

# First Helium Announces "4-29" Light Oil Discovery at Worsley

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Significant Additional Production Revenue Anticipated in Q2/2022

CALGARY, March 23, 2022 - [First Helium Inc.](#) ("First Helium" or the "Company") (TSXV: HELI) (OTC: FHELF) (FRA: 2MC), today announced that it has drilled, completed and tested the Company's second exploration well on the Company's Worsley Property (the "4-29"). Upon completion of well operations, the 4-29 well flowed 467 barrels per day ("bbl/d") of ~35 -degree API light oil from the Leduc Formation, representing an oil cut of 67% over a test period of 48 hours on a minimal drawdown. First Helium is preparing to bring the 4-29 well into production in early Q2 2022.

- Preparations are underway to perform a minor expansion at the Company's existing oil facility to put the 4-29 well into production, with first cash flow expected by mid-second quarter of 2022;
- Oil production from the well will be transported by truck to select receipt terminals and marketed via third-party marketing agreements; and
- 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 costs.

## Management Commentary

Ed Bereznicki, President & CEO of First Helium stated, "We are extremely pleased with the performance of our second discovery well, the 4-29. Given current commodity pricing of approximately WTI US\$85 to US\$90 per barrel, and our estimated field netbacks of CA\$82 to CA\$88 per barrel, we expect the well to pay out in approximately 4-6 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 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, "The results of the 4-29 well provide additional confirmation of our geologic model over the prolific Worsley Trend and bolsters our confidence in our exploration strategy for the region. Our estimate that approximately 20% of Leduc wells along the Worsley Trend present as oil wells, and 80% as gas wells with a high probability of potential helium content, highlights the Worsley Trend as a very attractive helium exploration area."

## 4-29 Highlights

Drilled based on a detailed 3D seismic evaluation, the 4-29 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 4-29 include:

- Production tested at 467 barrels per day of ~35-degree API light oil, flowed over a period of 48 hours, representing an oil component of 67%, and a water component of 33% following recovery of completion fluids, with minimal drawdown;
- At a total drill and complete cost of approximately CA\$2.2 million, production test results for the 4-29 suggest that it is an exceptional vertical oil well in the WCSB;
- The 4-29 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

- The Company intends to engage its independent reserve engineering consultant to evaluate the 4-29, along with the Company's first discovery, 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 4-29 and 1-30 wells, respectively.

#### Next Steps

Based on a further evaluation of these exploration results, First Helium will be confirming its drilling program at Worsley for Q2 and Q3 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 late Q2 or early Q3 2022;
- Evaluating a number of lower cost well bore re-entries on the existing Worsley land base; and
- Evaluating further potential light oil development locations in the vicinity of both the 4-29 and 1-30 wells in connection with exploring alternatives to monetize their collective asset value.

Over Q2 and Q3 2022, the Company will evaluate alternatives for monetizing the intrinsic asset value of both 4-29 and 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 helium gas processing facility financing alternatives.

#### ABOUT FIRST HELIUM

Led by a core Senior Executive Team with diverse and extensive backgrounds in Oil & Gas Exploration and Operations, Mining, Finance, and Capital Markets, First Helium seeks to be one of the leading independent providers of helium gas in North America.

Building on its successful 15-25 helium discovery well at the Worsley project, the Company has identified numerous follow-up drill locations and acquired an expansive infrastructure system to facilitate future exploration and development of helium across its Worsley land base. Cash flow from its successful 1-30 and 4-29 oil wells at Worsley will help support First Helium's ongoing helium exploration and development growth strategy.

First Helium holds over 79,000 acres along the highly prospective Worsley Trend in Northern Alberta, and 276,000 acres in the Southern Alberta Helium Fairway, near existing helium production. In addition to continuing its ongoing exploration and development drilling at Worsley, the Company has identified a number of high impact helium exploration targets on the prospective Southern Alberta Helium Fairway lands to set up a second core exploration growth area for the Company.

#### 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 4-29 and 1-30 discovery wells, respectively; 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](http://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.

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## Contact

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