each
	1,200,000	Options expiring 31 December 2010 exercisable at 10c each
	900,000	Options expiring 31 December 2010 exercisable at 12c each
	900,000	Options expiring 18 September, 2012 exercisable at 4c each.
	45,000,000	Options expiring 26 November, 2012 exercisable at 4c each.
	13,775,000	Options expiring 5 June, 2013 exercisable at 0.5c each.
	6,000,000	Options expiring 24 November 2013 exercisable at 0.5c each
	1,000,000	Options expiring 16 March 2014 exercisable at 0.9c each
	40,000,000	Options expiring 6 May 2014 exercisable at 0.9c each
	75,000,000	

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) N/A

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required? No

12 Is the issue renounceable or non-renounceable? Non-renounceable

13 Ratio in which the +securities will be offered 1 New Share for every 2 Shares held

14 +Class of +securities to which the offer relates Ordinary Fully Paid Shares

15 +Record date to determine entitlements 19 August 2010

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? N/A

+ See chapter 19 for defined terms.

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17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded up to the nearest whole number.
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All countries outside of Australia and New Zealand will not be sent a prospectus.
19	Closing date for receipt of acceptances or renunciations	6 September 2010
20	Names of any underwriters	Skye Equity Pty Ltd, Seaspin Pty Ltd, The SL & SJ Keenihan Family Trust and Meccano Pty Ltd.
21	Amount of any underwriting fee or commission	Details set out in Section 7.2 of the Non-renounceable entitlements issue prospectus dated 10 August 2010.
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	20 August 2010
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	10 August 2010
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A

+ See chapter 19 for defined terms.

30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Despatch date	9 September 2010

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

(If the additional securities do not form a new class, go to 43)

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

(now go to 43)

Entities that have ticked box 34(b)

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38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<input type="text"/>	<input type="text"/>

(now go to 43)

All entities

Fees

43 Payment method (tick one)

Cheque attached

Electronic payment made

Note: Payment may be made electronically if Appendix 3B is given to ASX electronically at the same time.

Periodic payment as agreed with the home branch has been arranged

Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Mark Freeman
Company Secretary

Date: 10 August 2010

+ See chapter 19 for defined terms.