

20 June 2024

**Helix Exploration PLC**

**("Helix Exploration" or "Helix" or the "Company")**

**Acquisition of Rudyard Project  
Fee Shares  
Issue of Equity and Total Voting Rights**

Helix Exploration, the helium exploration and development company focused on helium deposits within the 'Montana Helium Fairway', is pleased to announce the execution of a Farm-In agreement whereby the Company has acquired a 100% working interest in 5,600 acres in Hill County, Montana, ("Rudyard", or the "Rudyard Project") from Adam Standiford, a consultant to the Company for \$250k in cash and shares. In addition, Mr Standiford will also receive 600,000 new ordinary shares in the Company at a price of 10 pence per share as an introducer fee pursuant to his consultancy agreement detailed in the Company's admission document ("Fee Shares").

Helium has been proven from two wells in a 640-acre section on the northern anticline and adjacent to the Rudyard Project, both of which tested favourably for helium grade and overall flow rates though these wells are not included in the current Rudyard Project acquisition.

**Highlights**

- Acquisition of a discovery with previously identified helium: Domal anticline with helium gas up to 1.3% Helium ("He") flowed to surface from two wells drilled adjacent to the Rudyard Project
- Contingent Resources<sup>1</sup>: of 484,000Mcf (0.48Bcf) He gross with in-situ value of >\$250 million at helium price of \$550/Mcf
- Additional upside: in untested Dry Creek Formation within the Rudyard Project
- Low acquisition cost: of \$250k paid as \$100k in cash and \$150k in shares with an additional equity issue as introducer fee
- Expanded portfolio: Rudyard compliments the Company's Ingomar Dome Project with additional low-risk resources and second potential future production hub
- Existing infrastructure: assists low-cost development into commercial production
- Fully funded Q3 2024 appraisal drilling: rig and services will move to Rudyard immediately after completion of drilling at Ingomar Dome in Q3 2024

<sup>1</sup> *Contingent Resources are those quantities of helium estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies.*

**Bo Sears, CEO of Helix Exploration, said:**

*"Expanding our helium exploration portfolio is a strategic priority for Helix Exploration. The Rudyard Project represents an exciting addition that complements our flagship Ingomar Dome Project, which we expect to begin drilling in Q3 2024.*

*"The Rudyard Project has demonstrated commercial quantities of helium rich gas and we believe there is untapped potential in the deeper formations that have not been fully explored. With access to critical infrastructure, including the DASH pipeline, we are well positioned to develop the Rudyard Project into a commercial production hub."*

*infrastructure like the BNSF rail line and 3-phase power, the Rudyard Project gives us an excellent opportunity to grow our helium business and diversify our asset base. We are thrilled to add this project to our portfolio and look forward to unlocking its value for our shareholders."*

**David Minchin, Chairman of Helix Exploration, said:**

*"The acquisition of the Rudyard Project significantly de-risks the Helix portfolio with the addition of proven helium and Contingent Resources providing a direct pathway to commercial production. It is testament to the strength of Helix's management team and deep experience of our CEO Bo Sears that Helix has been able to secure Rudyard for a total consideration of only \$250k, and that the majority of this consideration is paid in shares."*

*"At IPO we announced that Helix was fully funded for two appraisal wells. We are now delighted to confirm that our second fully funded appraisal well will be placed in Rudyard where an extended flow test will allow us to convert Contingent Resources into Reserves and fast-track the project towards commercial production."*

## **Details**

Helix has acquired over 5,600 acres within a previously tested and identified helium structure in the Rudyard area of Hill County, Montana, which has previously tested up to 1.3% helium at significant flow rates.

The Rudyard Project consists of three stacked reservoir horizons within two co-joined domed anticlinal structures underlain by the Great Fall Tectonic Zone, a major structural zone which acts as the migration pathway for helium released from ancient continental crust. Helium occurs in non-combustible gas associated with nitrogen with very low CO<sub>2</sub> and <5% natural gas identified in all assays. Gas is identified in reservoirs at target depths between 5,000ft and 5,500ft (1,500m - 1,700m), being some 3,000ft shallower than target depth at Ingomar with associated saving in exploration and development costs.

Helium has been proven from two wells in a 640-acre section on the northern anticline and adjacent to the Rudyard Project, both of which tested favourably for helium grade and overall flow rates. These wells are not included in the current Rudyard Project acquisition. The acquired leases of 5,600 acres cover the majority of the closure therefore management do not consider the excluded 640 acres to be of economic significance.

The first well, drilled by Texaco in 1960, encountered non-combustible gas containing significant amounts of helium in two Drill Stem Tests ("DST"). Specifically: DST #4 flowed 0.90% helium from the Souris interval at 5,068' to 5,125' (1,545m - 1,562m) at a rate of 1,150mcf/d. DST #5 flowed 1.30% helium from the Red River interval at 5,203' to 5,283' (1,586m - 1,610m) at a rate of 3,060mcf/d.

The second well was completed by a private company in 2012, which tested 0.9% helium with a flow rate of 2,500mcf/d, indicating a strong reservoir and the potential for higher absolute overall rates. Helium grades of 0.9% - 1.3% are considered highly commercial and, based on assumptions for CAPEX and OPEX drawn from the Ingomar Scoping Study, would produce attractive NPV8 numbers across a range of production scenarios.

Infrastructure in the area is plentiful, in part, thanks to extensive historical oil and gas development nearby. Roads, rail and three phase power are all easily accessible at site, allowing for rapid and low-cost construction of a simple pressure swing adsorption plant and rapid commercialisation of the Project.

## **Deal Terms**

Building on the management team's extensive knowledge of Montana and connections formed over the last 25 years Helix has acquired the Rudyard acreage for a consideration of:

- £79,000 (USD\$100,000) paid in cash and;
- £118,000 (USD\$150,000) paid as 510,000 new ordinary shares at a price of approximately 22 pence per new ordinary share (valued at 20 day VWAP of the ordinary shares of the Company) ("Vendor Consideration Shares").

The Company has a period of three years to drill two earning wells. Each well will earn the Company a 100% working interest in petroleum, natural gas and helium in 2,800 acres below the base of the Sawtooth

working interest in petroleum, natural gas and helium in 2,000 acres below the base of the Sawtooth Formation (a current and historic natural gas producing reservoir) to be held by the Company in perpetuity.

With total consideration at 0.1% of the in-situ value of Contingent Resources and 60% of the acquisition price paid in new ordinary shares, Helix has ensured that the vendor is well aligned with the interest of the Company and its shareholders.

### Next Steps

The Rudyard acquisition is a significant step forward for the Company. The acquisition of a deposit with identified helium with Contingent Resources provides a direct pathway to establish Helix Exploration as a helium producing, cash-flowing company.

Appraisal drilling is planned to commence in Q3 2024 utilising rig and equipment to be mobilised from and immediately following our drilling campaign at Ingomar Dome. Appraising the discovery with a 30-day flow test will move these contingent resources into the appropriate reserves classifications and allow detailed engineering and plant construction to commence. The Company intends to use the planned appraisal well as a production well, reducing capital costs into production.

The expansion of Helix Exploration's portfolio with the addition of Rudyard as a potential second future production hub compliments the Company's current development plans for its Ingomar Dome project. Diversity of risk allows the Company additional leverage in negotiating debt finance terms and direct offtake agreements with major end-users.

The Company remains fully funded to drill and appraise the Rudyard Project. By virtue of the low acquisition cost no fundraise will be associated with the commencement of this farm-in transaction.

### Contingent Resource

The Company engaged Aeon Petroleum Consultants Corp. ("Aeon") to act as independent expert in to estimate the contingent and prospective resources of helium over the Rudyard Project. The report was compiled by James Weaver, a petroleum engineer with 45 years of industry experience in economic analysis, production optimisation and reserves estimation and evaluation.

Estimates of contingent resources were prepared by Aeon using the stochastic method and application of appropriate geologic, petroleum engineering, and evaluation principles and techniques that are in accordance with practices generally recognised by the petroleum industry and in accordance with definitions established by PRMS.

The stochastic method is based on assigning a statistical distribution to each of the various parameters of the volumetric calculation of recoverable helium and varying them in a Monte Carlo simulation. Parameters for area, thickness, porosity, water saturation, gas expansion factor, recovery factor, hydrocarbon content, and helium content were estimated from measurements taken at adjacent discovery wells.

The Souris River and Red River formations lie as stacked reservoirs in two co-joining anticlinal structures. As the deposition of rock within each formation are independent, each of the formations was modelled separately as shown in the table below. Resources are reported for the entire closure including areas which are outside of the acquired leases of the Rudyard Project.

	Helium Contingent Resources (Mcf)					
	1C (P90)		2C (P50)		3C (P10)	
Reservoir	Gross	Net	Gross	Net	Gross	Net
Souris River	91,752	78,907	248,493	213,704	689,403	592,887
Red River	100,899	86,773	235,700	202,702	561,082	482,531
<b>Total</b>	<b>192,651</b>	<b>165,680</b>	<b>484,193</b>	<b>416,406</b>	<b>1,250,485</b>	<b>1,075,417</b>

In the opinion of Aeon, to upgrade these Contingent Resources to Reserves, production rates over time must be confirmed by additional testing. Although production rates seen on DSTs have been high, the production rate and pressure decline has not been evaluated over time. A confirmation of these rates will move these contingent resources into the appropriate reserves classifications.

## Prospective Resource

Additional upside has been recognised by Aeon in the Dry Creek Formation. Dry Creek was intersected in historic drilling, is considered to occur within the same anticlinal closures as Souris River and Red River Formations, but was not tested in any Drill Stem Tests. As such resources in the Dry Creek Formation are considered as Prospective until a flow test can be conducted.

Reservoir	Helium Prospective Resources (Mcf)					
	1C (P90)		2C (P50)		3C (P10)	
	Gross	Net	Gross	Net	Gross	Net
Dry Creek (risked) <sup>1</sup>	38,510	33,119	82,063	70,574	169,445	145,722
Dry Creek (unrisked)	52,754	45,368	112,415	96,677	232,116	199,620

<sup>1</sup> Risked data includes a chance of geological discovery of approximately 0.73.

Resources are categorised as follows - Contingent Resources are a lower risk category than Prospective Resources:

- Prospective Resources are those quantities of helium estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects.
- Contingent Resources are those quantities of helium estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies.

## Admission

Application will be made to the London Stock Exchange to admit the Vendor Consideration Shares and Fee Shares to trading on AIM ("Admission"). Admission of the new Ordinary Shares is expected to occur on or around 28 June 2024. The new Ordinary Shares will rank *pari passu* with the existing Ordinary Shares.

## Total Voting Rights

For the purpose of the Disclosure and Transparency Rules, following the issue of shares detailed above the enlarged issued share capital of the Company will comprise 123,350,000 ordinary shares of 1p each. The above figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company, under the Disclosure and Transparency Rules.

## Qualified Person Statement

The technical information contained in this disclosure has been read and approved by Jim Weaver, P.E., who is a qualified Petroleum Engineer and acts as the Qualified Person under the AIM Rules - Note for Mining and Oil & Gas Companies. Jim Weaver is the Chief Executive Officer for Aeon Petroleum Consultants Corp. which has been retained by Helix Exploration plc to provide technical support.

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company are responsible for the release of this announcement.

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**Notes to Editors**

Helix Exploration is a helium exploration company focused on the exploration and development of helium deposits within the 'Montana Helium Fairway'. Founded by industry experts with extensive experience of helium systems in the US, the Company's assets comprise of 52 leases over the Ingomar Dome; a large closure of 16,512 acres with P50 unrisks prospective helium resource of 2.3Bcf and upside of 6.7 billion cubic feet. Historic drilling and/or testing has identified gas in all target reservoir horizons.

Helix Exploration will focus on a drilling campaign and early production at the Montana Ingomar Dome Project. An aggressive development timeline will see a drilling campaign targeted for Q3 2024 and first helium production targeted for Q4 2025. Helix is committed to open and transparent communication with investors and the wider market as the project progresses through development.

The Company's Admission Document, and other information required pursuant to AIM Rule 26, is available on the Company's website at <https://www.helixexploration.com/>.

**Caution regarding forward looking statements**

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should" "envisage", "estimate", "intend", "may", "plan", "potentially", "expect", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.

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