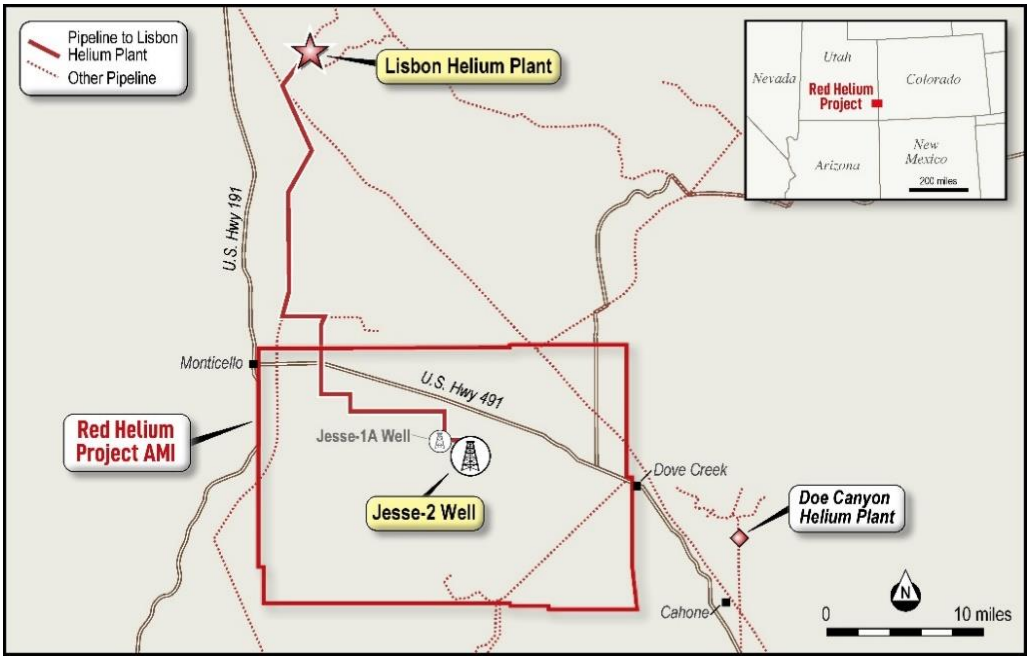
9 January 2023

Helium Offtake Agreement Secured for Jesse-2

- **Gas Sales & Processing Agreement (GSPA) with Paradox Resources LLC (Paradox) expanded to include Jesse-2 well scheduled for spud in the current quarter**
- **Paradox owns the advanced Lisbon helium processing plant located 20 miles north of the Red Helium Project, and connected to existing pipelines proximal to the Jesse-2 well allowing potential near-term monetisation of a commercial well**
- **Lisbon facility includes a liquefaction train capable of producing 99.9995% ("5½ nines") 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 and represents 7% of North American helium liquefaction capacity**

Grand Gulf Energy Ltd (**ASX:GGE, OTCQB:GRGUF**) (**"Grand Gulf" or the "Company"**) is pleased to advise of the expansion of the existing Gas Sales & Processing Agreement (GSPA)[1] with Paradox Resources LLC (Paradox) to include the Jesse-2 well. Paradox is owner of the advanced Lisbon helium processing plant located 20 miles north of the Red Helium Project.



Jesse-2 location in the Red Helium project AMI with local pipelines / gas transport route to the Lisbon Helium Plant.

[1] ASX Announcement 16 March 2022 – Helium Offtake Agreement Secured

In the event of a successful well, the GSPA provides a path to monetization of the Company's second pure-play helium well, Jesse-2 which is scheduled for spud Q1 2023. The GPSA expansion continues 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 expansion represents recognition from Paradox of the significant potential of the Red Helium Project and the technical merits of the potentially company-making Jesse-2 well. Both Grand Gulf and Paradox are participating in ongoing discussions to identify further strategic business opportunities framed by a Strategic Alliance[2], which includes GSPA expansion and further corporate synergies.

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 advanced 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% (5 ½ Nines) 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 (Revenue) of the US tax code. The recent Inflation Reduction Act increased the value of carbon dioxide sequestered to $85 per metric tonne, making it a potential material revenue stream for the Red Helium Project.

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[2] ASX Announcement 11 April 2022 – Strategic Alliance with Helium Offtake Partner

Managing Director Dane Lance Commented:

"The expansion of the offtake agreement with Paradox continues the relationship with a proven helium refiner and seller with deep helium processing and marketing experience. Grand Gulf is well placed to capitalise on one of the world's most critically scare commodities with the ability to quickly monetise a commercial well with minimal time and cost."

Figure 2: Paradox "5.5 Nines" Resources Lisbon Valley Gas Processing Plant.

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 is a pure-play helium exploration project, located in the Paradox Basin, Utah, in the prolific Four Corners region. For further information please visit the Company's website at www.grandgulfenergy.com

Helium Market – Brief Update

Sustained helium price pressure experienced in 2022 is expected to continue through 2023. The Bureau of Land Management (BLM) Cliffside facility in Texas is back online after a 6 month shutdown in 2022, however with limited reserves and quickly depleting (~10% global supply). The Russian Amur gas plant is still yet to produce helium after a devasting fire during commissioning at the start of 2022, potentially producing first helium in 2023 but with full ramp up delayed and further exacerbated by geopolitical tensions and the Ukraine/Russian war (potentially ~20-30% global supply). Other major supply sources such as Qatar have been historically unreliable, and Algeria has been diverting gas from LNG and helium production to Europe.

With an ongoing structural supply deficit further compounded by the above factors, the market is still seeing increased high purity helium demand growth from multiple sectors including semiconductors and space, leading to extreme pressure on the global market, and in particular the US spot market. In 2022 the Company was advised of US spot prices in excess of US$2,000/mcf for research grade helium (160mcf tube trailer) and Paradox advised of purified gaseous helium sales exceeding $500/mcf. Spot prices increases represent a more than 300% rise over the last year and many suppliers in the US are still in Force Majeure, meaning they are rationing helium and cannot meet their supply contracts.

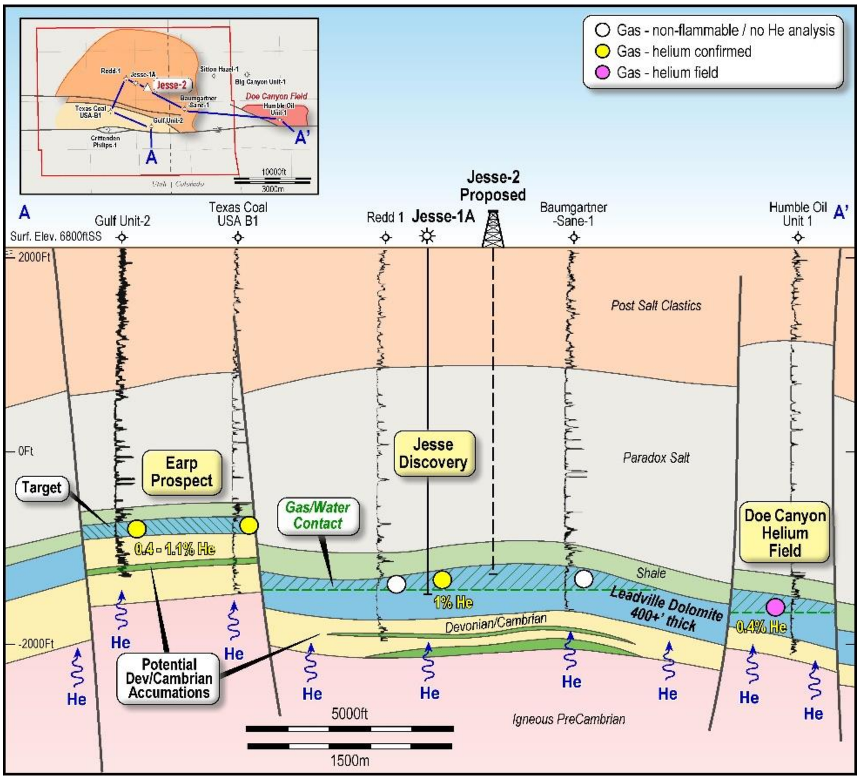
About the Red Helium Project:

The Red Helium Project provides exposure to the burgeoning helium industry in a prolific proven helium-producing region, the Four Corners Area, that comprises:

- 250,713 acre area of mutual interest (AMI) with over 29,000 acres (private leases/Utah state leases) leased in drill-friendly Utah in the heart of the most prolific helium-producing region in the world;
- Geologically analogous to Doe Canyon Field. Doe Canyon is situated 15 miles due east of the Red Helium project, and is currently producing approximately 10,700,000 cubic feet of helium per month, the bulk of which comes from only 7 wells. Air Products (market cap US$68b) is processing the helium, and it is anticipated that Doe Canyon will ultimately produce 3-5 billion cubic feet of helium. With additional drilling, this resource figure could increase;
- 315 kms of well-placed 2D seismic has been acquired and reprocessed identifying multiple drill targets – and confirming a structural trap 4-5 times larger than the Doe Canyon Field;
- Six historic wells exclusively targeting hydrocarbons were drilled within the project AMI, proving trap, seal, reservoir presence and gas charge and a working helium system, to differing degrees within each prospect. Several wells tested non-flammable gas, the only two analysed for helium confirmed helium presence; and
- 20 miles south of and connected by pipeline to the operational Lisbon Helium Plant (99.9995% purity).

Since acquisition in September 2021 the company has continued to mature the project, including the following milestones:

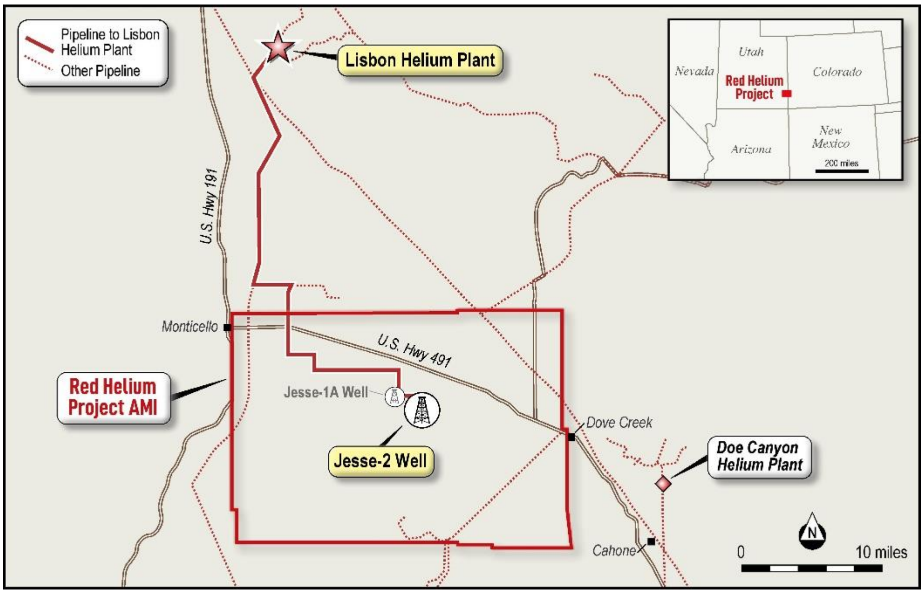
- Maiden prospective gross project unrisked P50 helium resource of 10.9 billion cubic feet of helium;
- Jesse discovery (Jesse-1A), generally exceeding pre-drill expectation and highlights including:
  - Helium grade of up to 1%. An analogous Doe Canyon well at 1% helium and a raw gas rate of 20 million cubic feet per day would produce 200 thousand cubic feet of helium per day;
  - Productive and well pressured reservoir at 2465 psi on trend with virgin pressure at the neighbouring Doe Canyon.
  - Independent Auditor confirms Jesse helium discovery and maturation from Prospective to Contingent Resource category
    - over 200 feet of gross gas column; and
    - 101 feet of net pay;
- Helium Offtake Agreement with Paradox Resources LLC, a helium refiner and seller owner with extensive helium market experience and connections, and operator of the advanced Lisbon Valley helium plant;
- Strategic Alliance to expand on the Offtake terms and exploit the corporate synergies with Paradox;
- Matured three new drill locations on the Jesse structure and multiple prospects independent to Jesse, including the drill-ready Earp prospect, with plans to drill a second helium well in early Q1 2023; and
- Increased Working Interest in the Red Helium Project to 70% with a right to earn 85%.



Stylised cross section with Jesse Discovery, Earp prospect, Doe Canyon helium field, and historic wells

Helium Offtake Agreement ("Offtake"):

Offtake executed with helium refiner and seller Paradox Resources LLC (**"Paradox"**) with industry standard 80/20 revenue sharing / allowing near immediate monetisation of a success case well to monetized with minimal time and Capex[3]. The Red Helium project is 20 miles south of and connected by pipeline to the operational Lisbon Helium Plant.



Jesse-2 location in the Red Helium project AMI with local pipelines / gas transport route to the Lisbon Helium Plant.

[3] ASX Announcement 16 March 2022 – Helium Offtake Agreement Secured

Strategic Alliance

Grand Gulf entered into a Strategic Alliance (**"Alliance"**) with helium refiner and seller Paradox designed to fast-track and optimise the significant commercial opportunities that exist in the current buoyant helium market[4]. The Alliance is structured to explore mutually commercially advantageous revenue sharing arrangement on such key items as:

- Optimize and prioritize near-term exposure to the burgeoning helium market
- Red Helium Project to be a potential priority supplier to re-start the Paradox liquefier capable of producing high purity 99.9995% helium ("5 ½ Nines") - which attracts premium pricing, currently over US$2,000/mcf
- Collaborative downstream marketing targeting end users of high-purity helium such as semi-conductor manufacturers and the space industry
- Expansion of the terms of the recently executed Offtake agreement to include discoveries after Jesse#1A
- Progress identified CO_2 disposal options with revenue generating potential:
  - i) Expansion of existing carbon sequestration activities at Paradox's Lisbon Plant to include CO_2 from the Red Helium Project - potentially revenue-generating under Section 45Q of the US Tax Code; and
  - ii) Joint investigation into utilization of Red Helium Project CO_2 for enhanced oil recovery (flooding) from Paradox's Lisbon Oil Field
- Potential synergistic commercial benefits in assessing corporate opportunities that involve both Paradox assets and the Red Helium Project

Maiden Prospective Helium Resource

On 8 December 2021 the Company announced that Sproule had completed the maiden Prospective Resource Report for the Red Helium Project located in the Paradox Basin, Utah USA.

Sproule has confirmed a P50 10.9 billion cubic feet (BCF) Prospective Resource over gross leased acreage and P50 of 7.4 BCF on a net acre basis to Valence. The Sproule Prospective Resource calculation is based on the current acres held by incorporated joint venture company at 8 December 2021.

The Company plans a resource update based on the data gained from Jesse-1A and future wells.

Valence Prospective Resources[5]

Recoverable Helium	1U (P90) (BCF)	2U (P50) (BCF)	3U (P10) (BCF)
Gross to Valence - (28,046 gross acres)	7.6	**10.9**	12.9
Net to Valence - (18,959 net acres)	5.2	**7.4**	8.5
Net to GGE - (earning 85% of net Valence)	4.4	**6.3**	7.2
Red Project Total	7.9	**20.8**	57.6

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.

GGE now has a 70% interest in Valence with a right to secure a further 15% interest (total of 85%) on the following terms:

Earning 85% of Valence Resources	Max Commitment Spend	Cumulative Interest
Current Working Interest		70%
Drilling second well	US$1.5M	77.5%
Drilling third well	US$1.5M	85%

[4] ASX Announcement 11 April 2022 – Strategic Alliance with Helium Offtake Partner

[5] *Sproule as announced on ASX on 8 December 2021.* 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.

Competent Person's Statement:

The information in this report is based on information compiled or reviewed by Mr Keith Martens, Technical Director 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.