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ASX/Media Release

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NAPOLEONVILLE WELL UPDATE

Grand Gulf advises that at approximately 3.45am Houston time the Dugas & Leblanc #1 well commenced flowing to the atmosphere.

An apparent failure of the blow out preventers allowed the completion fluid to drain off the formation and oil and gas to flow to the atmosphere.

The Operator of record, Mantle Oil & Gas, LLC, has advised that Cudd Pressure Control is presently working on bringing the well under control, due to the relatively low pressure at the surface the expectation is that this will be done within the next 24hrs. Once the well is under control by the kill process, the completion efforts will continue. This set back should not damage the well's producing capabilities.

Partners in the Dugas & Leblanc Wells are:

Mantle Oil & Gas LLC (Operator)	4.09% WI
Grand Gulf Energy Ltd (ASX: GGE)	39.50% WI
Golden Gate Petroleum Ltd (ASX: GGP)	15.00% WI
Other partners	41.41% WI

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