

QUARTERLY REPORT

For Quarter ending 30 September 2013



HIGHLIGHTS

- **Desiree on Production (35.6% WI)** – The Hensarling #1 has been placed on Jet Pump and is presently producing at a rate of around 385 bbls oil per day. The operator anticipates the well will sustain a rate between 350 to 400 bbls per day through a 25/64 inch choke, netting around US\$250,000-285,000 per month.
- **Abita (20/15% WI)**, The SL 19706 #1 well is presently producing 1,400 mcf/d and 11 bcdpd through a 7/64" choke. Well production from the 18 sands appears stable and is netting around US\$25,000 per month to the Company.
- **Dugas & Leblanc #3 (40% WI)** – The well is producing at gross production rates of 164 bod, 466 bswd and 519 mcf/d, through a 16/64" choke, netting around US\$130,000 to the Company per month.
- **West Klondike (10.5% WI)** – Production facilities are progressing, the well tested flow rates above 2mmcf/d and associated condensate. The well continues to be on target to have facilities completed by calendar year end.
- **Dugas & Leblanc #1** - Commercial settlement reached with landowners and rig operator, resulting in negligible financial impact to the Company.
- **Louise Prospect (15.3%)** - The Company is presently in negotiations for the drilling of the Louise prospect which is planned to commence operations prior to year end. The Louise prospect is targeting 600,000-800,000 bbls oil in an updip segment of a proven oil bearing compartment.

ASX Codes:	GGE
Share Price:	1.1c
Shares	748m
Mkt cap	\$8.3m

Mr Charles Morgan	Executive Chairman
Mr Mark Freeman	Managing Director
Mr Stephen Keenihan	Director
Mr Allan Boss	Executive Director

DRILLING & EXPLORATION PROGRAM

Program	Date	P50 Oil (net)	P50 Gas (net)
Louise	3 rd Qtr 13	91-151 MBO	-

PRODUCTION AND DEVELOPMENT PROGRAM

D&L#3	Prod.	30 MBO	.4 BCF
Abita	Prod.	10 MBO	.5 BCF
Desiree	Prod	342 MBO	0.18 BCF
W. Klondike	Developing	12-60 MBO	0.05-0.15 BCF
Total		390-440 MBO	1.2-1.3 BCF

Activity

- Desiree production has been placed on Jet pump.
- Abita Production is presently 1,400 mcf/d and 11 bcdpd through a 7/64" choke.
- West Klondike production facilities are progressing.
- Dugas & Leblanc Commercial Litigation Settlement has been reached.
- Quarterly production at 13,295 bbls oil and 16,078 mcf/d.

Energy Prices

Brent	US\$109.05 (BBL)
Nymex	US\$3.59 (MMBTU)

Major Shareholders

Charles Morgan	21.5%
Craig Burton	19.8%



PRODUCTION AND DEVELOPMENT ASSETS

Total net share of gas and oil production for the quarter was:

	Dec Qtr	Mar Qtr	June Qtr	Sep Qtr
Oil (bbls)	7,775	6,254	6,335	13,295
Gas (mcf)	13,544	34,836	23,990	16,078
% Oil Equ.	95%	82%	89%	96%

Desiree Field

Desiree, Assumption Parish, Louisiana, Non Operator 35.6%

The Hensarling #1 well (Desiree Field) was placed on production on 3 July 2013 and initial production rates unassisted were at ~240 bbls oil per day. The well was subsequently placed on Jet Pump in late September 2013 and is presently producing at around 385 bbls oil per day. The operator anticipates the well will sustain production rates between 350 to 400 bbls per day through a 25/64 inch choke.

Post drill, gross reserves are estimated to be 952,000 bbls oil and 0.4 BCFG in the Cris R II & III. The well is producing from the thicker Cris R III following which the overlying Cris R II will be completed for production.

At these production rates the Desiree Field contributes cashflow to the Company of US\$250,000-\$285,000 per month (US\$3-\$3.4 million per year).

Dugas & Leblanc #3 "M" Sand

Napoleonville- Dugas & Leblanc #3 Well, Assumption Parish, Louisiana, Non Operator 40% WI

The D&L#3 "M" sand continues to produce at flow rates of 165 bopd, 519 mcf/d and 466 bswd from a 16/64 inch choke. Monthly revenue net to the Company is ~US\$130,000 after royalties and operating costs.

The proven behind pipe reserves (PDP) at 30 June 2013 was estimated at 89,000 bbls of oil and 234,000 mcf gas.



Dugas & Leblanc #1 Blowout Litigation Settlement

During the quarter a commercial settlement was reached between the landowners affected by the D&L #1 blowout and the JV partners. In addition, a commercial settlement between the JV partners and the workover operator of the rig has been reached. Both settlements were similar in value and have resulted in a negligible net impact to Grand Gulf but have removed a significant amount of exposure for the Company. The Company believes that the exposure of the remaining matters will be covered by its insurance. However, in the event this insurance coverage is insufficient the Company believes that its exposure will be no more than ~US\$1,000,000.

Abita Development Update

Abita, Plaquemines Parish, Louisiana, Non Operator 20%WI (15% after payout) 350-700 BBLS / 6 BCFG

The field is being operated by Clayton Williams Energy Inc in Plaquemines Parish, Louisiana. The well commenced producing on 18 March 2012. The well was recently completed in the 18 sands and is presently producing 1.4 mmcf/d, 12 bcd with 1-2 bsw. Monthly revenue net to the Company is ~US\$25,000 after royalties and operating costs.

Reserve update: At 30 June 2013 the proved developed producing reserves (PDP) were 246 MMCF and 2 MBC. The proved developed behind pipe reserves (PDB) are 2,397 MMCF and 48 MBC for the "Lower 18", "18", "17", and "15" Sands.

West Klondike Discovery

Wilbert Sons LLC #1 well, West Klondike, Iberville Parish, Louisiana, Non Operator 10.5% WI

The well was successfully flow tested at over 2 mmcf gas per day from the lower Nod Blan. The well has been suspended pending installation of facilities. Due to the well site location, it is anticipated dedicated production facilities will be completed prior to calendar year end.

Electric logs of Wilbert Sons #1 indicate hydrocarbons in three reservoir horizons. A summary of the characteristics of each reservoir is provided below:

Depths	Sand	Net Pay	Hydrocarbons	Description	contingent resource estimates
10,330-10,350	Lario	4ft	Oil	18-20% porosity appears tight	100,000-520,000 bbls oil
10,518-10,524	U Nod Blan	6ft	Condensate/gas	Good porosity	3-10,000 bbls oil / 100-135 mmcf
10,616-10,661	L Nod Blan	35ft	Oil/gas	Good porosity	10-40,000 bbls oil / .35-1.3 BCF gas

EXPLORATION ASSETS

Napoleonville Salt Dome Seismic Litigation

The Company confirms it has settled all litigation matters in respect of the usage of the seismic. This now clears the way for the Company and its partners to move forward with development of the dome and in particular to prepare for drilling of Louise.

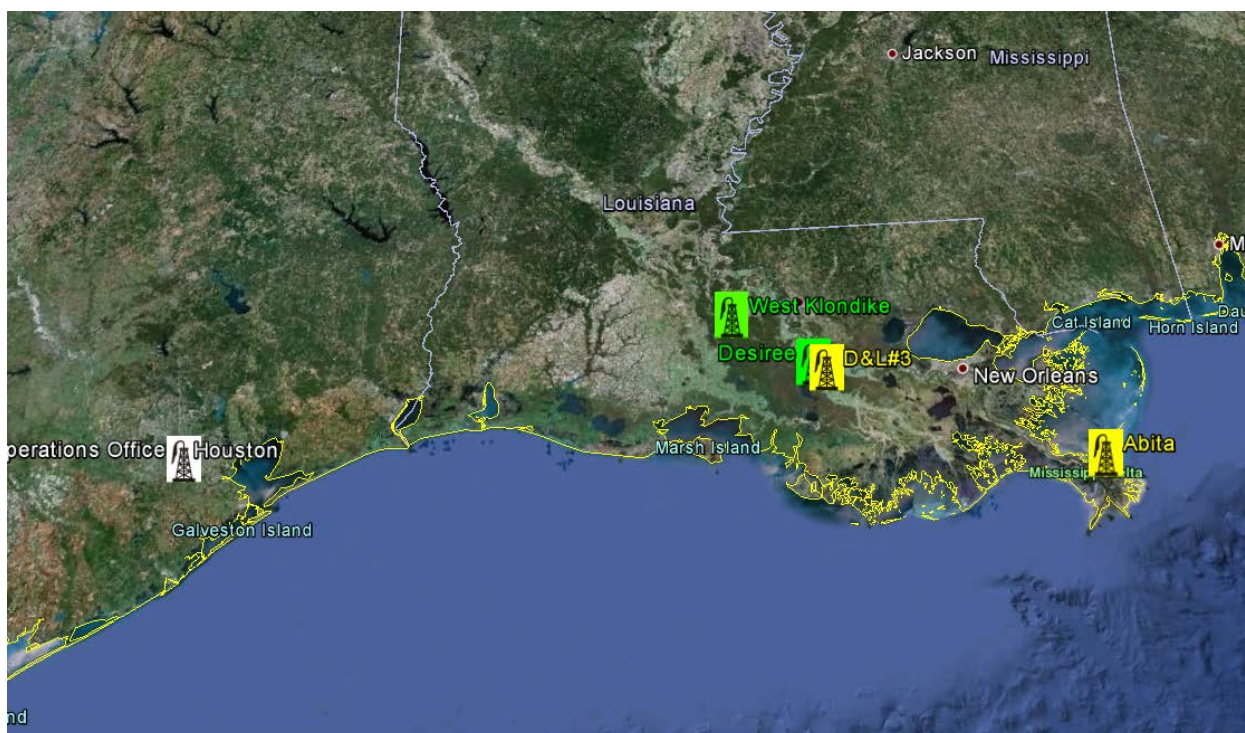
Louise, Assumption Parish, Louisiana, Non Operator 15.3WI% (paying 9.8% of dry hole costs)

Settlement of the seismic litigation has removed the last legal obstacle for the commencement of drilling preparation at Louise.

This prospect was developed using proprietary 3D seismic data by the Company's in-house Geological and Geophysical team. The prospect follows the same style as Desiree and is located to the immediate south of Desiree.

A well to test the Louise prospect is expected to penetrate an accumulation of oil in a 3D-defined, normally pressured, block updip from a productive well where an equivalent target interval has produced 2.2 MBL's oil and 10.5 BCF gas.

The Louise well is expected to be drilled in the December 2013 quarter and is targeting an estimated resource of between 600,000 to 800,000 bbls of oil. This well is considered low risk both from drilling operations and geological and geophysical perspectives.



COMPETENT PERSONS STATEMENT: The information in this report has been reviewed and signed off by Mr KC Whitemore (Registered Geologist, Texas USA), and Kevin Kenning (Registered Reservoir Engineer) with over 37 and 31 years relevant experience respectively within oil and gas sector.

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.