

23 December 2024

Mendell Helium plc

("Mendell Helium" or the "Company")

Operations update

Mendell Helium is pleased to provide an update on the ongoing progress of operations in Kansas, USA of M3 Helium Corp. ("M3 Helium").

As announced on 27 June 2024, the Company has an option to acquire M3 Helium, a producer of helium which is based in Kansas and holds an interest in nine wells. There is no certainty that the Company's option to acquire M3 Helium will be exercised, nor that the enlarged group will successfully complete its re-admission to trading on the AQSE Growth Market.

Highlights

- Nilson well production continues to increase and has reached 127 Mcf/day
- Preliminary indications of funding interest received from local oil & gas companies
- Deferred payment terms offered by fracking contractor
- Potential time and cost savings to bring the Rost well into production being examined
- Successful production at Rost has the potential to cover a large part of M3 Helium and the Company overheads

Nilson

Production at the Nilson well continues to steadily rise each day. M3 Helium is now delivering 127 Mcf/day of gas into Scout Energy Partners' ("Scout Energy") gathering system for processing at the Jayhawk plant. At these levels, Nilson remains within the top 1% producing wells in the Hugoton.

At 127 Mcf/day, Nilson is producing over 20 Mcf of helium each month (based on a helium composition of 0.6%). This equates to a monthly revenue of approximately \$10,000 (revenue including helium and natural gas liquids).

Indications of funding interest

The success of the Nilson well and particularly the scale of the frack performed on it has attracted considerable local attention. Coupled with the farm in agreement that M3 Helium secured with

Scout Energy, M3 Helium is positioned to develop new wells in the Hugoton field with an innovative but proven technique.

The Scout farm in was deliberately structured to enable M3 Helium to partner with third parties and the Company has now started exploring options. To date, several potential indications of funding arrangements have been expressed to the Company. These include approaches from three onshore US oil and gas companies, two of which are interested in exploring a collaboration with M3 Helium on new "Nilson-type" wells in the Hugoton gas field with the other being interested in supporting the company on bringing Rost into production. The exact terms will be examined and discussed in 2025 but, if realised, these arrangements could provide Mendell Helium with a source of non-dilutive funding for its expansion plans.

In addition to these conversations, a well known fracking contractor, has indicated a willingness to defer up to US\$40,000 per frack (to a maximum of half the project cost) for a period of six months, enabling part of a well's development to be paid for out of production cashflows.

These discussions remain at an early stage and there can be no guarantee at this time that any of the expressions of interest will be successful. However, if M3 Helium is able to secure funding along these lines, it enables the company to develop the opportunities that it has established in the Hugoton with enhanced returns to its shareholders.

Rost

As announced on 11 November 2024, M3 Helium's preparations to bring the Rost well in Fort Dodge into production is based on two conclusions:

1. The likely level of water hauling could be 800-1,000 barrels per day in which case M3 Helium will make use of a nearby former oil well which can be repurposed as a disposal well. Although there will be an upfront cost, this could be more economic, and payback is expected within four months of operations commencing.
2. More significantly, M3 Helium believe that potential flow rates from the Rost well could exceed previous expectations. At current helium prices, a production of 250 Mcf/day would generate revenues in excess of US\$100,000 per month. To set that in context, that level of production is only around 5 times the previous recorded production prior to any water removal (47 Mcf/day) and less than a tenth of the maximum tested production over a short period at the well (2,900 Mcf/day).

The cost of bringing Rost into production is estimated at US\$400,000. This comprises the disposal well, a bigger pump, a compressor for injecting gas into tube trailers for transport and integrating the Pressure-Swing Adsorption modular processing unit to enable purification of helium onsite. These works are estimated to take up to two months from commencement.

M3 Helium's team have identified potential cost and time savings by examining the nearby former oil well and believe that there is a zone at around 4,000 feet depth that could take water. If that solution works, then M3 Helium would not need to drill out the bottom plugs, buy casing or cement. Net savings from proceeding along this route, if successful, would amount to over US\$100,000.

At the levels of production illustrated above, all of the Company's overheads would be covered by Rost meaning that all new funding would be fully directed towards its planned development of the acreage in the Hugoton that it farmed into with Scout Energy.

Transaction update

As previously announced, the exercise of the option will constitute a reverse takeover pursuant to AQSE Rule 3.6 of the Access Rule Book and is subject to, *inter alia*, publication of an admission document (the "**Admission Document**"). The most time consuming parts of the Admission Document are preparation of the competent person's report ("CPR") on M3 Helium's assets and auditing M3 Helium's historic financial information ("HFI").

Mendell Helium is pleased to report that, notwithstanding the considerable and ongoing developments in M3 Helium's business, the CPR is well advanced with the financial analysis, graphs and charts substantially complete. Furthermore, the HFI has been completed in accordance with Mendell Helium's accounting policies (IFRS) and will be reviewed by the Company's reporting accountants.

Mendell Helium also wishes to remind investors that the option is structured as a call option. Whilst the Company has no plans to exercise it until publication of the Admission Document, it is open to the directors to exercise the option any time.

Nick Tulloch, Chief Executive Officer of Mendell Helium and Chairman of M3 Helium, said:*"We have said in the past that the value of M3 Helium's operations lies in its existing production and access to infrastructure. The success of the Nilson well has focused attention on these operations and we are pleased to report that M3 Helium is now in receipt of three indications of funding and financial support.*

"Through the farm in agreement with Scout Energy, M3 Helium has the ability to develop further "Nilson-type" wells that can be tied into processing infrastructure within a short period of time of each well being completed. Each new well has a guaranteed offtake of all production.

"In the short term, we will focus on bringing the Rost well into production. Although the overall resource in Fort Dodge is small compared with the Hugoton, the near term high-production capabilities of Rost would, if successful, cover a large part of Mendell Helium and M3 Helium overheads allowing M3 Helium to direct all of its efforts to developing new wells in the Hugoton."

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company are responsible for the release of this announcement.

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Overview of M3 Helium

Mendell Helium, formerly Voyager Life plc, announced on 27 June 2024 that it has entered into an option agreement to acquire the entire issued share capital of M3 Helium through the issue of 57,611,552 new ordinary shares in Mendell Helium to M3 Helium's shareholders. The exercise of the option will constitute a reverse takeover pursuant to AQSE Rule 3.6 of the Access Rule Book and is subject to, inter alia, publication of an admission document.

M3 Helium has interests in nine wells in South-Western Kansas of which five (Peyton, Smith, Nilson, Bearman and Demmit) are in production. Eight of the company's wells are within the Hugoton gas field, one of the largest natural gas fields in North America. Significantly these wells are in the proximity of a gathering network and the Jayhawk gas processing plant meaning that producing wells can quickly be tied into the infrastructure.

The ninth well, Rost, is in Fort Dodge and was tested in July 2024 as containing 5.1% helium composition. Although not within direct access to the gathering network, M3 Helium owns a mobile Pressure Swing Adsorption production plant which could be used to purify the helium on site.

FORWARD LOOKING STATEMENTS

This announcement includes "forward-looking statements" which include all statements other than statements of historical facts, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or "similar" expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking

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