

Helix Exploration PLC

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

Half-year Report

Helix Exploration, the helium exploration and development company focused on helium deposits within the 'Montana Helium Fairway', announces its unaudited interim results for the six month period ended 31 March 2024.

Chairman's statement

I am pleased to announce Helix Exploration's maiden interim results. This is the Company's first interim results since the Company's successful admission to the AIM market of the London Stock Exchange on 9 April 2024 and covers the pre-IPO period to 31 March, 2024.

We decided to list in London because we believe it is the pre-eminent market for growth resource companies with a deep pool of investors, talent and a high standard of governance. London remains a world leading capital market for small-cap companies, and I am delighted to have been a part of bringing Helix Exploration to the London market.

Without the capital provided by our shareholders at the IPO, we would not be able to achieve our strategic aims and focus on early production at the Ingomar Project. Drilling at Ingomar is on target to commence in Q3 2024. A 30-day flow test of the appraisal well is anticipated to give sufficient technical data for the Company to commence detailed plant engineering and construction with a target for first gas before the end of 2025.

Our recent acquisition of Rudyard represents an important opportunity for Helix Exploration. It is a proven helium discovery with 480 million cubic feet of Contingent Resources that have an in-situ value of >\$250m. Expanding our helium portfolio is a strategic priority and this acquisition represents an exciting addition that complements our flagship Ingomar Dome Project. It is a testament to the Helix team and the deep experience of our CEO Bo Sears that we were able to secure Rudyard for a total consideration of only \$250,000, and that the majority of this consideration was paid in shares.

I would like to thank stakeholders who have supported the Company throughout the listing process and beyond.

The helium market

Helium is critical in our modern world, its applications for high technologies are indispensable in a number of applications including in the medical sector, high-tech manufacturing, defence, rocketry, computing, aerospace and multiple others. The sector is experiencing sustained demand growth over a number of years, driving the price of helium to grow at 20% CAGR over the last decade. Due to the acceleration in the technology sector, demand for helium is continuing to increase, with the current levels of supply unable to keep up, new sources of helium are required to balance the market.

Strategy

Helix is focused on the exploration and development of helium deposits within the 'Montana Helium Fairway', which extends from Wyoming USA to Saskatchewan Canada and hosts several known helium occurrences including production in Canada from the Weil Group and North American Helium. Ingomar represents a large anticlinal closure of 16,512 acres mapped at surface, in seismic and in drilling, located on the upthrown side of the deep-seated Sumatra Thrust.

Our strategic focus is on appraisal and early production at Ingomar Project. Drilling is targeted for Q3 2024, and first helium production targeted for Q4 2025. We remain committed to open and transparent communication with investors and the wider market as the project progresses through development.

Operations and Outlook

We have had a busy and exciting few months since listing on AIM. In April 2024 we announced a strategic partnership with Petroleum Consultants, LLC, the execution of this contract marked the initiation of our Phase 1 Work Programme and the first steps towards the delivery of a safe and successful drilling campaign in Q3 2024. Petroleum Consultants have extensive operational experience within Montana and across the wider United States, particularly in managing exploration activities throughout the Rocky Mountains region.

At the end of April 2024, Helix announced it had executed a binding contract with Treasure State Drilling, LLC for the provision of their Cardwell KB-150 DID Drilling Rig and equipment for the Company's Q3 2024 appraisal drilling campaign at the Ingomar Dome project. The services of Treasure State Drilling forms a highly competent team boasting decades of combined experience in helium exploration and Rocky Mountain drilling. With these essential components in place, Helix is well positioned for the commencement of drilling at Ingomar Dome in Q3 2024.

In June 2024, the Company announced the results of a Scoping Study Economic Analysis conducted by Aeon Petroleum Consultants Corporation. The report demonstrated the potential for exceptional economic returns across a range of modelled scenarios with baseline results calculated as NPV8 of \$303.1 million using a helium price of \$550/Mcf and grade of 1.50% He and initial CAPEX requirement of only \$19.7 million. The Ingomar Dome Project is estimated to generate net revenue of \$605.6 million after CAPEX, OPEX, tax and royalty over a 29-year life of mine.

Also in June 2024, the Company announced the execution of a Farm-In agreement whereby the Company acquired a 100% working interest in Rudyard Project covering 5,600 acres in Hill County, Montana. Rudyard represents the acquisition of a discovery with previously identified up to 1.3% Helium flowed to surface from two wells drilled adjacent to the acquired leases. Rudyard has gross Contingent Resources of 484 million cubic feet of helium with in-situ value of >\$250 million at helium price of \$550/Mcf.

We expect the next six months to be an incredibly busy period of growth and we look forward to drill testing the Ingomar Dome Project and Rudyard Project with a drilling campaign in Q3 2024. We will provide the market and our shareholders with updates on results of drilling, flow tests and updated economic model as exploration and appraisal progress on the two project areas. We continue to work towards our goal of first gas flow before the close of 2025.

David Minchin Chairman

The Directors of the Company are responsible for the release of this announcement.

Enquiries

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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 unrisked 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/>.

**HELIX EXPLORATION PLC - COMPANY NUMBER 15160134
CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE INCOME - FOR THE PERIOD ENDING 31 MARCH 2024**

		Unaudited Period ended 31 March 2024 £'000
	Note	
Continuing Operations		
Revenue from continuing operations		-
Costs associated with listing		(538)
Public and investor relations		(40)
Travel		(28)
Administrative expenses	7	(107)
Operating loss		(713)
Loss before taxation		(713)
Taxation on loss or ordinary activities	8	-
Loss for the period from continuing operations		(713)
Items that may be reclassified to profit or loss		-

Total comprehensive loss for the period attributable to shareholders from continuing operations		(713)
Basic & dilutive earnings per share - pence	9	(4.66)

The notes form part of the unaudited condensed interim financial statements

HELIX EXPLORATION PLC - COMPANY NUMBER 15160134
CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION - AS AT 31 MARCH 2024

	Note	Unaudited As at 31 March 2024 £'000
CURRENT ASSETS		
Cash and cash equivalents		340
Trade and other receivables		106
TOTAL CURRENT ASSETS		446
TOTAL ASSETS		446
CURRENT LIABILITIES		
Trade and other payables		243
TOTAL CURRENT LIABILITIES		243
TOTAL LIABILITIES		243
NET ASSETS		203
EQUITY		
Share capital	10	227
Share premium	10	689
Retained earnings		(713)
TOTAL EQUITY		203

The notes form part of the unaudited condensed interim financial statements

HELIX EXPLORATION PLC - COMPANY NUMBER 15160134
CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY - AS AT 31 MARCH 2024

	Share capital	Share premium	Retained earnings	Total equity
	£'000	£'000	£'000	£'000
Loss for period	-	-	(713)	(713)
Total comprehensive loss for period	-	-	(713)	(713)
Transactions with owners in own capacity				
Ordinary Shares issued in the period	227	689	-	916
Transactions with owners in own capacity	227	689	-	916
Balance at 31 March 2024	227	689	(713)	203

HELIX EXPLORATION PLC - COMPANY NUMBER 15160134
CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CASHFLOWS - FOR THE PERIOD ENDING 31 MARCH 2024

	Note	Unaudited Period ended 31 March 2024 £'000
Cash flow from operating activities		
Loss for the financial period		(713)
<i>Adjustments for:</i>		
Shares issued in lieu of services		120
Cash generated from operations		(593)
(Increase) in trade and other receivables		(106)
Increase in trade and other payables		243
Cash generated from operations		(456)
Net cashflow from operating activities		(456)
Cash flows from financing activities		

Proceeds from issue of shares	796
Net cash flow from financing activities	796
Net increase in cash and cash equivalents	340
Cash and cash equivalents at beginning of the period	-
Foreign exchange effect on cash balance	-
Cash and cash equivalents at end of the period	340

The notes form part of the unaudited condensed interim financial statement

HELIX EXPLORATION PLC - COMPANY NUMBER 15160134
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 31 MARCH 2024

1 General information

Helix Exploration Plc ("the Company") was incorporated on 23 September 2023 in England and Wales with Registered Number 15160134 under the Companies Act 2006.

The address of its registered office is Eccleston Yards, 25 Eccleston Place, London SW1W 9NF, United Kingdom.

The principal activity of the Company and its subsidiaries collectively referred to as "the Group" is the development and exploitation of small-scale gas leases which will be held via its 100 per cent. interest in Hereford Resources, LLC ("Hereford") in the United States of America state of Montana. The acquisition of Hereford was completed post period end and hence stand-alone Company financial statements have been presented.

2 Accounting policies

IAS 8 requires that the directors shall use their judgement in developing and applying accounting policies that result in information which is relevant to the economic decision-making needs of users, that are reliable, free from bias, prudent, complete and represent faithfully the financial position, financial performance and cash flows of the entity.

3 Basis of preparation

The unaudited condensed interim financial statements ("interim financial statements") have been prepared in accordance with the requirements of the AIM rules and international accounting standards in conformity with the requirements of the companies act 2006 and the companies act 2006 applicable to companies reporting under UK-adopted international accounting standards ("IFRS").

The interim financial statements have been prepared in accordance with IAS 34 "*interim financial statements*". The interim financial statements do not include all disclosures that would otherwise be required in a complete set of financial statements but have been prepared in line with IFRS. As these interim financial statements represent the first set of financial statements prepared by the Company they are unable to rely on the policies adopted in the last year end reports. Therefore the relevant policies adopted have been detailed at note 5.

The interim financial statements cover the period from incorporation on 23 September 2023 until 31 March 2024. As this covers the period from incorporation no comparatives have been provided.

The interim financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense.

The interim financial statements do not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 and have not been audited.

The interim financial statements are presented in British Pounds sterling ("£'000") unless otherwise stated, which is the Company's presentational currency.

The performance of the Company is not affected by seasonal factors.

4 Going concern

The directors have assessed the Company's ability to continue as a going concern and are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future.

Subsequent to period end on 9 April 2024, the Company completed its listing on the AIM segment of the London Stock Exchange and alongside admission secured a £7.5 million fundraise. This gives the Company significant runway

Stock Exchange and alongside admission secured a £7.5 million fundraising. This gives the Company significant runway in relation to going concern and hence the directors are comfortable adopting the going concern basis in preparing these interim financial statements.

5 Accounting policies

As these financial statements represent the first set of financial statements prepared by the Company they can not rely on assuming the same accounting policies, presentation and methods of computation that were adopted in the previous years audited accounts. Therefore the significant accounting policies adopted during the period are listed below.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and demand deposits with banks and other financial institutions.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the period and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Equity

Share capital is determined using the nominal value of shares that have been issued.

The share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium account, net of any related income tax benefits.

Retained losses includes all current and prior period results as disclosed in the income statement.

6 Critical accounting estimates and judgments

In preparing the interim financial statements, the directors are required to make judgments on how to apply the Company's accounting policies and make estimates about the future. Estimates and judgements are continuously evaluated based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may deviate from these estimates and assumptions.

The directors consider the key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the period, and have concluded that there is no material affect on the interim financial statements.

7 Administrative expenses

	Period ended 31 March 2024 £'000
Directors' fees	(98)
Other administrative expenses	(9)
	<u>(107)</u>

8 Taxation

A reconciliation of the value from the statement of comprehensive income is detailed below:

	Period ended 31 March 2024 £'000
Corporation tax on the results for the period	-
A reconciliation of tax charge is provided below:	
Loss before taxation per the financial statements	(713)
Tax credit at the weighted average of the standard rate of corporation tax in UK of 19%:	(135)
Tax effect of capital items disallowed for corporation tax purposes	-
Current period losses for which no deferred tax asset is recognised	135
Income tax charge for the period	<u>-</u>

9 Earnings per Ordinary Share

	Period ended 31 March 2024
Loss attributable to shareholders of Helix - £'000	(713)
Weighted number of ordinary shares in issue	15,288,211
Basic & dilutive earnings per share from continuing operations - pence	(4.66)

There is no difference between the diluted loss per share and the basic loss per share presented. Share options and warrants could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share as they are anti-dilutive for the period presented.

10 Share capital & share premium

	Ordinary shares	Share capital £'000	Share premium £'000	Total £'000
At 23 September 2023	-	-	-	-
Issue of ordinary shares ¹	5,500,000	55,000	-	55,000
Issue of ordinary shares ²	17,220,000	172,200	688,800	861,000
At 31 March 2024	22,720,000	227,200	688,800	916,000

¹On incorporation, the Company issued 5,500,000 ordinary shares of £0.01 at their nominal value of £0.01.

²On 14 December 2023, the Company issued 17,220,000 ordinary shares of £0.01 at a subscription price of £0.05 per share.

There is currently an authorised share capital limit in place for the Company which is subject to review at the next Annual General Meeting.

11 Related party transactions

Directors remuneration

During the period directors were paid the following remuneration:

- Christian Bolletta: £18,450
- David Minchin: £80,000*

*Mr Minchin deferred £20,000 of his salary to support the working capital position of the Company during the IPO process and this was owing at period end.

12 Ultimate controlling party

As at 31 March 2024, there was no ultimate controlling party of the Company.

13 Events subsequent to period end

Change of director and appointment of CFO

On 3 April 2024, Ryan Neates was appointed as a Director and Chief Financial Officer of the Company. On 3 April 2024, Christian Boletta resigned as a Director of the Company.

Fundraising and Initial Public Offering (IPO) on AIM market

On 9 April 2024 the Company completed its Initial Public Offering (IPO) and listed on the AIM market. The Company raised gross proceeds of £7,500,000 through the issue of 75,000,000 shares at £0.10 per share.

As part of the IPO the Company agreed to grant the following warrants and options over ordinary shares:

- i) Advisor warrants

Advisor	#	Grant date	Exercise Price (£)	Time to maturity
Caim Financial Advisors LLP	1,222,400	04/04/24	0.10	7 years
Orana Corporate LLP	1,222,400	04/04/24	0.10	5 years

Christian Boletta	1,833,600	04/04/24	0.10	5 years
Barnard Nominees Ltd	250,000	04/04/24	0.10	2 years
H&P Advisory Limited	220,000	04/04/24	0.10	2 years
SI Capital Limited	75,000	04/04/24	0.10	2 years

ii) Director options

Director	#	Grant date	Exercise Price (£)	Time to maturity
Wheeler M Sears	4,612,001	04/04/24	0.10	10 years
David Minchin	4,612,001	04/04/24	0.10	10 years
Ryan Neates	1,000,000	04/04/24	0.10	10 years

The warrants vest in 3 equal tranches on the completion of different share price targets.

Appointment of directors

Upon the successful admission to the AIM market the following people were appointed as directors of the Company:

- Wheeler ("Bo") M. Sears Jr (CEO)
- Gregg Peters (Independent Non-Executive Director)
- Keith Spickelmier (Independent Non-Executive Director)

Issue of options

On 26 April 2024, the Company issued the following options to the non-executive directors of the Company as per below:

Director	#	Grant date	Exercise Price (£)	Time to maturity
Gregg Peters	1,000,000	26/04/24	0.10	10 years
Keith Spickelmier	1,000,000	26/04/24	0.10	10 years

The warrants vest in 3 equal tranches on the first, second and third anniversary of admission date.

Acquisition of Hereford Resources, LLC

On 9 April 2024, Helix Exploration Plc completed the acquisition of the entire membership interest of Hereford Resources, LLC in exchange for 20,000,000 ordinary shares in the Company. These shares were issued on IPO and have subsequently been assigned a deemed value equating to that of the listing price of £0.10.

This acquisition does not constitute a business combination as Hereford does not satisfy the necessary criteria to be classified as a business and is therefore treated as an asset acquisition.

The fair value of the net assets of Hereford at acquisition was as follows:

	£'000
Exploration leases	387
Total net assets	387
Total identifiable net assets acquired	387
Consideration ¹	2,000
Intangible assets acquired	1,613

Acquisition of Rudyard Leases

On 20 June 2024, Helix Exploration Plc announced 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") from Adam Standiford, a consultant to the Company for \$250,000 USD 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.

14 Approval of the financial statements

The interim financial statements were approved by the board of directors on 25 June 2024.

Caution regarding forward looking statements

Certain statements in this announcement are or may be deemed to be forward looking statements. Forward looking

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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