16 March 2022

Helium Offtake Agreement Secured

- **Gas Sales & Processing Agreement (GSPA) executed with Paradox Resources LLC, owners of the advanced Lisbon helium processing plant located 20 miles north of the Red Helium Project**
- **GSPA provides the opportunity to monetize Jesse#1 in the event of a successful well, providing cashflow with minimal CAPEX**
- **GSPA provides external validation of the Red Helium Project and initiates an important relationship with a proven helium processor and seller**
- **Lisbon facility includes a liquefaction train capable of generating 99.9995% purity helium suitable for the lucrative and premium-pricing semi-conductor, defence and space industries. The facility is one of only 8 helium liquefiers in the US representing 7% of North American helium liquefaction capacity**
- **Recent sharp rise in helium prices on the back of US supply disruptions, Russian sanctions and increased demand. Lisbon currently selling helium for up to US$605 per thousand cubic feet (mcf)**
- **Grand Gulf to list on the US-based OTCQB Venture Market in the coming weeks**

Grand Gulf Energy Ltd (**ASX:GGE**) (**"Grand Gulf" or the "Company"**) is pleased to advise of the execution of a Gas Sales & Processing Agreement (GSPA) with Paradox Resources LLC (Paradox), owners of the advanced Lisbon helium processing plant located 20 miles north of the Red Helium Project.

In the event of a successful well, the GSPA provides a path to monetization of the Company's maiden pure-play helium well, Jesse#1 which is scheduled for spud next month. The GPSA initiates a relationship with a proven helium refiner and seller with deep helium processing and marketing experience. The key terms include an 80/20 industry standard revenue split in favour of the producer (GGE) as well as standard tariffs for gathering, compression and processing.

The GSPA represents recognition from Paradox of the significant potential of the Red Helium Project and the technical merits of the potentially company-making Jesse#1 well. Furthermore,

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both Grand Gulf and Paradox are participating in preliminary discussions to identify further strategic business opportunities.

Paradox owns over 100,000 net acres and operates over 150 wells in the Paradox Basin in the Four Corners Region of Utah, Colorado, New Mexico and Arizona. Paradox is operator of 570 miles of operated gas gathering lines (220 miles of which is wholly owned) with four compression stations that feed directly to the Lisbon Valley Gas Plant.

The Lisbon Valley Gas Plant is comprised of a 60 million cubic feet per day (mmcfd) treating plant with a 45 mmcfd cryogenic plant capable of liquefaction of 0.6 mmcfd of high purity 99.9995% helium, that attracts premium pricing for advanced applications such as semiconductor, medical, research, space and defense industries. The plant has capacity for another 0.5 mmcfd of purified ~99.989% gaseous helium currently sold to multiple suppliers and direct to downstream retail consumers via Paradox's logistics arm comprising precisely engineered specialist tube trailers.

The Lisbon Plant is also currently sequestering carbon dioxide and is well advanced in the permitting process to qualify for carbon capture tax credits under Section 45Q of the US tax code.

Helium prices have recently risen sharply as a function of major supply issues in the US (shutdown of the Bureau of Land Management (BLM) Cliffside helium facility in Texas), a devastating fire at the giant Russian Amur gas plant, the Ukraine/Russian war and increased high purity demand from the semiconductor and space sectors. Paradox has confirmed that recent contracts for the supply of helium have reached US$605/mcf for purified gaseous helium.

Figure 1: Paradox Resources Lisbon Valley Gas Processing Plant.

Dane Lance, Grand Gulf Energy Managing Director commented:

"We are excited to partner with Paradox Resources, a major player in the North American premium helium market with advanced processing capability, and look forward to exploring future opportunities together. The offtake agreement is further validation of the technical merit of the pureplay Red Helium project, targeting a gross prospective resource of 10.9 bcf. The signed drill contract and offtake agreement provide line of sight to monetisation of success at Jesse#1, at a time when one of the world's most critically scarce commodities is needed most."

Todd A. Brooks, Paradox Resources President and Chief Executive Officer commented:

"Paradox is pleased to be working with Grand Gulf as drilling commences. We look forward to working together to realise the potential of the region's significant undeveloped resources, as they bring on their helium-targeted gas stream and Paradox provide take away capacity for processing, purification, and sales."

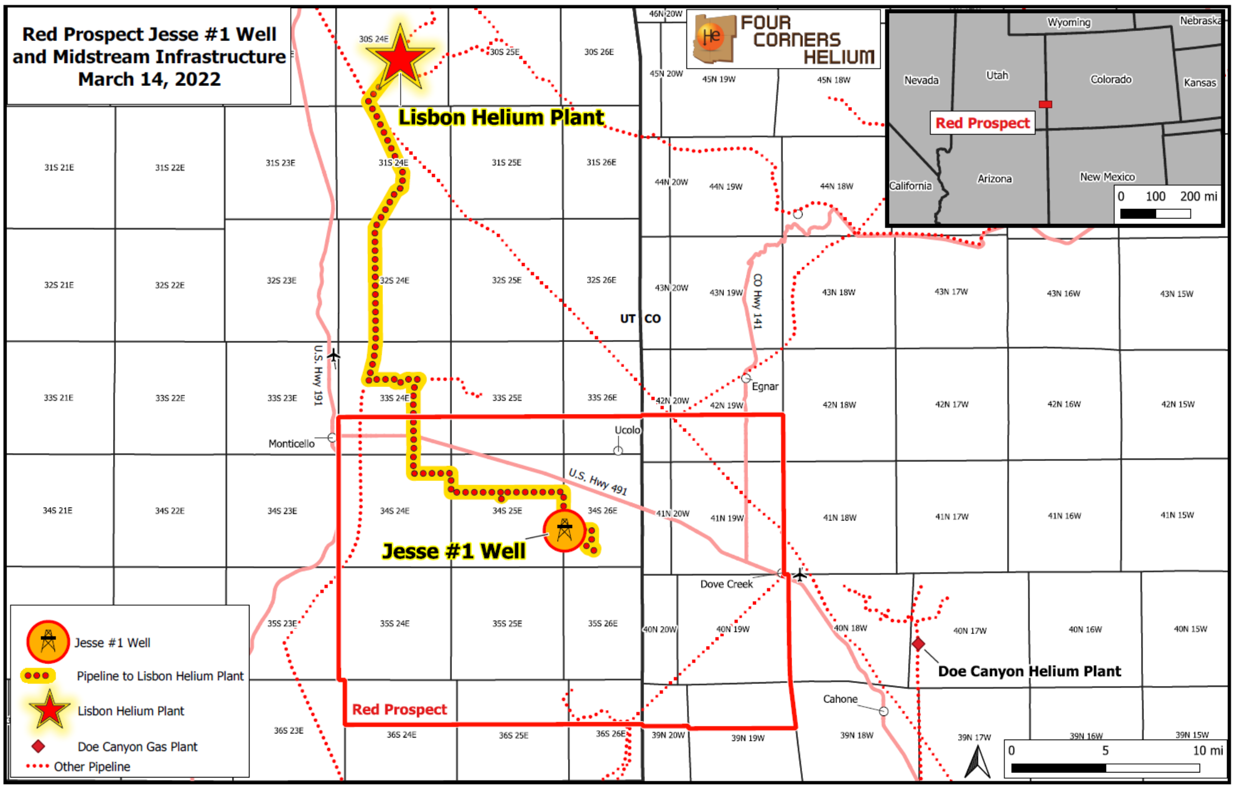

Figure 1: Jesse#1 location in the Valence AMI containing the Red Helium project with local pipelines showing the gas transport route to the Lisbon Helium Plant.

Preliminary Engineering Studies Complete

Mesa Applied Technologies, LLC (Mesa) has completed a preliminary engineering design assuming a successful Jesse#1 well. The Jesse#1 well surface location is immediately adjacent to an unutilised pipeline, that ties into the Paradox Resources Aneth pipeline (the GSPA receipt point), which is connected to the Lisbon plant. Integrity EPC, LLC, (Integrity) engaged by Mesa, completed a preliminary integrity review of the pipeline that confirmed the suitability of the pipeline to transport the full gas stream from Jesse#1 to the GSPA receipt point. Discussions are underway for access to this pipeline which provides line of sight to first production with minimal CAPEX / time delay.

Jesse#1 Well

Jesse#1 is the first pure-play helium well to be drilled in the Red Helium project area, which contains a gross P50 unrisked helium Prospective Resource of 10.9 billion cubic feet (bcf)[1]. The Jesse#1 well is immediately adjacent to pipeline connected to the Paradox Resources Lisbon gas processing plant, located 20 miles to the North. Permitting is ahead of schedule and the drill contract has been signed with a firm mid-April spud. The total costs to drill, evaluate and flow test Jesse#1 are estimated at US$1.6M.

The Red Helium project is held by majority-owned incorporated joint venture company Valence Resources LLC (Valence) (GGE currently holds 55% of Valence with the right to earn up to 85%).

The estimated quantities of helium that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal is required to determine the existence of a significant quantity of potentially moveable helium.

OTCQB Listing

Grand Gulf will join the US-based OTCQB Venture Market under the ticker symbol GRGUF (OTCQB: GRGUF) in the coming weeks.

[1] ASX announcement 8 December 2021, 9 March 2022. The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Given the location of GGE's assets in the USA and the offtake agreement signed with Paradox, OTC trading will enhance the visibility and accessibility of the Company to North American shareholders and media partners.

The OTCQB is a well-established trading platform, operated by OTC Markets Group in New York, that provides live-market trading in developing companies which hold primary listings in other markets. There are no additional compliance or regulatory standards over and above Grand Gulf's compliance with the ASX Listing Rules. OTC trading is non-dilutive to existing shareholders as no new shares are being issued to enable trading on the OTCQB and Grand Gulf's shares will continue to trade on the ASX under the symbol ASX:GGE.

This ASX announcement has been authorised for release by the Board of Grand Gulf Energy Ltd.

For more information about Grand Gulf Energy and its projects, contact:
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About Grand Gulf Energy:

Grand Gulf Energy Ltd (ASX:GGE) is an independent exploration and production company, headquartered in Australia, with operations and exploration in North America. The Red Helium project represents a strategic pivot to a pureplay helium exploration project, located in Paradox Basin, Utah, in the prolific Four Corners region. For further information please visit the Company's website at www.grandgulfenergy.com

About Paradox Resources:

Headquartered in Houston, Texas, Paradox Resources is a privately held, return driven, independent energy company engaged in the exploration, development, production, acquisition, transportation and processing of oil, natural gas and Helium resources in the United States, with primary assets within the Paradox Basin of Utah and Colorado. More information about the Company may be found at http://www.paradoxresources.com

Competent Person's Statement:

The information in this report is based on information compiled or reviewed by Mr Keith Martens, CEO of Grand Gulf. Mr Martens is a qualified oil and gas geologist/geophysicist with over 45 years of Australian, North American, and other international executive oil and gas experience in both onshore and offshore environments. He has extensive experience of oil and gas exploration, appraisal, strategy development and reserve/resource estimation. Mr Martens has a BSc. (Dual Major) in geology and geophysics from The University of British Columbia, Vancouver, Canada.

Forward Looking Statements:

This release may contain forward-looking statements. These statements relate to the Company's expectations, beliefs, intentions or strategies regarding the future. These statements can be identified by the use of words like "anticipate", "believe", "intend", "estimate", "expect", "may", "plan", "project", "will", "should", "seek" and similar words or expressions containing same. These forward-looking statements reflect the Company's views and assumptions with respect to future events as of the date of this release and are subject to a variety of unpredictable risks, uncertainties, and other unknowns. Actual and future results and trends could differ materially from those set forth in such statements due to various factors, many of which are beyond our ability to control or predict. These include, but are not limited to, risks or uncertainties associated with the discovery and development of oil, natural gas and helium reserves, cash flows and liquidity, business and financial strategy, budget, projections and operating results, oil and natural gas prices, amount, nature and timing of capital expenditures, including future development costs, availability and terms of capital and general economic and business conditions. Given these uncertainties, no one should place undue reliance on any forward-looking statements attributable to GGE, or any of its affiliates or persons acting on its behalf. Although every effort has been made to ensure this release sets forth a fair and accurate view, we do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.