



Ground Floor
1292 Hay Street
West Perth WA 6005
T +61 (0) 8 9324 1177
F +61 (0) 8 9324 2171
E info@grandgulf.net
www.grandgulfenergy.com
ABN 22 073 653 175
ASX GGE

ASX/Media Release

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NAPOLEONVILLE SALT DOME UPDATE

Napoleonville-- Dugas & Leblanc #2 Well, Assumption Parish, Louisiana, 15% WI

Following the announcement dated 7 September 2010, the Board advises that the Dugas & Leblanc #2 well has reached TD and electric logging has been completed over the Big Hum sands. The logs have indicated over 118ft of net pay (both oil and gas) over three sands including an additional 19ft of gas and oil column in the Big Hum "N" sand.

Updip gas reserves that were identified in the Dugas & Leblanc #1 below the "N" sand will be captured in a future updip gas well.

The joint venture will now move to complete the well over the next 2 weeks and testing will commence in the oil leg of the Big Hum "N" sand shortly thereafter.

The Company previously advised that this prospect was targeting a 1.2 MMBO and 3 BCF gas anomaly. The Company does not believe that this volume will be materially reduced as a result of the uncontrolled flow of the Dugas & Leblanc #1 that occurred from 11 August to 24 August 2010.

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.

Napoleonville-- Dugas & Leblanc #1 Well, Assumption Parish, Louisiana, 15% WI

The Dugas & Leblanc #1 well is expecting a workover rig to arrive on Thursday to commence retrieving production tubing. There is a limited possibility that if the production tubing is able to be recovered and the well bore casing is in suitable condition that the well may be converted into a production well.

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

Napoleonville-- Sager #1 Well, Assumption Parish, Louisiana, 15% WI Operator

The Company confirms that the Rig presently being used to drill the Dugas & Leblanc #2 will be moved to this well as soon as possible. The well is expected to spud in 10 - 15 days. This 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. Total dry hole costs are estimated at US\$1,100,000 and GGP's share is US\$253,000.

For further information contact:

Mr James Trimble
Managing Director
Phone +1 713 829-7930

Charles Morgan
Chairman
+61 412 152534

Mark Freeman
Company Secretary
Phone +61 8 9324 1177

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