13 May 2025

MOU signed with TSXV-listed Sage Potash for a potential joint 3D-Seismic Survey and Drilling Activities at the Red Helium Project

Highlights

- Grand Gulf signs Memorandum of Understanding with TSXV-listed potash developer Sage Potash to collaborate on exploration activities within an area of mutual interest at the Red Helium Project
- Parties agree to share costs of a proposed 3D seismic survey targeting helium and potash
- MoU also provides for the potential joint development of common infrastructure as well as the possible drilling of a well designed to access both helium and potash
- The MoU with Sage Potash has the potential to dramatically reduce the cost of future exploration and development activities at the Red Helium Project
- Grand Gulf seeking to unlock value from the highly prospective Red Helium Project whilst pursuing the transformational offshore Namibia oil and gas block application

Grand Gulf Energy Limited (**ASX: GGE**) ("**Grand Gulf**" or the "**Company**") is pleased to announce it has entered a non-binding Memorandum of Understanding (**MoU**) with TSXV-listed potash developer Sage Potash Corp. (**TSXV: SAGE**) ("**Sage Potash**") to explore technical and operational cooperation within the Area of Mutual Interest (**AMI**) (Appendix 1).

This strategic agreement leverages the geographic and operational synergies between Grand Gulf's Red Helium Project and Sage Potash's Sage Plain Project, both located in close proximity within the Paradox Basin, Utah. Sage Potash own potash rights and Grand Gulf control helium and other commodity rights within the AMI.

The MoU outlines a collaborative framework for the joint-funding of a proposed 3D seismic survey and the evaluation of joint infrastructure development, including the potential drilling of a new well to assess potash mineralisation and test for helium. The MoU between Grand Gulf and Sage Potash has the potential to significantly reduce the overall cost of exploration and development activities in the AMI.

As detailed below, Grand Gulf's Jesse-1A well unequivocally demonstrated the presence of helium within the Red Helium Project. A 3D seismic survey over a series of highly prospective helium features is crucial in de-risking future drill locations and establishing commercial helium flows.

Grand Gulf is seeking to unlock value from the highly prospective Red Helium Project whilst pursuing the transformational offshore Namibia oil and gas block application where, last month, energy supermajor bp and Rhino Resources announced a discovery in the Orange Basin that flowed at 11,000 barrels of oil per day.

Red Helium Project (Grand Gulf)

The Jesse-1A well was drilled and tested, with the maiden Red Helium project discovery announced in June 2022, encountering a greater than 200-foot gas column, with 101 feet of net pay (independently audited) and 1% helium[1]. Based on an initial petrophysical evaluation, the entire Jesse-1A wellbore appeared gas saturated, and the entire open-hole section was stimulated with 28% HCl acid at 20 gallons per foot (gpf).

Post acidization, produced formation waters were fresher than regionally observed, leading to an updated analysis with the lower intersected Leadville zone interpreted as potentially water bearing.

Figure 1: Jesse-1A flare-stack venting reservoir gas and helium to surface during flow-testing in December 2023

[1] ASX announcement 19 October 2022 - Jesse 1A Downhole Sample Increases Helium Grade

In December 2023, GGE contractor Walsh Engineering re-entered the Jesse-1A wellbore and attempted to isolate the lower Leadville formation with a cement plug. The operation successfully placed a 14-foot cement plug above the lower, potentially water bearing, Leadville member. Jesse-1A flowed at 1 million cubic feet per day of raw gas at high helium concentrations consistent with the 1% helium downhole sample[2].

Sage Plain Project (Sage Potash)

The Sage Plain Project comprises approximately 90,000 acres of mineral leases and prospecting permit applications in close proximity to the Red Helium Project.

The project is well advanced with NI-43-101 compliant Inferred Resources for Upper Potash Bed (Cycle 18) of 159.3Mt, grading 26.96 % K2O/42.67 % KCl and Inferred Resources for Lower Potash Bed (Cycle 18) of 120.2Mt, grading 22.60 % K2O/35.77% KCl.

Sage Potash has purchased an existing potash processing plant and has secured permits for 150,000 tonnes per annum (tpa) throughput that can be expanded to 300,000 tpa.

Key Terms of the Memorandum of Understanding (MoU)

The MoU between Grand Gulf and Sage Potash outlines a collaborative framework focused on three core areas of potential cooperation:

- **3D Seismic Survey:** The parties will jointly define a mutually beneficial 3D seismic survey area within the Area of Mutual Interest (AMI), covering ground prospective for both helium and potash. Funding for the survey will be shared on a 50/50 basis, subject to final scope and location.
- **Exploration Drilling:** The companies will assess the potential to co-fund and co-develop an exploration well within the AOI that meets the strategic objectives of both parties. All costs and technical input will be discussed and mutually agreed.
- **Infrastructure Development:** The MoU provides a framework for assessing the shared use and development of infrastructure, including access, surface facilities, pipelines, and midstream services. The intent is to reduce capital expenditure and accelerate development timelines through co-utilisation.

The MoU is non-binding and provides the basis for further commercial agreements to be negotiated in good faith. Importantly, the agreement reflects the intent of both companies to cooperate in a technically and commercially aligned manner to unlock value from overlapping development strategies.

[2] ASX Announcement 21 December 2023 - Jesse-1A Flows 1 Million Cubic Feet of Gas Per Day

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

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About Grand Gulf Energy

Grand Gulf is an ASX-listed helium and oil, and gas exploration and development company. The Company's Red Helium Project is located in Utah's Paradox Basin, a proven helium production province, where Grand Gulf has already successfully drilled and tested high-grade helium gas. The Company has more recently applied for a strategic oil and gas block offshore Namibia, proximal to a series of globally significant oil discoveries. For further information, please visit the Company's website at www.grandgulfenergy.com

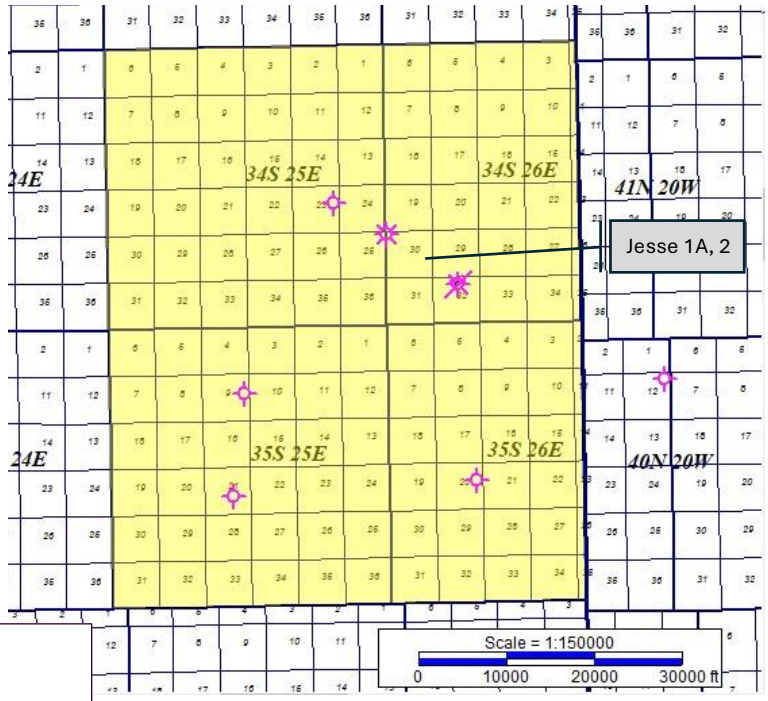
Competent Person's Statement

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 in 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 outlined 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.

Appendix 1 – Area of Mutual Interest



Sections in AMI
All sections in Utah
~120 sq miles
33S, 25E
33S, 26E
34S, 25E
34S, 26E

Utah Colorado

Proposed SAGE AMI

Wells penetrating base salt