

First Helium Announces First Revenue from 1-30 Well Prepares to Commence Full Production in Early February

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CALGARY, Jan. 11, 2022 - [First Helium Inc.](#) ("First Helium" or the "Company") (TSXV: HELI) (FRA: 2MC), today announced that it has delivered for sale over 1,100 barrels of light crude oil, realizing over \$90,000 in sales revenue for the Company.

"In December, First Helium delivered approximately 1,100 barrels of light oil, produced during flow-testing of its 1-30 discovery well. The sale of that oil signifies the first revenue and a significant milestone for the Company as it continues with its exploration and development of helium gas in the Worsley area," said Ed Bereznicki, President & Chief Executive Officer of First Helium. "Not only does 1-30 establish operating cash flow, but it also has the potential to significantly increase the underlying asset value of the Company," added Mr. Bereznicki.

Based on the production and field level netback assumptions outlined below, First Helium management estimates annualized cash flow of approximately \$6 million, which when capitalized at a typical industry field level cash flow multiple of 3.0x, results in potential incremental market value of approximately \$18 million attributable to the 1-30 well. In addition, the Company's helium discovery well 15-25 was assigned an un-risked, "best estimate" contingent resource NPV10 value of \$15.2 million by Sproule Associates Ltd., independent evaluator, in a report dated March 31, 2021, referenced by First Helium in its Final Prospectus dated June 28, 2021. When considered together, these two assets alone indicate a potential aggregate value of over \$30 million, prior to giving consideration to First Helium's extensive portfolio of prospective exploration opportunities.

Over the next month, First Helium anticipates that it will complete construction and commissioning of an oil battery at 1-30, including the installation of multiple storage tanks to mitigate seasonal weather impacts, reduce downtime and allow tank treating to minimize operating costs. The Company has procured all equipment necessary for the construction of the oil battery and expects to bring the 1-30 well into full production in early February.

First Helium expects to commence production of light oil from 1-30 at an estimated rate of 400 barrels per day, with expected field netbacks of CA\$45.00 to CA\$50.00 per barrel based on a current WTI price of US\$68.00 to US\$73.00 per barrel, which is anticipated to provide ongoing operating cash flow for the Company in mid-Q1. In connection with its March year end, the Company will commission an independent reserves evaluator to prepare an NI51-101 compliant reserve report for 1-30, including a net present value of estimated oil reserves. Lastly, the Company will continue to explore alternatives to maximize the value of 1-30 to further the Company's helium exploration and development strategy.

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 15-25 discovery well, which has repeatedly production tested at over 1.3% of helium content and 65% natural gas content, and its 1-30 oil 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 timing and rate of production of the 1-30 discovery well; the timing of the completion of the construction and commissioning of an oil battery at 1-30; anticipated cash flows; the entering into of off-take marketing arrangements; 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. Readers are cautioned that actual results may vary materially from the forward-looking statements made in this news release. Risks that could cause actual events or results to differ materially from those projected in forward-looking statements include, but are not limited to, risks associated with the oil and gas industry; the ability of First Helium to fund the capital and operating expenses necessary to achieve its business objectives; the impact of the COVID-19 pandemic on the business and operations of First Helium; the state of financial markets; increased costs and physical risks relating to climate change; loss of key employees and those risks described in the Final Prospectus dated June 28, 2021. 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.

SOURCE First Helium Inc.

Contact

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