

ASX Release
23 January 2018

Grand Gulf Energy acquires 1,075 Gross Acres in Eagle Ford

Grand Gulf Energy (ASX: GGE) is pleased to announce it has secured 881 net acres of 1,075 gross acres (440 acres net to GGE) in Burleson County, Texas as part of a 50/50 joint venture with a Texas oil and gas private company.

There is significant drilling in Burleson County by companies such as WildHorse Resource Development (WildHorse) and Lone Star Resources. Recent results continue to outperformed previous Eagle Ford type production curves with >80% of current wells yielding EUR estimates of over 91 boe/ft of horizontal well section ¹.

In the September quarter 2017, WildHorse brought online 27 Eagle Ford and one Austin Chalk horizontal wells. Of the 27 Eagle Ford completions, the Jurica/Doughtie wells, flowed at IP30's of 674 boe/d (96% oil) and 785 boe/d and these are within 10 miles of the JV acreage.

The acreage secured by GGE is concentrated in an area with thicker Eagle Ford and in existing production units. The JV has also focussed on areas with carbonate rich rocks combined with high gravity oil and high pore pressures all of which enhance likely well recoveries. Modern completions have generated very attractive results and the acreage provides the opportunity to drill and complete laterals in 4 intervals being the Austin Chalk, Buda, Georgetown and Eagle Ford. The acreage acquired to date provides 3 drilling locations each with capacity for laterals of 5,000-7,000ft. With these 3 locations it is anticipated that 3 Eagle Ford and 1 Austin Chalk wells could be drilled.

The JV's strategy is to finalise the rental of a small number of leases and secure a drilling operator to drill and frac a lateral well. Total drilling costs (drilled and completed) are anticipated to be US\$4,500,000 per well. GGE will farm-down its interest to a manageable economic level as part of any work program.

The Company has spent ~US\$550,000 in leasing costs.

Commenting on the prospect, Managing Director, Mark Freeman stated:

“The acquisition of leases in East Texas is a substantial opportunity for the Company to participate in a very attractive and lucrative drilling area. There are many successful and productive wells surrounding all the areas. These wells are very productive with EUR estimates of 80-100 bbl per horizontal foot with each area having one to four target zones. By drilling 5,000-7,000 ft horizontal sections, wells are commercially attractive at the current oil price.”

For further details please contact:

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1. <http://ir.wildhorserd.com/press-releases/2017/11-08-2017-211612876>



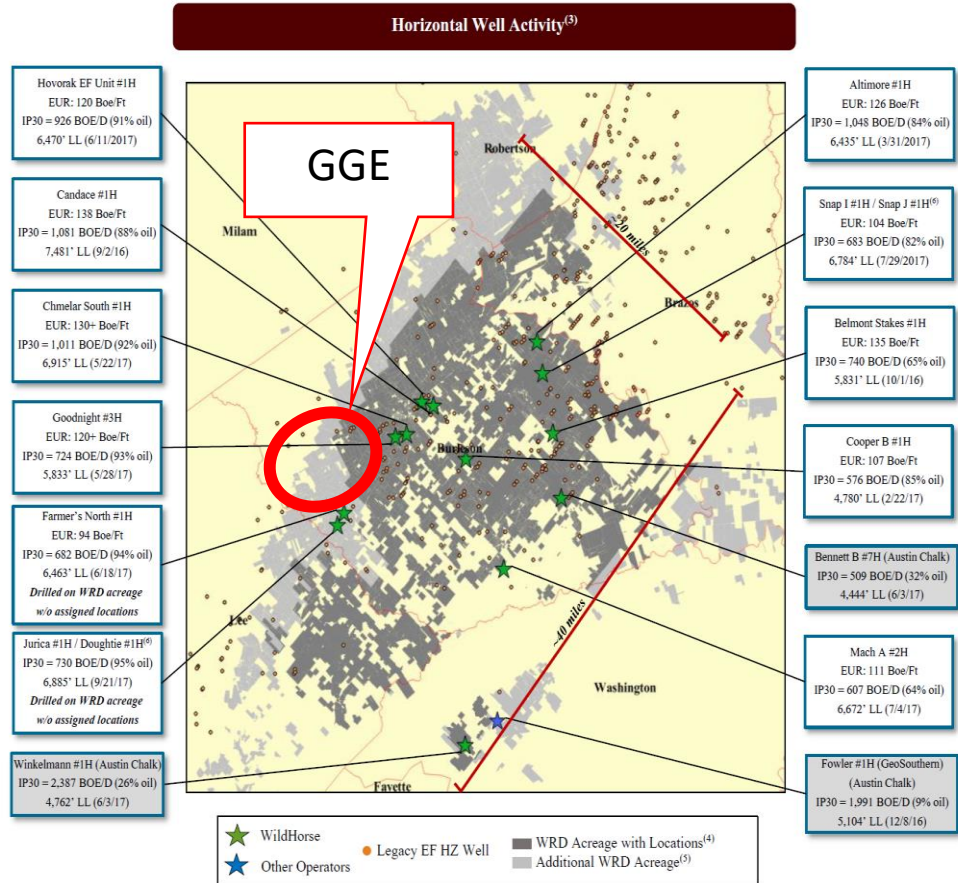
Board of Directors
MD - Mark Freeman
Exec Chairman - Charles Morgan
Exec Director - Allan Boss
Non-Exec Director - Stephen Keenihan

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Recent Well Results Outperform and Delineate Extensive Acreage Position

- WRD Gen 3 wells continue to outperform 91 Boe/ft type curve across the acreage position
- Total of 68 gross Gen 3 Eagle Ford wells online are averaging a 101 boe per foot EUR ⁽¹⁾
- Current Eagle Ford producing wells exist across entire ~800 square mile area
- 29 gross wells online on the Clayton Williams acquisition acreage with the average of the wells exceeding a 91 boe per foot type curve ⁽²⁾
- Drilled 10 gross wells on Anadarko/KKR acquisition acreage during the third quarter
- Brought online 5 gross wells outside of CGA's and management's 3P area
- Tested 6 successful Eagle Ford refracs across the position



1. Eagle Ford wells drilled and completed as of September 30, 2017, excluding six wells with not enough data to estimate an EUR.

2. Excludes six wells with not enough data to estimate an EUR.

3. Data for WildHorse based on actual results reported by WildHorse management. The initial production rates represent the peak average of the IP rates for the applicable consecutive days of production; IP rates are not normalized for lateral length. Dates are first production.

4. The dark grey area represents ~255,000 net acres within CGA's and management's 3P reserve area.

5. The light grey area represents ~130,000 net acres outside of CGA's and management's 3P reserve area with no assigned locations.

6. Two well pads represented with average EURs, initial production rates, oil mix, and lateral lengths.

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COMPETENT PERSONS STATEMENT: The information in this report has been reviewed and signed off by Mr Stephen Keenihan (Registered Geologist and a member of the Society of Petroleum Engineers and the American Association of Petroleum Geologists), with over 35 years respective relevant experience within oil and gas sector. Mr Keenihan consents to this statement and is a director and related party of Grand Gulf Energy Ltd.

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.



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