Avanti Energy Announces First Resource Estimate From Wng 11-22 Well And Underlying Structure

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CALGARY, June 24, 2022 - Avanti Energy Inc. (TSXV: AVN) (OTC: ARGYF) ("Avanti" or the "Company") is pleased to announce that it has received a total unrisked contingent resource estimate of 187MMcf of net recoverable helium gas (based on a raw gas estimate of 17 billion cubic feet ("Bcf") recoverable and net helium concentration of 1.1%) prepared by McDaniel & Associates Consultants Ltd., a qualified reserves evaluator, for the Company's WNG 11-22 helium well and underlying structure in the Greater Knappen Property, located in Montana. This volume represents the best estimate of the unrisked contingent resource. The low and high estimates of unrisked contingent resources are 66MMcf and 374MMcf of recoverable helium gas (based on 6 Bcf and 34 Bcf recoverable raw gas), respectively.

Based on the test data of the Flathead Cambrian Sandstone zone (the "Flathead Zone") from the WNG 11-22 well, a best estimate contingent resource (2C) volume of 77MMcf of net helium (based on 7 Bcf raw gas) is assigned to the well in the category development pending. Two follow-up wells are forecast to be drilled in the structure underlying WNG 11-22 and recover 55MMcf of net helium (based on 5 Bcf of raw gas), respectively.

The contingent resources have been risked to account for the chance of commerciality. The contingent resources have been estimated at a 90% chance of commerciality. As such, the WNG 11-22 well has been assigned development pending risked contingent resources of 6.3 Bcf raw gas in the 2C case, and the follow-up wells have been assigned 4.5 Bcf each in the 2C case, for a total risked contingent resources of 168MMcf (based on 15.3 Bcf of raw gas).

By comparison, and based on publicly available data, the largest producing pure play helium in Canada is the Wilhelm area of Saskatchewan and produced a total of 233MMcf of helium based on (16.3 Bcf of raw gas) over a 14-year period.

Based on the potential volume of raw gas in the WNG pool's Flathead Zone, the company is proceeding to drill an appraisal well, WNG 10-21, approximately 1km west of WNG 11-22, and 50m down structure. The appraisal well will help define the edge of the gas pool. This appraisal well will also allow the Company to gather additional information about the Souris River zones in support of an evaluation plan to recomplete the zone in WNG 11-22.

"The initial assessment of the Flathead Zone contingent resources marks a key step in the process of moving from a discovery well to reserves," commented Chris Bakker, Avanti CEO. "It provides the confidence needed to plan additional appraisal and development wells with the potential to increase resource estimates. Further it allows the company to move forward with facilities planning and commercial arrangements." He continued, "Having now penetrated two of the ten identified potential structures in Greater Knappen, the Avanti team is very excited about the prospects of developing this pool and testing the remaining opportunities."

Additional Information and Cautionary Statements

- The Company's net interests in mineral lands vary from ~85% to ~75%.
- As previously announced, the Company has engaged a facilities engineering firm to assess recovery technologies and associated costs and, at this time, there are no estimates to offer. The Company is working toward an on-stream production target of mid-2023 but this cannot be offered as a firm estimate at this time.
- The resource is contingent on funding for development and production.
- There is uncertainty that the project will be commercially viable to produce any portion of the contingent resources.
- The estimates presented in this release are based on data and test results from one well. There is potential for future drilling activity to materially impact the estimated volumes based on additional geological data and production testing. Estimated pool volumes may increase or decrease in the future
- The contingent resources estimated for WNG 11-22 and offsetting locations relies on comparisons to analogous wells, and no production data is available from the well included in this estimate
- The reader is cautioned that disclosure of helium in place volumes is not included in National Instrument 51-101 guidelines.

Information Regarding the Contingent Resources

The effective date of the contingent resource estimate is July 1, 2022 and was prepared in accordance with the COGE Handbook.

This news release discloses estimates of the Company's contingent resources. The Company defines

contingent resources are those quantities of gas estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development but which are not currently considered to be commercially recoverable due to one or more contingencies. There is uncertainty that it will be commercially viable to produce any portion of the resources.

The resource provides an estimate of raw gas. In April 2022, preliminary lab results showed the raw gas composition of the Cambrian zone at the WNG 11-22 well was 97.5% Nitrogen, 1.1% Helium, 1.1% Methane, 0.3% Co2 and trace amounts of other hydrocarbons.

The resource estimates presented above are subject to certain risks and uncertainties, including those associated with the drilling and completion of future wells, limited available geological, prices of the various raw gases and geophysical data and uncertainties regarding the actual production characteristics of the reservoirs, all of which have been assumed for the preparation of the resource estimates.

The resources are classified as development.

Contingent resources do not constitute, and should not be confused with, reserves. Contingent resources are defined as those quantities estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. There is a range of uncertainty of estimated recoverable volumes. A low estimate ("1C") is considered to be a conservative estimate of the quantity that will actually be recovered. It is likely that the actual remaining quantities recovered will exceed the low estimate, which under probabilistic methodology reflects at least a 90% confidence level. A best estimate ("2C") is considered to be a realistic estimate of the quantity that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate, which under probabilistic methodology reflects at least a 50% confidence level. A high estimate ("3C") is considered to be an optimistic estimate. It is unlikely that the actual remaining quantities recovered will exceed the high estimate, which under probabilistic methodology reflects at least a 10% confidence level. There is uncertainty that it will be commercially viable to produce any portion of the resources.

All of the resources classified as contingent are considered to be discovered, and as such have been assigned a 100% chance of discovery, but have however been risked for the chance of development. The chance of development is defined as the likelihood of a project being commercially viable and development proceeding in a timely fashion. Determining the chance of development requires taking into consideration each contingency and quantifying the risks into an overall development risk factor at a project level.

Contingent resources can be subcategorized by project maturity status:

(i) Development Pending is where resolution of the final conditions for development is being actively pursued (high chance of development). Resources classified in this sub-category must be economic and have been assigned a chance of development ranging between 80% and 99%.

(ii) Development On Hold is where there is a reasonable chance of development, but there are major non-technical contingencies to be resolved that are usually beyond the control of the operator. Resources classified in this sub-category must be economic and have been assigned a chance of development ranging between 50% and 79%.

(iii) Development Unclarified is where the evaluation is incomplete due to the project being in an early stage of maturity and there is ongoing activity to resolve any risks or uncertainties. Resources classified in this sub-category can either be economic or sub-economic and have been assigned a chance of development ranging between 20% and 79%.

(iv) Development Not Viable is where no further data acquisition or evaluation is currently planned and hence there is a low chance of development. Resources classified in this sub-category can either be economic or sub-economic and have been assigned a chance of development ranging between 0% and 49%. Based on these definitions, all of the contingent resources disclosed in this news release are classified as Development Pending and are considered economic with either a high or reasonable likelihood of being commercially viable.

In general, contingencies which prevent contingent resources from being classified as reserves are grouped under three categories: economic contingencies, non-technical contingencies and technical contingencies. Economic contingencies are applicable only in the case of sub-economic contingent resources. As all of the contingent resources disclosed in this news release are classified as economic contingent resources, there are no economic contingencies in respect of such resources. Non-technical contingencies include factors such as required corporate or third party (such as joint venture partners) approvals, legal, environmental, political, social license and regulatory matters or a lack of infrastructure or markets. Technical contingencies are applicable where there is a technology currently under development that would be required to classify the contingent resources in question as reserves. None of Avanti's estimated contingent resources are subject to technical contingencies.

Significant positive and negative factors relevant to the estimates

Significant positive factors relevant to the estimates include:

- commercial success of drilling
- corporate commitment to develop plays over a reasonable time frame;
- significant well control and offsetting economic well production;
- proximity to infrastructure for production growth and central market hubs; and ?
- low political risk as all reserves and resources are located in North America.

Significant negative factors relevant to the estimates include:

- potential for low commodity prices impacting the economic viability and development of certain areas;
- access to and amount of capital required to develop resources at an acceptable cost;
- significant production growth and access to infrastructure capacity;
- development uncertainty relating to surface access matters.

Estimates of economic contingent resources are based on existing access to infrastructure capacity and the current regulatory frameworks in which Avanti operates.

Greater Knappen

One hundred percent of the contingent resources disclosed in this news release are located in the Greater Knappen property and are classified as Development Pending with a Chance of Development of 90%. There are no technical contingencies preventing the classification of economic contingent resources as reserves as all economic contingent resource are considered "discovered" and are based on established technology. The non-technical contingencies that must be resolved before these resources may be classified as reserves are the establishment of processing and sale agreements, and corporate commitment to develop these assets in a timely fashion.

About Avanti Energy

Avanti Energy is focused on the exploration, development, and production of helium across western Canada and the United States. Avanti's professional oil and gas exploration and production team is actively targeting untapped potential helium reserves to help meet the increasing global demand for an irreplaceable and scarce element critical to advanced technology, medical and space exploration industries. For more information, please go to the Company's website at www.avantienergy.com.

Forward-Looking Statements

The information set forth in this news release contains forward-looking statements that are based on assumptions as of the date of this news release. These statements reflect management's current estimates, beliefs, intentions, and expectations. They are not guarantees of future performance. The Company cautions that all forward-looking statements are inherently uncertain, and that actual performance may be affected by a number of material factors, many of which are beyond the Company's control. Such factors include, among other things: risks and uncertainties relating to the Company's limited operating history and the need to comply with environmental and governmental regulations. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions, and expectations expressed or implied in the forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of

the Exchange) accepts responsibility for the adequacy or accuracy of this release.

SOURCE Avanti Energy Inc.

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