

# Quarterly Report

For Quarter ending 30 June 2017



## HIGHLIGHTS

Cash Flow Analysis	June Quarter	Annual
	\$AUD '000	\$AUD '000
Production Sales	798	2,915
Production Costs *	(278)	(1,226)
Operating Costs	(145)	(658)
Net Operating Proceeds	375	1,031

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

- **Pleasant Home Field (Earn-in 50% WI)** - GGE continued workover operations on the 31-11 well. The well is producing approximately 18 bbls oil per day from 3 Intervals.
- **Desiree Field (39.6% WI)** - The well produced a total of 18,683 bbls of oil during the June quarter. The well is presently producing oil at an average rate of 210 bopd.
- **Dugas & Leblanc #3 Field (55.5% WI)** - The well produced a total of 6,171 bbls of oil during the June quarter. The well is presently producing oil at an average rate of 69 bopd.
- **Abita Field (20% WI)** - The SL 19706 #1 well produced a total of 663 bbls of oil and 76,215 mcfg for the June quarter. The well is presently producing 847 mcfgd and 7 bopd.
- Renewed interest in the Napoleonville 3D Seismic has recently emerged and the Company anticipates a significant opportunity to secure a new development JV to exploit asset during the next quarter.

## CAPITAL STRUCTURE AND FINANCIAL SNAPSHOT

ASX Codes	GGE	Shares	767m
Share Price	0.004	Mkt Cap	\$3.0m
Quarterly Rev	\$798,000	Prod. Wells	5
Cash @ 30/06	\$1.9m	Net rec/pay	\$100k
Net Prod oil qtr.	10,133 bbls	Net Prod gas qtr.	15,243 mcf

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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\$47.08 (BBL)  
Nymex US\$2.95 (MMBTU)

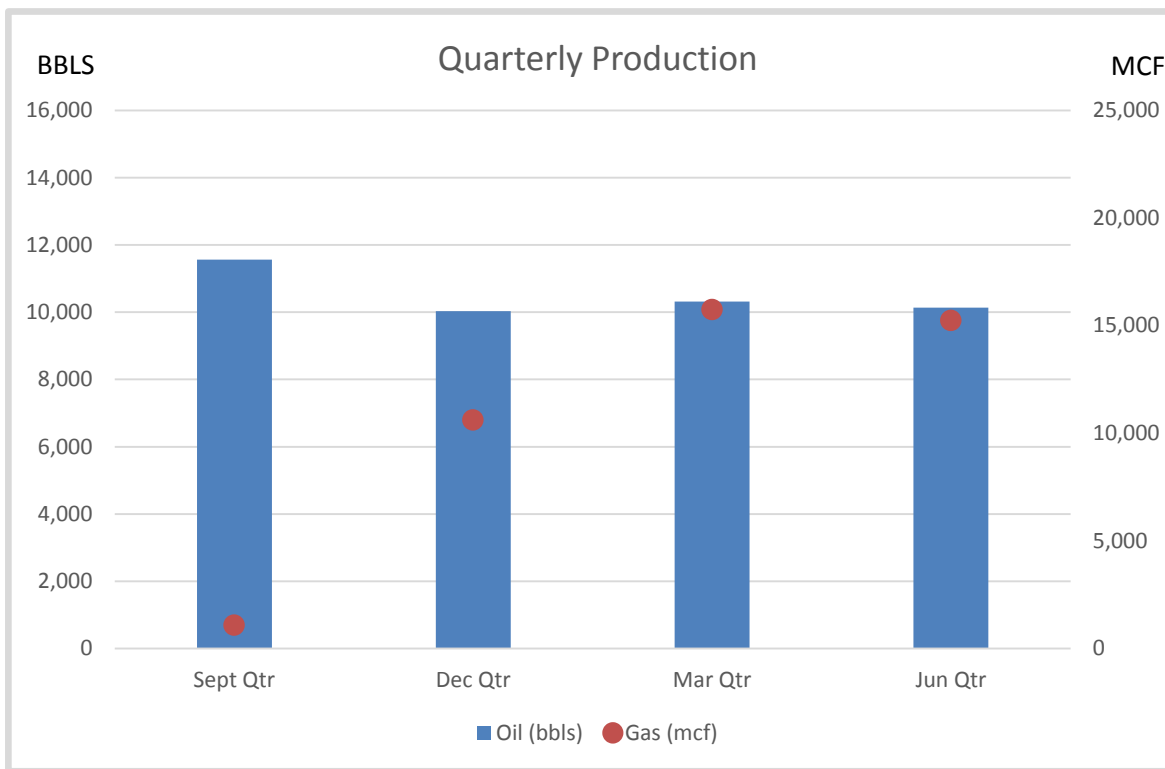




**PRODUCTION AND DEVELOPMENT**

**Total Company Net Production**

	Sept Qtr	Dec Qtr	Mar Qtr	Jun Qtr
Oil (bbls)	11,570	10,029	10,343	10,133
Gas (mcf)	1,365	10,611	15,743	15,243
% Oil Equ.	99.5%	96%	94%	94%





## 2017 Reserves and Resources Summary

Reserves and Resources as of 30 June 2017

Net to Grand Gulf Energy Ltd

FILED (LICENCE)	NET REV INTEREST	PROVED(1P)			PROVED + PROBABLE (2P)			PROVED, PROBABLE, POSSIBLE (3P)		
		LIQUIDS MBBL	GAS MMCF	OIL EQUIV <sup>(1)</sup> MBOE	LIQUIDS MBBL	GAS MMCF	OIL EQUIV <sup>(1)</sup> MBOE	LIQUIDS MBBL	GAS MMCF	OIL EQUIV <sup>(1)</sup> MBOE
<b>Reserves</b>										
<b>USA</b>										
Dugas & Leblanc #3	43.20%	23	235	63	38	235	77	53	235	92
Desiree	30.96%	128	-	128	163	-	163	194	-	194
West Klondike	8.53%	-	-	-	-	-	-	-	-	-
Abita	14.60%	0	43	7	0	43	7	0	43	7
Pleasant Home	37.50%	11	-	11	25	-	25	40	-	40
<b>Total Reserves</b>		<b>163</b>	<b>278</b>	<b>209</b>	<b>227</b>	<b>278</b>	<b>272</b>	<b>287</b>	<b>278</b>	<b>333</b>
<b>CONTINGENT RESOURCES</b>										
		<b>1C</b>			<b>2C</b>			<b>3C</b>		
<b>Reserves</b>										
<b>USA</b>										
Dugas & Leblanc #3	43.20%	-	216	36	-	324	54	-	648	108
Desiree	30.96%	-	-	-	-	-	-	-	-	-
West Klondike	8.53%	0.5	-	-	1	-	1	1	-	1
Abita	14.60%	-	-	-	-	-	-	-	-	-
Pleasant Home	37.50%	12	-	12	26	-	26	284	-	284
<b>Total Contingent Resources</b>		<b>12</b>	<b>216</b>	<b>48</b>	<b>27</b>	<b>324</b>	<b>81</b>	<b>285</b>	<b>648</b>	<b>393</b>
<b>Total Reserves and Resources</b>		<b>175</b>	<b>494</b>	<b>257</b>	<b>254</b>	<b>602</b>	<b>353</b>	<b>572</b>	<b>926</b>	<b>726</b>

(1) Oil equivalent conversion factor: 6MSCF per BBL.

### Competent Persons Statement

The information in this report has been reviewed and signed off by Kevin Kenning (Registered Reservoir Engineer) and Mr Henry Greaves (Registered Geologist, Mississippi, USA), with over 33 years and 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.

### Abita

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

During the quarter the field's operator changed to Krewe Energy, LLC. The SL 19706 #1 well produced a total for the quarter of 663 bbls of oil and 76,215 mcf. The well is presently producing at 7 bopd and 847 mcf. The well is presently producing at 7 bopd and 847 mcf. The well is presently producing at 7 bopd and 847 mcf.

### Desiree Field

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

The Hensarling #1 well (Desiree Field) produced a total for the quarter of 18,683 barrels of oil. The well is presently producing at 210 bopd. The well has produced 465,462 barrels of oil to 30 June 2017.

### Dugas & Leblanc Field

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

The D&L#3 well (Dugas & Leblanc Field) produced a total for the quarter of 6,171 barrels of oil. The well is presently producing at 69 bopd. The well has produced over 266,714 barrels of oil and 0.5 BCF gas. The D&L #3 well continues to outperform previous reserve estimates.

### Pleasant Home Field

#### Smak Dixon, Covington County, Alabama, Non Operator (Earn-in 50% WI)

The Company recently undertook an additional workover on the Smak Dixon 31-11 wellbore as a result of paraffin buildup. The well is presently producing at an average of 18 bopd from the top three intervals. The Company earns a 60% WI in all net revenue from this well until its investment is recovered.

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The Company is working with the operator to develop a commercial strategy to extract the additional contingent reserves and resources from the field. The Company has gained a significant amount of information in respect of the methods needed to recomplete these intervals and in particular the benefits of using the RST log tool to identify bypassed pay zones. The RST log also confirmed multiple, thinner, potential zones of interest above the 9850" Hosston Sand.

### West Klondike

#### Wilbert Sons LLC #1 well, West Klondike, Iberville Parish, Louisiana, Non Operator 11.925% WI

The Wilbert Sons LLC #1 well produced a total for the quarter of 368 barrels of oil. The well is presently producing at 4 bopd. Due to flooding the well was taken off production on 21 May 2018 and resumed production on 26 June 2017. The Operator switched the power fluid from water to oil when the well was placed back on production in June. It is anticipated that this will assist the movement of the oil and increase production rates.

### LEASE SCHEDULE

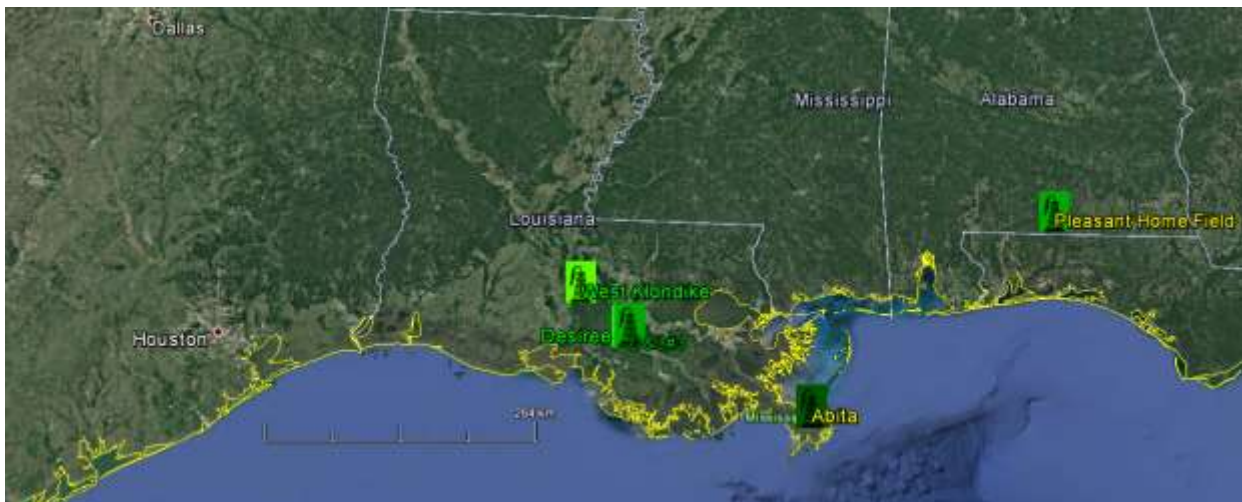
The Company provides the following Schedule of lease interest held by the Company for the quarter 30 June 2017 as required by ASX Listing Rule 5.3.

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 (CL-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%
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%

# Quarterly Report For Quarter ending 30 June 2017



Project	Location	Lease	Interest at Beginning of the Quarter	Interest at the end of the Quarter
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%	11.925%
West Klondike	Iberville Parish, Louisiana	WK#1B	11.7%	11.925%
West Klondike	Iberville Parish, Louisiana	WK#1C	11.7%	11.925%
West Klondike	Iberville Parish, Louisiana	WK#2	11.7%	11.925%
West Klondike	Iberville Parish, Louisiana	WK#3A	11.7%	11.925%
West Klondike	Iberville Parish, Louisiana	WK#3B	11.7%	11.925%
Boleslaw-1	Central Poland	Boleslaw-1 well-site lease on the Kolo concession.	20.4%	20.4%



## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

GRAND GULF ENERGY LIMITED

### ABN

22 073 653 175

### Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	798	2,915
1.2 Payments for		
(a) exploration & evaluation	(95)	(1,837)
(b) development	(196)	(564)
(c) production	(278)	(1,226)
(d) staff costs	(83)	(294)
(e) administration and corporate costs	(62)	(364)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	51
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (Insurance payment - refundable)	-	26
<b>1.9 Net cash from / (used in) operating activities</b>	<b>84</b>	<b>(1,293)</b>

### 2. Cash flows from investing activities

- 2.1 Payments to acquire:
- (a) property, plant and equipment
  - (b) tenements (see item 10)
  - (c) investments
  - (d) other non-current assets

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Refunds/(Payments) of security deposits		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>		

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		172
3.6	Repayment of borrowings	-	(172)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	-	-

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,780	3,109
4.2	Net cash from / (used in) operating activities (item 1.9 above)	84	(1,293)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		
4.4	Net cash from / (used in) financing activities (item 3.10 above)		
4.5	Effect of movement in exchange rates on cash held	(5)	43
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,859</b>	<b>1,859</b>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,859	1,859
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,859</b>	<b>1,859</b>

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	87
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	0
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	



## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	50
9.2 Development	25
9.3 Production	250
9.4 Staff costs	90
9.5 Administration and corporate costs	60
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>475</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: ..... Date: 27 July 2017  
(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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.