



29 November 2016

PLEASANT HOME PROGRAM COMMENCED

- **Workover Program for the 31-11 well commenced on Monday, 28 November 2016.**
- **Program is estimated to take 20 days to complete.**
- **Program will test 3 separate intervals targeting recovery of up to 100,000 bbls oil.**
- **GGE acquired the right to earn a 50% WI in Pleasant Home Field in Alabama, USA in October 2016.**

Pleasant Home Recompletion Program

Grand Gulf (the "Company" or "GGE") is pleased to advise that road works have been completed and the Challenger Rig is presently rigging up on location at the Smak Dixon 31-11 well with expectation that re-completion work will commence within 12 hours.

Reservoir Saturation Tool (RST) logs will be run first to identify bypassed pay and get a better understanding of depletion of produced zones. Three separate intervals that have been identified as not previously produced are being evaluated. The primary target is the 9,850ft Hosston Sand (refer Hosston Sand structure map below). The well has the potential to recover up to 100,000 barrels of net oil at flow rates of up to 100 bbls oil per day.

Under the Participation Agreement, GGE can acquire a 50% working interest in the Pleasant Home Field, Covington County Alabama. The field includes 4 wells and processing facilities and the lease is presently held by production from 1 well (Smak Dixon 31-6). The field is operated by Gulf Coast Mineral, LLC.



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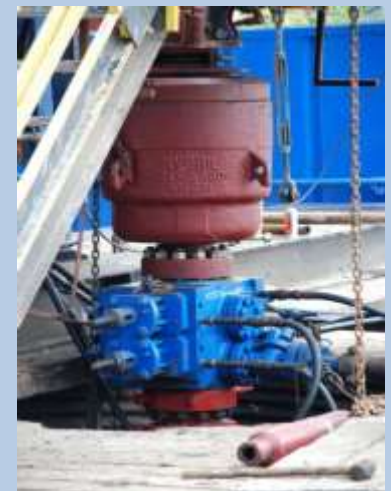
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ASX Codes

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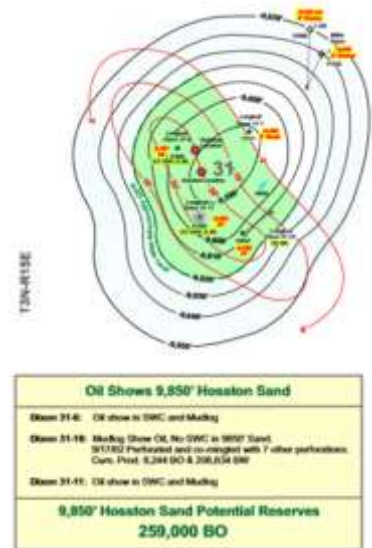


Following successful re-completion in the Smak Dixon 31-11 the Company will undertake a re-completion program in the Smak Dixon 31-6. The Smak Dixon 31-6 is also anticipated to have up to 100,000 barrels of recoverable oil remaining.

The Pleasant Home Field has produced in excess of 934,000 bbls of oil since 1999 from the 4 wells. The wells produce from multiple zones and presently have a number of zones that, based on show and log data, are interpreted to be bypassed oil pay and are yet to be completed for production.

Following an evaluation of the recompletion results the Company will be better placed to determine whether the field can support additional development drilling. If so, up to 650,000 bbls of additional oil (gross) may be proven.

With multiple reservoirs, the potential reserves for the remaining recoverable oil in place on the field is estimated at between 200,000 – 850,000 bbls.



Contract Terms

- GGE will undertake RST and CBL type logs on 2 wells (Smak Dixon 31-11 and 31-6), following satisfactory review of the logs the Company will pay US\$50,000 to the operator.
- Following recompletion of the first well the Company will have earned a 50% WI in that well and its facilities and will derive 75% of net revenues until its recompletion costs and entry costs are recovered. In the event the well is uncommercial the Company may withdraw from the project with no further obligations.
- Following 60 days of commercial production from the recompletion of the 31-11 the Company will issue 19,500,000 ordinary fully paid shares to the Operator.
- Following recompletion of the second well the Company will have earned a 50% WI in the field and all facilities.
- Grand Gulf commits to funding the initial \$350,000 of recompletion costs (including RST and CBL type logs) following which all costs are to be shared 50/50 with the operator.

For further information contact:

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For more information visit www.grandgulfenergy.com and sign up for email news.

About Grand Gulf Energy: Grand Gulf is an ASX listed US based oil and gas exploration and production company with management in Houston and assets in Louisiana and Alabama.

COMPETENT PERSONS STATEMENT: The information in this report has been reviewed and signed off by Mr Henry Greaves (Registered Geologist, Mississippi, USA), with over 22 years respective 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.