

First Helium Enters into Long-Term Helium Supply Agreement with Major Global Industrial Gas Company

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Arrangement Calls for Sale of up to \$US100 Million of Helium During First 5 Years

TSXV: HELI OTCQX: FHELF FRA: 2MC

CALGARY, May 24, 2023 - [First Helium Inc.](#) ("First Helium" or the "Company") (TSXV: HELI) (OTCQX: FHELF) (FRA: 2MC), is pleased to announce that it has entered into a long-term "take-or-pay" helium supply agreement (the "Agreement") with a major global industrial gas supplier (the "Purchaser") to sell helium gas production from its Worsley Property. The Company has agreed to sell to the Purchaser 80% (with an ability to potentially sell up to 100%) of its produced helium volumes, subject to maximum monthly and annual volume quantities, in accordance with a specified per unit volume pricing schedule. Depending on the pace of helium production growth at Worsley, the Agreement is worth up to \$US 100 million in potential revenue to First Helium over the first five years of production.

"We are very excited to announce the finalization of this helium gas offtake agreement, it will enable us to proceed with the next steps in bringing our 15-25 helium well into production and continue with our plans to develop the expansive helium project at Worsley," said Ed Bereznicki, President & Chief Executive Officer of First Helium. "While we had planned to be able to communicate this milestone to our investors earlier this year, the ultimate 'deal process' associated with negotiating and closing the transaction took much longer than originally anticipated," added Mr. Bereznicki. "In summary, we are extremely pleased with the outcome. The take-or-pay and term nature of our sales arrangement, combined with the flexibility to sell up to 20% of our production on a potentially more lucrative 'spot' sales basis, will enable us to maximize the value of our helium asset for our investors," concluded Mr. Bereznicki.

The initial term of the Agreement is 10 years, under which the Company will receive firm specified pricing for its helium volumes throughout the first 5 years. After the initial 5-year term, the Agreement provides for price re-determination windows as triggered by either the Company or the Purchaser. The Purchaser will be obligated to take, or pay for, all helium volumes delivered, or made available for delivery by the Company during the term of the Agreement, subject to maximum monthly and annual volume quantities. The purchase and sale obligations under the Agreement will commence on the start date of the Worsley plant which is planned to be constructed later this year. Crude processed helium will be delivered to the Purchaser at the plant gate of First Helium's Worsley gas processing facility and will be subject to a minimum helium percentage of 95% or greater, by volume.

First Helium has completed the necessary front end engineering design ("FEED") study for its Worsley helium gas processing facility and will now work to finalize production details and proceed with the long lead time equipment procurement process. The Company continues to assess ongoing project timing variables and is currently targeting late Q1 2024 for initial helium production and delivery at the Worsley plant. Initial helium supply to the Purchaser will be provided by production from the 15-25 well and grown over time with the successful completion and testing of its 14-23 (re-named 02/05-27) horizontal well along with other exploration and development opportunities.

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.

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 (re-named 02/05-27), 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 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.

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