

# First Helium 2022 Highlights and 2023 Focus on High Demand Helium Market

30.11.2022 | [CNW](#)

Company Posts Positive Earnings and Operating Cash Flow for H1

TSXV: HELI OTCQX: FHELF FRA: 2MC

CALGARY, Nov. 30, 2022 - [First Helium Inc.](#) ("First Helium" or the "Company") (TSXV: HELI) (OTCQX: FHELF) (FRA: 2MC), today provided a summary highlighting the Company's progress during the past year and focus for the next 12 months. All monetary figures shown in Canadian Dollars.

"In 2022, First Helium achieved a number of significant milestones which have substantially increased the Company's underlying asset value and further advanced the Company toward becoming a leader in Canadian helium exploration and development," said Ed Bereznicki, President & Chief Executive Officer of First Helium. "These achievements were bolstered by reported earnings of \$638,866 and operating cash flow of \$2,886,540 over fiscal Q1/Q2<sup>5</sup> which helped fund ongoing helium exploration activities designed to capitalize on global helium demand," added Mr. Bereznicki.

## 2022 Highlights

### Worsley Project

Building on the success of its 15-25 helium discovery well at Worsley, the Company brought the 1-30 oil well into production and followed up with the successful drilling and production of the 4-29 oil well. Cash flow from its oil wells has and will continue to help support First Helium's ongoing helium exploration and development growth strategy. 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. During the year, First Helium:

- constructed the multi-well Worsley Oil Battery and brought the 1-30 and 4-29 oil wells into production
- produced an average of 263 barrels per day ("bbls/d") of light oil over fiscal Q1 and Q2
- completed its water disposal project and applied for associated regulatory approvals to overcome production limitations and materially reduce operating costs at the Worsley Oil Battery, and
- successfully drilled and cased the 14-23 horizontal well for future completion to establish a potential regional helium development play

In July, the Company also received an independent reserve estimate from Sproule Associates Limited ("Sproule") indicating Total Proved plus Probable ("2P") gross reserves of 505,100 barrels of light oil with corresponding NPV 10% of \$24.6 million<sup>1,2,3</sup>, for its oil properties at Worsley as of March 31, 2022.

During the year, the Company accelerated the timeline for the potential funding and installation of a single well helium processing facility for its 15-25 well to take advantage of the current global helium price environment. Recent helium sales prices have been publicly disclosed in the \$600 per mcf range. Management estimates that its Sproule Contingent Resource Unrisked "Best Estimate" NPV 10% of \$15.2 million<sup>1,4</sup> for 15-25, which was evaluated at a base case helium price of \$340 per mcf, would improve substantially to NPV 10% of over \$30 million at such pricing levels. Discussions are ongoing with potential offtake partners and the Company is targeting H2 - 2023 for the 15-25 helium well on-stream timing.

### Exploration

In August 2022, the Company was successful in acquiring 25,600 acres at a Crown land sale. These rights

are contiguous with the Company's existing holdings in the Worsley area and solidify its dominant position on the trend for Devonian prospects for natural gas with helium content, and light oil. These lands were posted by the Company based on an extensive evaluation of available 2D seismic along with further geological mapping. The Company has several high priority targets on these newly acquired rights similar to the successful discoveries at 15-25, 1-30 and 4-29, and is planning to acquire a 3D seismic program to further delineate these potential drill locations.

At Lethbridge, the Company completed its evaluation of over 276,000 acres of high-graded lands that it had selected from an initial assessment of over 880,000 acres of option lands in late 2021. This included a review of over 230,000 acres of 3D seismic and 512 kilometers of 2D seismic on the select lands. Based on this evaluation, the Company has worked up several drilling opportunities and intends to drill a helium prospect in 2023. First Helium is among the largest landholders of highly prospective helium exploration ground in Southern Alberta. Production of helium, based on publicly available records, has grown from nil to approximately 75 mcf/day in this region over the past 3 years.

## 2023 Initiatives

In the last half of 2022, the Company undertook the Worsley oil battery modifications, disposal well conversion, and strategic land acquisition expenditures to focus on maximizing cash flow in the short term while increasing the Company's longer term helium growth potential at Worsley. Over the next two months, the Company will be confirming its 6-to-12-month capital expenditure plan. Key priorities will include:

- accelerating the start of the single well helium gas processing facility fabrication and installation at 15-25
- evaluating the newly acquired lands at Worsley, which will include a seismic data acquisition program, and
- confirming next drill targets at Worsley and Lethbridge in Southern Alberta.

## Notes:

1. Estimates of future net revenue, whether calculated without discount or using a discount rate, do not represent fair market value.
2. 2P reserve NPV 10% is calculated as the before tax net present value of the reserves at March 31, 2022 discounted at 10%.
3. Further information regarding the NI 51-101 filing can be found in First Helium's SEDAR profile at [www.sedar.com](http://www.sedar.com).
4. "Contingent resources" are not, and should not be confused with, oil and gas, or helium reserves. Further information regarding Contingent Resources can be found in First Helium's Final Prospectus, dated June 28, 2021, filed on First Helium's SEDAR profile at [www.sedar.com](http://www.sedar.com).
5. The Company's unaudited Condensed Interim Consolidated Financial Statements for the six months ended September 30, 2022 and 2021, along with Management Discussion and Analysis for the six months ended September 30, 2022 can be found in First Helium's SEDAR profile at [www.sedar.com](http://www.sedar.com).

## 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 oil wells at Worsley will help support First Helium's ongoing helium exploration and development growth strategy.

First Helium holds over 60,000 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.

For more information about the Company, please visit [www.firsthelium.com](http://www.firsthelium.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 nature of future activities on the 15-25, 14-23, and the water disposal well; facilities development; seismic acquisition; 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 [First Helium's Company Profile](#) on SEDAR at [www.sedar.com](#) (File No. 1851861). 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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