Market Announcements Platform
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

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September 2020 ASX Quarterly Report

27 October 2020

HIGHLIGHTS

Grand Gulf Energy Limited (ASX: GGE) (Grand Gulf or the Company) is pleased to provide shareholders with the following summary of its activities during the September 2020 quarter. Despite the market turmoil, Grand Gulf is well positioned to continue production and with reduced overheads continue generating positive cashflow.

- **Dugas & Leblanc #3 Field (55.5% WI)** – The well produced a total of 6,823 bbls of oil (averaged 76 bo/d) during the quarter.
- **Desiree Field (39.6% WI)** – The well produced a total of 4,587 bbls of oil (averaged 67 bo/d) during the quarter for a total of 68 days. The well was shutin for repairs and recommenced production on 24 July 2020.

QUARTERLY CASH FLOW SUMMARY

Cash Flow Analysis	Sept Quarter	Year to Date
	$AUD '000	$AUD '000
Production Sales (net of Royalties)	166	166
Production Costs	(143)	(143)
Operating & Overhead Costs	(56)	(56)
Exploration & Development Costs	14	14
Net Operating Proceeds	(19)	(19)

CAPITAL STRUCTURE AND FINANCIAL SNAPSHOT

ASX Code	GGE	Shares	384 m
Share Price	0.8 cent	Market Capitalisation	$3 million
Cash Reserves @ 30/09	$985,639	Producing Fields	2
Quarterly Net BO	4,524 bbls	Daily Net BO	58 bbls/d

PRODUCTION SUMMARY

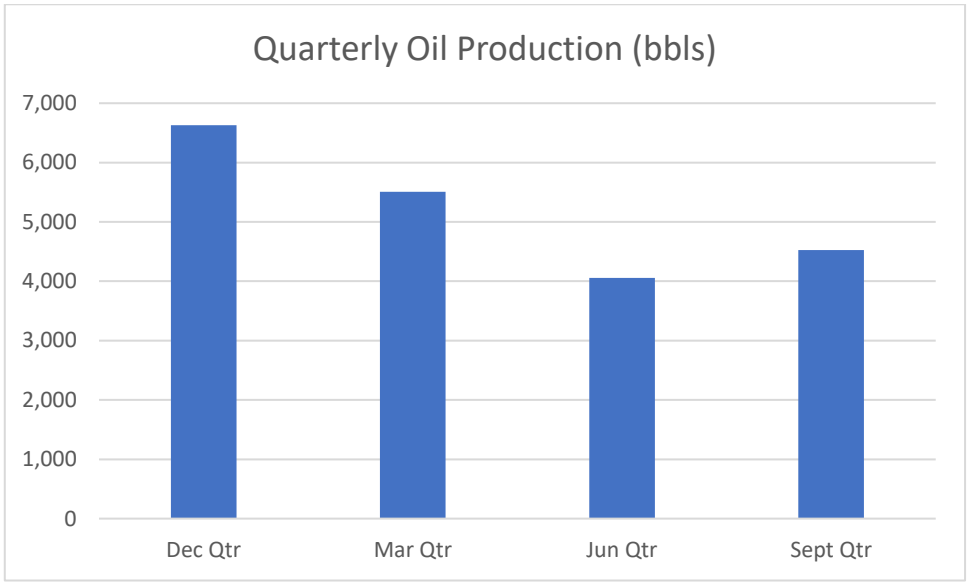
Total Net Quarterly Oil Production

	Dec Qtr	Mar Qtr	June Qtr	Sept Qtr
Oil (bbls)	6,631	5,510	4,056	4,524

			Quarterly Bo		Daily Bo	
	Working interest	Parish	Gross	Net	Gross	Net
Desiree Field	39.65%	Assumption	4,587	1,816	67	27
Dugas & Leblanc	55.5%	Assumption	6,823	2,708	76	31
Total			11,411	4,524	143	58

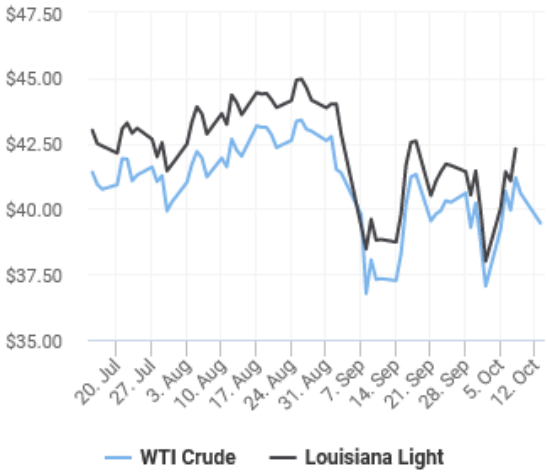
Board of Directors
Chairman – Craig Burton
MD - Mark Freeman
Director - Chris Bath

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US Oil Price & Production Commentary

The Company receives LLS (Louisiana Light) pricing per barrel which is currently at 26/10 was US$41.28/bbl ($A57.87/bbl). The graph below shows the relative trading of WTI vs LLS with LLS typically trading at a slight premium to WTI. Grand Gulf trading contracts are based on monthly average prices.



The oil price during September dropped, primarily as a result of Libya indicating it would increase production on 18 September from 100,000 bo/d to 260,000 bo/d and could reach 500,000 bo/d by the end of October 2020.

Along with increasing supply, global demand has remained depressed as second waves of COVID-19 infections increase in numerous countries. The EIA estimates that global consumption in August was 94.3 MMbo/d and will average 93.1 MMbo/d for 2020.

Desiree Field

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

The Hensarling #1 well (Desiree Field) produced a total for the quarter of 4,587 barrels of oil. The well averaged 67 bo/d. The well has produced 617,293 barrels of oil to 30 September 2020.

On 20 May 2020 the well was shut in with a suspected hole in the tubing. Repairs were completed in July and the well was placed back on production on 24 July 2020.

The well continues to produce from the Cris R3 sands. Following depletion of the Cris R3 the well will be perforated in the Cris R2. Desiree remains a substantial asset to the Company with long term reserves and cash flow.

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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 6,823 barrels of oil. The well is presently producing at 76 bo/d and has produced over 350,127 barrels of oil. The D&L #3 well continues to outperform previous reserve estimates.

EXPLORATION AND DEVELOPMENT

DJ Basin, Colorado, USA (66% WI)

The Company has ~66% working interests in 355 net acres in Weld County. No further updates during the Quarter.

East Texas Prospect (40-50% WI) – 1,238 acres in the Eagle Ford

The Company interests in the East Texas leases expired during the quarter.

RELATED PARTY PAYMENTS

During the quarter ended 30 September 2020, the Company made payments of $50,000 to related parties and their associates. These payments relate to existing remuneration agreements with Directors.

LEASE SCHEDULE

The Company provides the following Schedule of lease interest held for the quarter as at 31 October 2020 as required by ASX Listing Rule 5.3.

Project	Location	Lease	Interest at Beginning of the Quarter	Interest at the end of the Quarter
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%

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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 &	39.6%	39.6%
Louise	Assumption Parish, Louisiana	12S14E52-029	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E52-030	22.0%	22.0%
Burns Tract	Burleson County, Texas	Tract 1	50%	0%
Burns Tract	Burleson County, Texas	Tract 7 & 8	50%	0%
Burns Tract	Burleson County, Texas	Tract 9A	50%	0%
Burns Tract	Burleson County, Texas	Tract 9B	50%	0%
Burns Tract	Burleson County, Texas	Tract 9C	50%	0%
Burns Tract	Burleson County, Texas	Tract 10	50%	0%
Burns Tract	Burleson County, Texas	Tract 11	50%	0%
Burns Tract	Burleson County, Texas	Tract 14	50%	0%
Burns Tract	Burleson County, Texas	Tract 26	50%	0%
Hooker Creek Tract	Burleson County, Texas	Tract E2-8	50%	0%
Hooker Creek Tract	Burleson County, Texas	Tract NW-12	50%	0%
Hooker Creek Tract	Burleson County, Texas	Tract E2-11	50%	0%
Hooker Creek Tract	Burleson County, Texas	Tract E2-11b	50%	0%
Hooker Creek Tract	Burleson County, Texas	Tract E2-11e	50%	0%
Hooker Creek Tract	Burleson County, Texas	Tract E2-11c&d	50%	0%
Hooker Creek Tract	Burleson County, Texas	Tract NW-3	50%	0%
DJ Basin	Weld County, Colorado	Lease A	21.9%	52.2%
DJ Basin	Weld County, Colorado	Lease B	21.9%	52.2%
DJ Basin	Weld County, Colorado	Lease C	21.9%	52.2%

Forward Looking Statements

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.

Competent Persons Statement

The information contained in these statements has been compiled by Kevin James Kenning, Registered P.E. State of Texas #77656 , 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.

Oil and Gas Glossary

B or b	Prefix – Billions	BBL, BO, bbl or bo	Barrel of oil
MM or mm	Prefix – Millions	BOE or boe	Barrel of oil equivalent (1 bbl = 6 mscf)
M or m	Prefix – Thousands	CF or cf	Standard cubic feet
/ D	Suffix – per day	BCF or bcf	Billion cubic feet
G	Gas	O or o	Oil
Pj	Petajoule	E or e	Equivalent
EUR	Estimated Ultimate recovery	C	Contingent Resources – 1C/2C/3C – low/most likely/high
WI	Working Interest	NRI	Net Revenue Interest (after royalty)
PDP	Proved Developed Producing	1P	Proved reserves
PUD	Proved Undeveloped Producing	2P	Proved plus Probable reserves
IP24	The peak oil rate over 24 hrs	3P	Proved plus Probable plus Possible reserves

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

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Name of entity	
GRAND GULF ENERGY LTD	
ABN	**Quarter ended ("current quarter")**
22 073 653 175	30 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	166	166
1.2	Payments for		
	(a) exploration & evaluation	16	16
	(b) development	(1)	(1)
	(c) production	(143)	(143)
	(d) staff costs	(38)	(38)
	(e) administration and corporate costs	(24)	(24)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	5	5
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(19)**	**(19)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,035	1,035
1,	Net cash from / (used in) operating activities (item 1.9 above)	(19)	(19)
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)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	(30)	(30)
4.6	**Cash and cash equivalents at end of period**	**986**	**986**

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	986	1,035
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**986**	**1,035**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	50
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(19)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(19)
8.4	Cash and cash equivalents at quarter end (item 4.6)	986
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	986
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	N/A

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

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8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer:	

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date: .....27/10/2020.....

Authorised by: .....By the board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow 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 cash flow 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.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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