

First Helium Announces “1-30” Light Oil Discovery at Worsley

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Significant Initial Production Revenue Anticipated in Q1/2022

CALGARY, Dec. 7, 2021 - [First Helium Inc.](#) ("First Helium" or the "Company") (TSXV: HELI) (FRA: 2MC), a helium exploration company with access to significant development opportunities across western Canada, today announced that it has drilled, completed and tested the Company's first exploration well on the Company's Worsley Property (the "1-30"). Upon completion, the 1-30 flowed 419 barrels per day ("bbl/d") of 35-degree API light oil from the Leduc Formation over a test period of 72 hours on a minimal drawdown. First Helium is preparing to bring the 1-30 into production in early Q1 2022 at a daily production rate of approximately 400 bbl/d.

- Preparations underway to put the well into production at a cost of approximately CA\$500,000, with first cash flow expected by the end of the first quarter of 2022;
- Oil production from the well will be transported by truck to select receipt terminals and marketed via third-party marketing agreements;
- Cash flow from the well will be deployed to accelerate the exploration and development of helium gas over the Company's 79,000 acres of land along the Worsley Trend as well as cover ongoing corporate G&A costs; and
- Based on current pricing for light oil, and an estimated production rate of 400 bbl/d, First Helium estimates the payback of the well to be approximately six months.

Management Commentary

Ed Bereznicki, President & CEO of First Helium stated, "We are extremely pleased with the performance of the 1-30 discovery well. Given current commodity pricing of approximately WTI US\$65 to US\$70 per barrel, and our estimated field netbacks of CA\$45 to CA\$50 per barrel, we expect the well to pay out in approximately six months." Mr. Bereznicki added, "Based on the current implied production trading multiples for Canadian light oil producers, this well represents a significant potential increase in asset value for First Helium shareholders. Capturing the aggregate value of this exceptional exploration success, along with potential development locations for shareholders will enhance the Company's ability to deliver on its key strategic objective of exploring for and developing helium production in the Worsley Trend."

David Safton, Vice President, Geoscience commented, "While this drilling result confirms our geologic model over the prolific Worsley Trend and bolsters our confidence in our exploration strategy for the region, it also demonstrates that given the location of the Worsley Trend within the Western Canadian Sedimentary Basin (the "WCSB"), there is also a real probability of discovering reasonably large economic pools of light oil." Mr. Safton added, "The flow test results indicate a significant commercial accumulation of high-quality oil. While Leduc oil accumulations along the Worsley Trend are not as common as our primary target, Leduc gas, we estimate that approximately 20% of Leduc wells present as oil wells. Drilling and logging information from the borehole indicate that two additional formations are prospective for helium."

1-30 Highlights

Drilled based on a detailed 3D seismic evaluation, the 1-30 confirms the Company's geologic model over the area; based on the Company's assessment of economic Leduc wells along the Worsley Trend, approximately 20% have been light oil producers, the balance have been natural gas producers. Key features of the 1-30 include:

- Production tested at 419 barrels per day of 35-degree API light oil, flowed over a period of 72 hours with minimal drawdown;
- At a total drill and complete cost of approximately CA\$1.9 million, production test results for the 1-30 suggest that it is an exceptional vertical oil well in the WCSB;

- The 1-30 will provide the Company with flexibility in securing funding to continue with its primary strategic objective which is to explore and develop its landholdings on the helium rich Worsley Trend; and
- Once production on the 1-30 is established, the Company intends to engage its independent reserve engineering consultant to evaluate the 1-30 well for inclusion in year-end corporate contingent resource and reserve estimates in accordance with 51-101 guidelines. This would include an independent estimate of the net present value of the reserves associated with the 1-30.

Next Steps

Based on a further evaluation of these exploration results, First Helium will be confirming its drilling program at Worsley for H1 2022, which will include:

- Prioritizing its drill prospect inventory for helium, favoring locations which may also provide exposure to the potential for light oil accumulations;
- Selecting its next helium drill location and commencing drilling in early 2022;
- Evaluating a number of lower cost well bore re-entries on the existing Worsley land base, and on lands acquired during the recently announced land and infrastructure acquisitions; and
- Evaluating potential light oil development locations on the 1-30 pool in connection with exploring alternatives to monetize 1-30's asset value.

Over the first half of 2022, the Company will evaluate alternatives for monetizing the intrinsic asset value of 1-30 to further its strategic helium exploration and development objectives. This may include entering into hedging arrangements to guarantee predictable levels of cash flow for ongoing project development and the possible underpinning of gas processing facility financing alternatives.

ABOUT FIRST HELIUM

First Helium is a helium exploration and development company operating in the Worsley area of Alberta, Canada. In response to the shifting supply dynamics of the global helium marketplace, First Helium was founded to capitalize on the untapped potential of significant helium resources in Western Canada. Building on its successful discovery well, which has repeatedly production tested at over 1.3% of helium content and 65% natural gas content, and its 1-30 success, First Helium is working to develop its land base of over 79,000 acres along the highly prospective Worsley helium trend, and 276,000 acres of select exploration option lands located in southeast Alberta, near existing helium operations. To establish its operating base, First Helium seeks to market its helium gas into the North American market via term off-take marketing arrangements with established third-party distribution companies.

For more information about the Company, please visit www.firsthelium.com. The Company's final prospectus, financial statements and management's discussion and analysis, among other documents, are all available on its profile page on SEDAR at www.sedar.com.

ON BEHALF OF THE BOARD OF DIRECTORS

Edward J. Bereznicki
President, CEO and Director

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FORWARD-LOOKING AND CAUTIONARY STATEMENTS

This news release contains certain statements or disclosures relating to First Helium that are based on the expectations of its management as well as assumptions made by and information currently available to First Helium which may constitute forward-looking statements or information ("forward-looking statements") under applicable securities laws. All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that First Helium anticipates or expects may,

or will, occur in the future (in whole or in part) should be considered forward-looking statements. In some cases, forward-looking statements can be identified by the use of the words "expect", "will" and similar expressions. In particular, but without limiting the foregoing, this news release contains forward-looking statements pertaining to the listing of the Common Shares on the Exchange, the use of funds and the Company's strategy. The forward-looking statements contained in this news release reflect several material factors and expectations and assumptions of First Helium including, without limitation: that First Helium will continue to conduct its operations in a manner consistent with past operations; the general continuance of current or, where applicable, assumed industry conditions; availability of debt and/or equity sources to fund First Helium's capital and operating requirements as needed; and certain cost assumptions.

Forward-looking statements are based on estimates and opinions of management at the date the statements are made and are subject to risks, uncertainties and assumptions, including those set out in the Final Prospectus dated June 28, 2021 and filed under the Company's profile on SEDAR at www.sedar.com. First Helium does not undertake any obligation to update forward looking statements, except as required by applicable securities laws. Investors should not place undue reliance on forward-looking statements.

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