

ASX Quarterly Report
 31 March 2019

HIGHLIGHTS

- **\$1.95m share subscription in WBE and in-specie distribution to shareholders** – The Company entered into an agreement with Whitebark Energy Limited (WBE) to subscribe for 390 million shares at 0.5 cents each, at a total cost of \$1.95m. WBE and GGE shareholder approval is required and being sought at shareholder meetings on 10 May 2019 following which the majority of WBE shares will be distributed to GGE shareholders through an in-specie return of capital.
- **Change of Management** – The Company appointed Craig Burton and Chris Bath to the board following the resignation of Charlie Morgan, Stephen Keenihan and Allan Boss.
- **Desiree Field (39.6% WI)** – The well produced a total of 12,157 bbls of oil during the quarter. The well is presently averaging 135 bopd.
- **Dugas & Leblanc #3 Field (55.5% WI)** – The well produced a total of 6,593 bbls of oil during the quarter. The well is presently averaging 73 bopd.

QUARTERLY CASH FLOW SUMMARY

Cash Flow Analysis	March Quarter	Year to Date
	\$AUD '000	\$AUD '000
Production Sales	872	2,777
Production Costs *	(371)	(1,087)
Operating Costs	(174)	(465)
Net Operating Proceeds	327	1,225

*Production costs are primarily royalties and severance taxes which are a fixed % of revenue. As a result of workover's on D&L#3 and Hensarling #1 production costs this quarter were higher than normal.

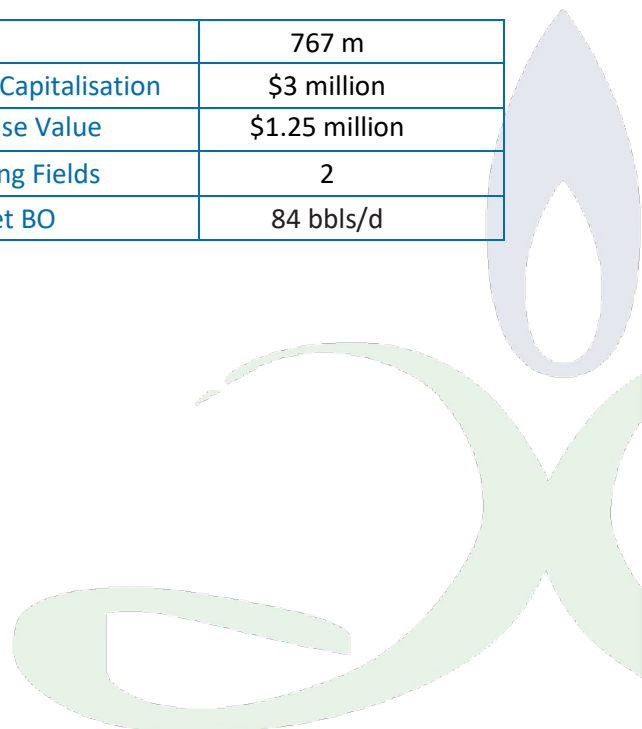
CAPITAL STRUCTURE AND FINANCIAL SNAPSHOT

ASX Code	GGE	Shares	767 m
Share Price	0.4 cent	Market Capitalisation	\$3 million
Cash Reserves @ 31/3	\$1.75 million	Enterprise Value	\$1.25 million
Quarterly Revenue	A\$871,000	Producing Fields	2
Quarterly Net BO	7,549 bbls	Daily Net BO	84 bbls/d



Board of Directors
 MD - Mark Freeman
 Chairman – Craig Burton
 Non Exec Director - Chris Bath

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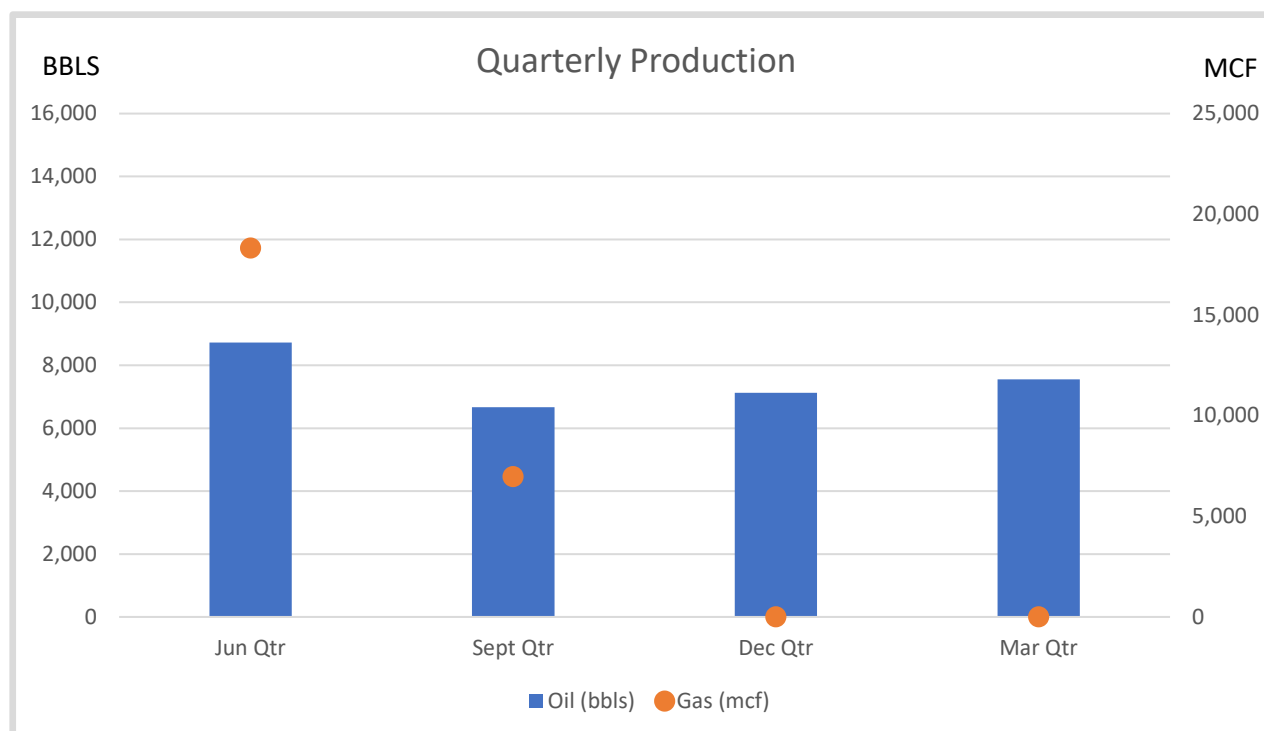


PRODUCTION SUMMARY

Total Net Quarterly Production

	June Qtr	Sept Qtr	Dec Qtr	Mar Qtr
Oil (bbls)	8,719	6,662	7,125	7,549
Gas (mcf)*	18,306	6,954	-	-
% Oil Equ.	92%	96%	100%	100%

* Following the sale of Abita and West Klondike the Company is a presently a 100% oil producer.



	Working interest	Parish	Quarterly Bo		Daily Bo	
			Gross	Net	Gross	Net
Desiree Field	39.65%	Assumption	12,157	4,813	135	54
Dugas & Leblanc	55.5%	Assumption	6,593	2,716	73	30
Total			18,750	7,549	208	84

Desiree Field

Desiree, Assumption Parish, Louisiana, Non-Operator 39.65% WI

The Hensarling #1 well (Desiree Field) produced a total for the quarter of 12,157 barrels of oil. The well is presently averaging 135 bopd.

Dugas & Leblanc Field

Napoleonville- Dugas & Leblanc #3 Well, Assumption Parish, Louisiana, Non-Operator 55.5% WI

The D&L#3 well (Dugas & Leblanc Field) produced a total for the quarter of 6,593 barrels of oil. The well is averaging 73 bopd.





\$1.95M SHARE SUBSCRIPTION IN WBE AND IN-SPECIE DISTRIBUTION

During the quarter, the Company entered into a Subscription Agreement with WBE to subscribe for 390 million shares in WBE at 0.5 cents each, at a total cost of \$1.95m. The Subscription Agreement is subject to both WBE and GGE shareholder approval. A general meeting will be held by both Company's on 10 May 2019 to approve the transactions, following which the majority of WBE shares will be distributed to GGE shareholders through an in-specie return of capital.

The in-specie distribution will comprise one WBE share for every two GGE shares held. The record date for shareholders is 15 May 2019. This will result in the distribution to GGE shareholders of 383.75m of the 390m WBE shares being acquired, with the balance of 6.25m being retained by GGE.

Based on the subscription price of 0.5 cents per WBE share, the value to be distributed is 0.25 cents per GGE share. The WBE shares will be ASX listed and tradeable post distribution. Further details of the in-specie distribution have been included in the notice of meeting sent to all shareholders.

WBE has recently achieved excellent results at its Wizard Lake project (see www.whitebarkenergy.com). The GGE Board believes the development of that project will likely unlock significant value for WBE and its shareholders.

\$300,000 INTERIM FUNDING FACILITY

The Company has entered into a short-term loan facility with Skye Equity Pty Ltd, an entity related to Mr Craig Burton, in the amount of \$300,000 at an annual interest rate of 8% to ensure there is sufficient funds to meet the WBE share acquisition costs along with ongoing working capital requirements. The loan will be repaid to Skye Equity Pty Ltd following receipt of net cashflow from operations.

MANAGEMENT CHANGES

The Company is pleased to confirm the appointment of Mr Craig Burton and Mr Chris Bath as non-executive Directors on 5 March 2019.

Mr Burton is an experienced investor in emerging companies, projects and businesses. He has a track record of providing financial backing and strategic advice to successful technical teams and business managers. He is an active investor in the oil and gas sector with an in-house technical and project generation team.

Mr Bath is a Chartered Accountant with significant experience in the energy and resource sectors in both Australia and Asia. Most recently he was CFO and Company Secretary for Tap Oil Limited and prior to that for Buru Energy Limited.

As part of the management changes Mr Charles Morgan, Mr Stephen Keenihan and Mr Allan Boss resigned from the board on 5 March 2019.

EXPLORATION AND DEVELOPMENT

The philosophy of the Board is to commence returning value to GGE shareholders from the cashflows being generated by GGE's existing Louisiana production assets and at the same time look for a significant and meaningful project acquisition that will create future value.

DJ Basin, Colorado, USA

The Company has a 36.5% working interest in a Joint Venture with PetroStone Inc (Operator), holding an initial 355 net acres across 8 Drilling Spacing Units (DSUs) with up to 8 wells per DSU. The strategy is to





utilise Colorado's development pooling process to create DSU's. The DSU's remain active for up to 3 years. The Company's final interest is expected to increase following working interest holder's participation elections per well AFE. Under the farm-in arrangement the minimum commitment is to participate in two wells with total exposure ~US\$240,000. Statistically well recoveries in the DJ Basin Niobrara and Codell vary from 500,000-1,200,000 BOE and 300,000-500,000 BOE respectively.

There was no additional activity project during the quarter.

East Texas Prospect (50% WI) – 1,117 acres in the Eagle Ford

The Company owns a 50% interest in 1,117 net acres of 1,232 gross acres in Burleson County, Texas. The proposed units have the potential for up to 6 Eagle Ford and 1 Austin Chalk locations each with horizontal wells within the 5,000ft - 8,000ft range. Well costs (drilled, fraced and completed) are anticipated to be US\$4,500,000 each. The strategy is to attract a third party to partially fund and operate the drilling and fracing program with GGE farming down its working interest.

There was no additional project activity during the quarter.

LEASE SCHEDULE

The Company provides the following Schedule of lease interest held by the Company for the quarter 31 March 2019 as required by ASX Listing Rule 5.3.

Project	Location	Lease	Interest at Beginning of the Quarter	Interest at the end of the Quarter
Dugas & Leblanc	Assumption Parish, Louisiana	CL-0110	55.8%	55.8%
Desiree/Louise	Assumption Parish, Louisiana	CL-0130	39.6/22.0%	39.6/22.0%
Desiree	Assumption Parish, Louisiana	12S14E52-031A (CL-0131)	39.6%	39.6%
Desiree	Assumption Parish, Louisiana	12S14E52-031B (CL-0131)	39.6%	39.6%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-001	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-003	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-005	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-006	39.6/22.0%	39.6/22.0%
Desiree	Assumption Parish, Louisiana	12S14E52-008	39.6%	39.6%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-009	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-011	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-013	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-014	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-015	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-016	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-019	39.6/22.0%	39.6/22.0%
Desiree	Assumption Parish, Louisiana	12S14E52-020	39.6%	39.6%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-022A	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-022B	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-012	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-002	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-018	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-021A	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-021B	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-024	39.6/22.0%	39.6/22.0%
Louise	Assumption Parish, Louisiana	12S14E52-025	39.6%	39.6%





Desiree/Louise	Assumption Parish, Louisiana	12S14E52-026	39.6/22.0%	39.6/22.0%
Louise	Assumption Parish, Louisiana	12S14E52-028	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-001	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-002A	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-002B	22.0%	22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-002C	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-002D	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-002E	39.6/22.0%	39.6/22.0%
Louise	Assumption Parish, Louisiana	12S14E53-003	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-004	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-005	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-006	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-007	22.0%	22.0%
Desiree	Assumption Parish, Louisiana	12S14E52-032 (CL-0068 & 0106)	39.6%	39.6%
Louise	Assumption Parish, Louisiana	12S14E52-029	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E52-030	22.0%	22.0%

COMPETENT PERSONS STATEMENT: The information in this report has been reviewed and signed off by Mr Kevin Kenning (Registered Reservoir Engineer and a member of the Society of Petroleum Engineers), with over 37 years relevant experience within oil and gas sector. Mr Kenning consents to this statement. Mr Kenning is a consultant and is self-employed.

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.



Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

GRAND GULF ENERGY LIMITED

ABN

22 073 653 175

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	872	2,777
1.2 Payments for		
(a) exploration & evaluation	(38)	(216)
(b) development	(34)	(61)
(c) production	(371)	(1,087)
(d) staff costs	(82)	(216)
(e) administration and corporate costs	(92)	(249)
1.3 Dividends received (see note 3)		
1.4 Interest received	5	5
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (Insurance payment - refundable)	-	-
1.9 Net cash from / (used in) operating activities	260	953

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)	-	(911)
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2.2 Proceeds from the disposal of: (a) property, plant and equipment (b) tenements (see item 10) (c) investments (d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Refunds/(Payments) of security deposits		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	-	(911)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,494	1,686
4.2 Net cash from / (used in) operating activities (item 1.9 above)	260	925
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(911)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	2	56
4.6 Cash and cash equivalents at end of period	1,756	1,756

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,756	1,495
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,756	1,495

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
128

Directors Fees

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
0

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	35
9.2 Development	-
9.3 Production	350
9.4 Staff costs	-
9.5 Administration and corporate costs	100
9.6 Other – WBE subscription	1,950
9.7 Total estimated cash outflows	2,435

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Date: 30 April 2019
(Director/Company secretary)

Print name: Mark Freeman

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.