



25 June 2015

## SETTLEMENT OF PRODUCING ASSETS

- The Company is pleased to confirm that it has settled on the acquisition of the Mustang Resources interests in Napoleonville for US\$575,000.
- The Company assumed control of the Napoleonville assets effective 1 November 2014, accordingly the net payment made was US\$374,500. This reflects the net revenue generated from the assets from that date.
- The acquisition includes 3.99% WI in Desiree and 15.3% WI in Dugas & Leblanc #3.
- This acquisition increases the Company's interest in Desiree to 39.6% and D&L #3 to 55.3%.

### Board & Management

**Mr Mark Freeman**

*Managing Director*

**Mr Charles Morgan**

*Executive Chairman*

**Mr Allan Boss**

*Executive Director*

**Mr Stephen Keenihan**

*Non-Executive Director*

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## Desiree Field

### Desiree, Assumption Parish, LA, Non Operator 39.45% WI



The Company's Desiree Project came on production in July 2013 and has produced over 276,000 barrels of oil. The remaining Proven Reserves are estimated at 737,000 barrels of oil. The well is producing at an average rate of 420 barrels per day with no water production. GGE's share of monthly production is ~3,600 barrels per month.

Production is sourced from the thicker Cris R III (49ft pay) formation and at the presently depressed oil price of \$65/bbl generates net revenues of US\$210,000 per month (after royalties and operative costs), or US\$2.5 million.

Production will continue through a 25/64 inch choke until depletion takes place, or water production becomes excessive, and will then switch to the thinner Cris R II (31ft pay) formation.

The JV has secured the Templet #1 as a disposal well for Hensarling #1 when it commences to produce water. The Templet #1 was drilled from the Hensarling #1 pad.

## Dugas & Leblanc Field

### Napoleonville- Dugas & Leblanc #3 Well, Assumption Parish, LA, Non Operator 55.8% WI

The D&L#3 "M" sand was successfully perforated and placed on production on 18 October 2011. The well was placed on a jet pump in December of 2013 and produces 72 bod, 34 mcf and 340 barrels of water per day from a 21/64 inch choke. GGE's share of monthly production will increase to 1,314 barrels of oil per month.

Production is sourced from the Big Hum "M" sand and at the presently depressed oil price of \$65/bbl will generate revenues of US\$50,000 – per month (after royalties and operative costs), or US\$600,00 pa.

The JV recently converted the D&L #2 well into a salt water disposal well. The JV is presently awaiting approval for the SWD to become operational.

The agreement requires that OGI's insurance continues to cover any and all financial exposure from the D&L#1 blowout. GGE does not expect any material costs to eventuate given the level of the Mustang/OGI's insurance. Any eventuating costs and insurance reimbursements are unable to be quantified as this time.



**COMPETENT PERSONS STATEMENT:** The information in this report has been reviewed and signed off by Mr KC Whittemore (Registered Geologist, Texas USA), and Kevin Kenning (Registered Reservoir Engineer) with over 36 and 30 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.