

Quarterly Report

For Quarter ending 31 December 2015



HIGHLIGHTS

Cash Flow Analysis	Dec Qtr	Annual
	\$AUD M	\$AUD M
Production Sales	1.24	2.9
Production Costs *	(0.44)	(1.050)
Operating Costs	(0.16)	(0.31)
Net Operating Proceeds	0.64	1.54

* Production costs are primarily royalties and severance taxes which are a fixed % of revenue.

- The Company, on 11 January 2016, received shareholder approval to give effect to the demerger of all Grand Gulf's oil and gas assets (except for Abita).
- This approval is subject to receiving a positive ruling from the Australian Tax Office(ATO).
- **Desiree Production (39.6% WI)** - produced a total of 30,179 bbls of oil during the December quarter at an average rate of gross 335 bbls per day.
- **Dugas & Leblanc #3 (55.5% WI)** - produced a total of 6,702 bbls of oil during the December quarter at an average rate of gross 74 bbls per day.
- **West Klondike (11.7% WI)** - The well, after recompletion commenced production on 2 November 2015 - producing 21,121 mcf and 150 barrels of oil for the December quarter. The well is presently awaiting recompletion in Lario.
- **Abita (20% WI)** - The SL 19706 #1 well produced a total of 629 bbls of oil and 85,916 mcf from the 17 Sand during the December quarter. The Operator has changed to DW Wapiti Investments I, LLC.

CAPITAL STRUCTURE AND FINANCIAL SNAPSHOT

ASX Codes	GGE	Shares	748m
Share Price	0.6 c	Mkt Cap	\$4.5m
Quarterly Rev	\$1.24m	Prod. Wells	4
Cash @ 31/12	\$2.5m	Receivables	\$650k
Prod oil qtr	14,872 bbl	Prod gas qtr	19,654 mcf
P1 Reserves Oil	238,000 bbl	P1 Reserves	657 mmcf

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Directors
Executive Chairman
Mr Charles Morgan

Managing Director
Mr Mark Freeman

Executive Director
Mr Allan Boss

Director
Mr Stephen Keenihan

Energy Prices
LLS US\$33.42 (BBL)
Nymex US\$2.23 (MMBTU)

Major Shareholders
Charles Morgan 21.5%
Craig Burton 24.9%





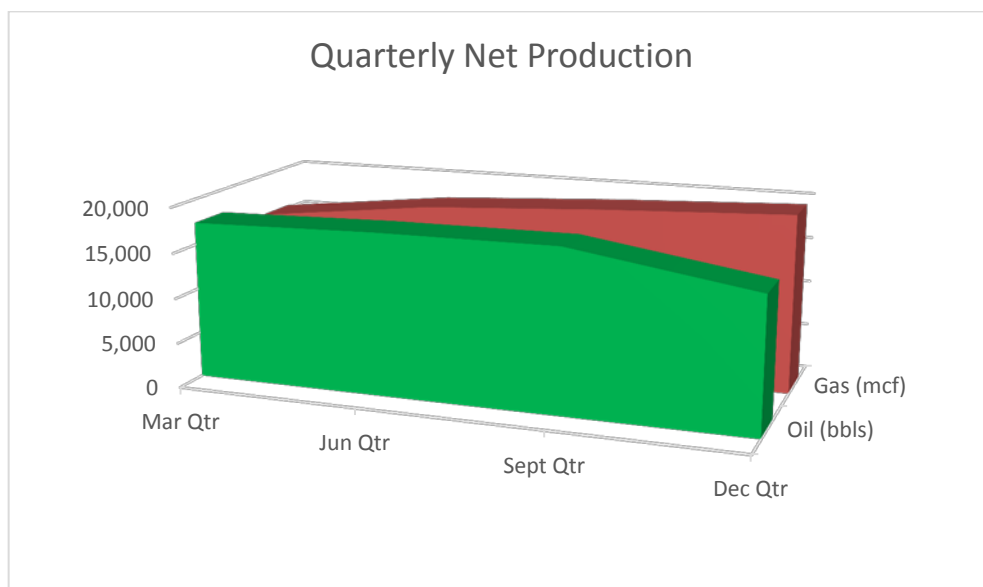
COMPANY UPDATE

The Company, on 11 January 2016, received shareholder approval to give effect to the restructure of Grand Gulf Energy Ltd in the form of a demerger. Grand Gulf will, on receipt of the positive ruling from the ATO, affect the transfer of all its operating assets (except for the interests in the Abita Project) into Louisiana Oil Ltd.

The shares in Louisiana Oil will then be distributed to all Grand Gulf shareholders pro-rata to their shareholding. Immediately following Grand Gulf obtaining the ATO Rulings and on completion, Grand Gulf and Alto will nominate that the Louisiana Oil Shares are issued directly to the Shareholders of Grand Gulf, as part of an in-specie distribution of 100% of the Louisiana Oil Shares held by Grand Gulf on the basis of 1 Louisiana Oil Share for every 10 Shares held.

PRODUCTION AND DEVELOPMENT

	Mar Qtr	Jun Qtr	Sept Qtr	Dec Qtr
Oil (bbls)	17,421	17,887	17,982	14,872
Gas (mcf)	15,360	17,673	18,796	19,654
% Oil Equ.	96%	96%	96%	95%





PRODUCTION

2015 Reserves and Resources Summary								
Reserves and Resources as at 31 Dec 2015								
Net to Grand Gulf Energy Ltd								
FILED (LICENCE)	INTEREST	Proved(1P)			PROVED & PROBABLE(2P)			
		LIQUIDS MBBL	GAS MMCF	OIL EQUIVALENT ⁽¹⁾ MBOE	LIQUIDS MBBL	GAS MMCF	OIL EQUIVALENT ⁽¹⁾ MBOE	
Reserves								
USA								
Dugas & Leblanc #3	55.50%	24	302	75	24	302	75	
Desiree	39.65%	206	-	206	391	-	391	
West Klondike	11.70%	-	-	0	11	-	11	
Abita	20%	8	355	67	8	355	67	
Total Reserves		238	657	348	434	657	544	
Contingent Resources								
Reserves								
USA								
Dugas & Leblanc #3	55.50%		833			278	46	
Desiree	39.65%							
West Klondike	11.70%	55	1,400	288	18	467	96	
Abita	20%							
Total Contingent Resources		55	2,233	288	18	744	142	
Total Reserves and Resources		293	2,890	636	453	1,402	686	
⁽¹⁾ Oil equivalent conversion factor: 6MSCF per BBL.								

Competent Persons Statement

The information contained in these statements has been compiled by Kevin Kenning, Senior Petroleum Engineer, who is a consultant of the Company, is qualified in accordance with ASX listing rule 5.11 and has consented to the publication of this report. The reserve estimates in this report are solely based on Kevin Kennings professional opinion and are consistent with accepted industry standards for proved reserves. The proved reserve definition is based upon the criteria contained within the "SPE PRMS" (Society of Petroleum Engineers Petroleum Resources Management System).

Desiree Field

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

The Hensarling #1 well (Desiree Field) continues to produce at over 265 barrels of oil per day with total production for the quarter being 30,179 barrels.

Desiree Litigation

The Company advised in July 2014 that a previous JV partner in the Desiree Project was suing the Company for a 5.2% WI (4.63% WI net to GGE) in the Desiree Project and leases. The matter was removed from court and arbitration occurred in January 2016. The results of the arbitration are due in February 2016.

Dugas & Leblanc Field

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

The D&L#3 "M" sand was successfully perforated and placed on production on 18 October 2011. Production over the quarter totaled 6,702 barrels of oil, from a 21/64 inch choke.



Abita

Abita, Plaquemines Parish, Louisiana, Non Operator 20% WI

The field is being operated by DW Wapiti Investments I, LLC in Plaquemines Parish, Louisiana. The well commenced producing on 18 March 2012.

The well produced from the 17 sand at an average of 1 mmcf and 7 bopd through a 7/64 inch choke. Total production for the quarter was 629 barrels of oil and 85,916 mcf gas.

West Klondike Development

Wilbert Sons LLC #1 well, West Klondike, Iberville Parish, Louisiana, Non Operator 11.7% WI

The well commenced producing from the lower Nod Blan on 4 September 2014 and after recompletion commenced production on 2 November 2015. Production over the quarter was 21,121 mcf and 150 barrels of oil from a 24/64 inch choke. The well is presently off production and awaiting a recompletion in the Lario Oil sand.

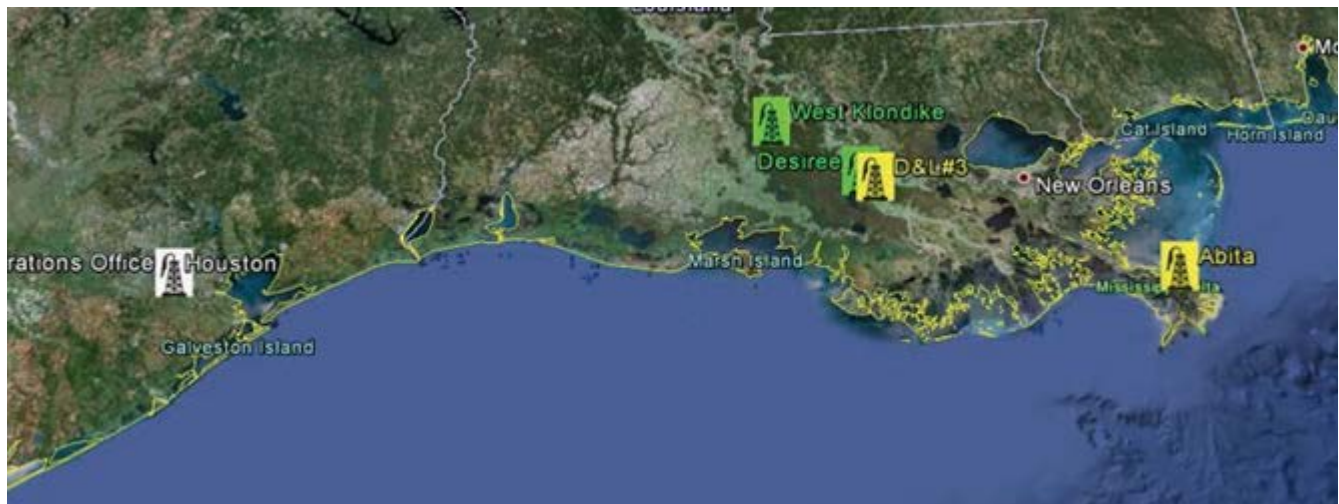
LEASE SCHEDULE

The Company provides the following Schedule of lease interest held by the Company for the quarter 31 December 2015 as required by ASX Listing Rule 5.3.

Project	Location	Lease	Interest at Beginning of the Quarter	Interest at the end of the Quarter
Abita	Plaquemines Parish	16990	20%	20%
Abita	Plaquemines Parish	16991	20%	20%
Abita	Plaquemines Parish	16992	20%	20%
Abita	Plaquemines Parish	16993	20%	20%
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 (CI-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%



Project	Location	Lease	Interest at Beginning of the Quarter	Interest at the end of the Quarter
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%
West Klondike	Iberville Parish, Louisiana	WK#1A	11.7%	11.7%
West Klondike	Iberville Parish, Louisiana	WK#1B	11.7%	11.7%
West Klondike	Iberville Parish, Louisiana	WK#1C	11.7%	11.7%
West Klondike	Iberville Parish, Louisiana	WK#2	11.7%	11.7%
West Klondike	Iberville Parish, Louisiana	WK#3A	11.7%	11.7%
West Klondike	Iberville Parish, Louisiana	WK#3B	11.7%	11.7%



COMPETENT PERSONS STATEMENT: *The information in this report has been reviewed and signed off by Kevin Kenning (Registered Reservoir Engineer) with over 31 years relevant experience 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.*

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

GRAND GULF ENERGY LTD

ABN

22 073 653 175

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'ooo	Year to date \$A'ooo
1.1 Receipts from product sales and related debtors	1,243	2,893
1.2 Payments for (a) exploration & evaluation	(157)	(719)
(b) development	(160)	(293)
(c) production	(441)	(1,050)
(d) administration	(176)	(310)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Insurance payment	979	968
1.7 Other (escrow of revenue)	-	-
Net Operating Cash Flows	1,288	1,489
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	1,288	1,489

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	1,288	1,489
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Costs of Capital	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	1,288	1,489
1.20	Cash at beginning of quarter/year to date	1,253	962
1.21	Exchange rate adjustments to item 1.20	(67)	23
1.22	Cash at end of quarter	2,474	2,474

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	133
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments include consulting and directors fees, and reimbursement of accounting fees and serviced office.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	50
4.3 Production*	350
4.4 Administration	150
Total	600

* Production costs are primarily a fixed % of revenue and reflect royalties and state taxes. The balance are production costs.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,474	1,253
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	2,474	1,253

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2 Interests in mining tenements acquired or increased

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	747,998,870	747,998,870		Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options			Exercise price	Expiry date
<i>Unlisted Options</i>	27,000,000		1.4c	30 Nov 2018
<i>Listed Options</i>				

+ See chapter 19 for defined terms.

7.8	Issued during quarter				
7.9	Exercised during quarter	Nil			
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				
7.13	Partly paid shares				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 31/01/2016
(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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

+ See chapter 19 for defined terms.

- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

- 5 Accounting Standards ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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