

First Helium to Drill Light Oil Development Location to Increase Production and Cash Flow

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Company Announces Non-Brokered Private Placement to Raise up to \$2.5 Million

Calgary, October 12, 2023 - [First Helium Inc.](#) (TSXV: HELI) (FSE: 2MC) ("First Helium" or the "Company"), an exploration and development company with properties in Northern and Southern Alberta, is pleased to announce its plans to drill an existing "proven undeveloped" light oil location as well as re-enter an existing well bore to test multiple zones for oil and gas with potential helium content. Successful results at the two planned Worsley locations are expected to augment the Company's current oil production and cash flow to help facilitate ongoing exploration priorities.

"We are pleased to be moving ahead with these lower risk operations at our Worsley property to add potential production and cashflow," said Ed Bereznicki, President & Chief Executive Officer of First Helium. "The Peace River Arch geology allows us to take a differentiating, multi-commodity approach to our exploration program. Since coming on stream, our oil wells have generated over \$12,500,000 in revenues which we've deployed to fund our ongoing helium exploration and development activities," added Mr. Bereznicki.

Worsley is a historically active oil & gas exploration area that is very attractive for multi-product exploration, including oil, helium, and natural gas. The given area geology provides multi-zone and multi-product target exposure with each drill. This sets the Company apart from other helium competitors. To date, the Company has enjoyed a 100% success rate in drilling its first two Leduc oil discoveries. These locations along with the 15-25 helium discovery help confirm the Company's exploration model and strategy for the trend. The Leduc oil wells were brought into production expediently utilizing the Company's Worsley Oil Battery and water disposal well facilities.

An evaluation of the Company's proprietary new 3D seismic program, which is on trend with, and within the same reef complex as the Company's three successful wells, has resulted in 3 similar potential drilling targets for Leduc oil, and natural gas with potential helium content. In addition, First Helium has identified 12 other highly prospective multi-zone, oil, helium and natural gas exploration and development opportunities across its extensive Worsley land base. This includes two re-entry candidates for oil, and gas with potential helium content, that have been prioritized for drilling, given capital availability.

Successful exploration and development of these multi-zone and multi-product opportunities has the potential to add significant value and cash flow to the Company for ongoing exploration and development activities. The Company has identified other regions where its proven multi-commodity approach to helium exploration can be applied.

Private Placement

In conjunction with our plan, the Company intends to complete a non-brokered private placement (the "Private Placement") whereby the Company will issue up to 25,000,000 Units (the "Units") for total gross proceeds of up to \$2,500,000. Each Unit will be issued at a price of \$0.10 and consist of one common share (a "Common Share") in the capital of the Company and one common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder thereof to purchase one Common Share at a price of \$0.20 per share (a "Warrant Share") for a period of 36 months from the Closing Date. The Warrants will be subject to acceleration at the Company's election. Specifically, in the event that the Common Shares trade on the TSX Venture Exchange (the "Exchange") at a volume weighted-average price of \$0.30 or more per Common Share for any period of at least ten consecutive trading days after the initial Closing Date, the Issuer shall be entitled to accelerate the expiry time of the Warrants to a date that is at least thirty days from the date that notice of such acceleration is given via news release by the Issuer, with the new expiry time specified in such

news release. The Company intends to use the net proceeds from the Private Placement for the above-mentioned exploration activities and for working capital and general corporate purposes. Management and insiders have committed to participate for a minimum of \$1,000,000 in the Private Placement.

In connection with the Private Placement, the Company may pay finders fees in cash and/or Warrants. If the finder's fee is paid in cash the fee will be equal to 7% of the proceeds placed by the applicable finder, finder's fees paid in Warrants will be equal to 7% of the Units placed by the applicable finder.

The closing of the Private Placement is expected to occur on or about November 15, 2023 ("the "Closing Date") and is subject to the receipt of all necessary regulatory approvals, including the approval of the Exchange. All securities issued pursuant to the Private Placement will be subject to a four-month hold period in accordance with applicable Canadian securities laws. There is no material fact or material change regarding First Helium that has not been generally disclosed.

This press release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the 1933 Act and applicable state securities laws or an exemption from such registration is available.

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 has helped support First Helium's ongoing helium exploration and development growth strategy. Further potential oil drilling locations have been identified on the Company's Worsley land base.

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 Company's drilling and re-entry plans, the Company's expectations regarding changes to its oil production and cash flow, the Company's plans for its other multi-zone oil, helium and natural gas exploration and development opportunities, the Company's expectations regarding the Private Placement, including the anticipated Closing Date, and the intended use of the net proceeds of the Private Placement.

The forward-looking statements contained in this news release reflect several material factors and expectations and assumptions of First Helium including, without limitation: that the Company will be able to carry out its drilling and re-entry plans as intended, that the completion of the Company's drilling and re-entry plans will lead to the changes to the Company's production capacity and cash flow anticipated by the Company, that the Private Placement will be completed in the manner and on the timeline anticipated by the Company, including that the Company will receive all necessary regulatory approvals for the Private Placement, including the approval of the Exchange, and that the Company will be able to use the net proceeds of the Private Placement as intended.

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 Annual Information Form dated July 31, 2023 filed under the Company's profile on SEDAR at www.sedarplus.ca. 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 Annual Information Form dated July 31, 2023. 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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