

23 December 2013

Dear Shareholder

## Elimination Notice – Sale of Unmarketable Parcels

Grand Gulf Energy Limited (“**Grand Gulf**” or “**the Company**”; **ASX: GGE**) informs shareholders that the Company has established a share sale facility (“**Facility**”) for holders of shares valued at less than \$500 as at close of trade on 20 December 2013 (“**Unmarketable Parcels**”). The facility is being established in accordance with the Company’s Constitution and the ASX Listing Rules.

Grand Gulf has 1,701 shareholders on its share register. Of these approximately 910 hold parcels of less than \$500 in value based on the current share market price and are deemed holders of unmarketable share parcels.

ASX Listing Rules and the Company’s Constitution empower the Company to sell the security holdings of any member who holds less than a marketable parcel of securities (“**Minority Member**”) provided the Minority Member has:

- a) been issued with an Elimination Notice and Notice of Retention; and
- b) not returned their Notice of Retention by 5:00pm on 10 February 2014 (“**Retention Date**”).

Grand Gulf is entitled to sell on the shareholders behalf, an unmarketable parcel of shares in the Company. Your shareholding (which is set out on the Notice of Retention) was less than a marketable parcel at 20 December 2013.

To assist in reducing the shareholder spread and the associated administrative costs, Clause 9 of the Company’s Constitution provides the Company with the power to sell unmarketable parcels of shares, at the Company’s cost, and to remit the proceeds to the shareholders whose shares have been disposed of in this manner. In many cases, such a sale may benefit the shareholders involved as it will allow their shares to be readily sold on the ASX (which they might otherwise find difficult to do due to the small size of their shareholding) and there will be no brokerage costs payable by them on the sale (as these will be borne by the Company).

### What should you do?

If you do NOT wish to sell your shares through the facility, you must complete and return the attached form to our Share Registry, Advanced Share Registry so that it is received by 5.00pm (WAST) on 10 February 2014. Please read the instructions on your personalised Share Retention Form carefully before completing it.

### If you want to sell your shares through the Facility, you do not need to take any action.

By refraining from taking any action, after the expiration of the time prescribed in the ASX Listing Rules and the Company’s Constitution, you will be deemed to have irrevocably appointed the Company as your agent:

- a) to sell all of your shares at a price to be determined by when and how the shares are sold and without any cost being incurred by you; and
- b) to deal with the proceeds of the sale as set out in the attached information pack.

If you need help deciding what to do, or if you require information regarding the financial, legal or tax consequences of participating in the Facility you should consult your legal, financial or taxation adviser.

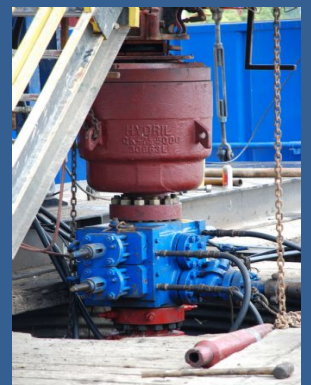
For further information on this announcement contact the Company on +61 8 9389 2000 or our registry Advanced Share Registry on +61 8 9389 8033.

Yours faithfully

Mark Freeman  
Managing Director

### Board & Management

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



## **INFORMATION PACK FOR THE UNMARKETABLE PARCEL SALE FACILITY**

### **What is an unmarketable parcel of shares?**

An unmarketable parcel of shares is a holding of GGE shares valued at less than \$500 as at close of trade on the record date. Based on the price of GGE's shares at record date, this is a holding of 55,555 Shares or less.

### **What is the price of GGE ordinary shares?**

The last sale price of GGE shares at record date on 20 December 2013 was \$0.009.

### **What do I have to do to sell my GGE shares through the Facility?**

If you wish to sell your shares under the unmarketable parcel sale facility you do not need to take any action. You should NOT complete the enclosed Share Retention Form if you want your shares sold under the Facility.

### **What price will I receive for shares sold through the facility?**

The price that you receive for your shares under the facility will be determined when the shares are sold. As the shares will be sold on market, the price will depend on a number of factors, including market conditions at the time of sale. You will not have control over the time at which your shares are sold, the price you receive may be different from the price appearing in the newspaper or quoted by ASX on any day, may not be the best price on the day that your shares are sold and may be an average price per share based on the price obtained for all the shares sold under the Facility.

### **When will the proceeds from the sale of Shares be sent to me?**

Payment will be sent to you following settlement of the sale or otherwise as soon as is practicable. Payment will be made in Australian dollars by cheque. You will be notified by way of a transaction confirmation statement of the number of your shares that have been sold, the price obtained and total sale proceeds. The transaction confirmation statement and cheque will be sent by post to your address as shown in the share register.

### **What do I have to do if I wish to retain my GGE Shares?**

If you wish to retain your shares, you must sign and return the Share Retention Form so that it is received before the closing date, being no later than 5.00pm Perth time on 10 February 2014. It is your responsibility to allow sufficient time for this to be received. If your Share Retention Form is not received by the closing date, and you have not otherwise validly notified the Company that you wish to retain your shares by that time, the Company will be entitled to have your shares sold for you.

### **Your Share Retention Form must be sent to:**

Advanced Share Registry Limited,  
150 Stirling Highway, Nedlands WA 6009  
by 5pm (WST) no later than 10 February 2014.

### **If I buy more GGE shares, will I retain my holding?**

GGE will not sell your shares providing you increase your holding of GGE shares to a marketable parcel prior to the closing date of 10 February 2014. For a purchase to be an effective notification that you wish to retain your shares, any additional GGE shares acquired must be registered by 5:00pm Perth time on 10 February 2014 under the same name and address and with the same holder number (SRN or HIN) as set out in the accompanying Share Retention Form.

### **What if I have more than one holding?**

If you have more than one holding of GGE ordinary shares and you do not want to sell your shares under the facility, you should consider consolidating them prior to the closing date. This may result in your amalgamated holding no longer being an unmarketable parcel. For further advice in this regard, please contact Advanced Share Registry Limited on +61 8 9389 8033.

### **What if my Shares are held in a CHESS Holding?**

If your shares remain in a CHESS holding at 5.00pm Perth time on 10 February 2014, the Company may move those shares to an Issuer Sponsored Holding and the shares will be sold through the facility.

### **Where can I get further information?**

If you have any questions concerning your shareholding please contact Advanced Share Registry Limited, on +61 8 9389 8033. If you have any queries on how the facility will work, please contact the Company by telephone on +61 8 9389 2000.

### **What if I do not know what to do?**

This information pack and accompanying letter does not constitute advice nor a recommendation to buy, sell or hold shares nor that the facility is the best way to sell GGE shares. If you are in doubt about what to do, you should consult your legal, financial or taxation adviser.

### **Important Notes**

GGE reserves the right to change any of the dates referred to in the accompanying letter by notice to the ASX. The directors may, before a sale is affected under the facility, suspend or terminate the facility, either generally or in specific cases.