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Mendell Helium PLC
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Mendell Helium plc

("Mendell Helium" or the "Company")

Operations update

Mendell Heliumis pleased to provide an update on the ongoing progress of operations in Kansas, USA of M3 Helium Corp. ("M3 Helium") and in relation to, *inter alia*, the option to acquire M3 Helium and extension of farm in agreement with Scout Energy Partners.

As announced on 27 June 2024, the Company has an option (the "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

- *Option to acquire M3 Helium extended to 30 June 2025*
- *Extension of farm in agreement with Scout Energy Partners ("Scout Energy") in Hugoton*
- *Helium offload agreement in principle with Scout Energy for the Rost well*
- *Hugoton farm in agreement fee to be substantially settled out of Rost offload agreement proceeds*
- *Feasibility study to utilise waste methane from the Rost well toprovide energy for a cryptocurrency/Bitcoin mining operation*
- *Appointment of former Senior Operations Engineer of Scout Energy's Kansas assets executive as Chief Engineering Officer*

Hugoton farm in and Rost well, Fort Dodge

On 6 November 2024, the Company announceda farm in agreement with Scout Energy covering seven townships in the Hugoton gas field (161,280 acres). The acreage is within Scout Energy's gathering system and proximate to the Jayhawk gas processing plant which is estimated to process around 4per cent. of the world's helium.

The farm in agreement included an obligation on M3 Helium to drill a first well and make payment of a one-off fee of US$1 million by 31 March 2025. Scout Energy has now agreed to extend this deadline in return for a payment of US$100,000 with the remainder of the fee (i.e. US$900,000) to be settled from the proceeds of helium production as described below.

Alongside M3 Helium's opportunities in the Hugoton, M3 Helium has also been advancing its plans to bring itsRost 1-26 well, in Fort Dodge, Kansas into production. This well has been tested at a helium composition of 5.1% and, with its high pressure, is capable of significant flow rates. M3 Helium previously estimated that a potential production of 250 Mcf/day would generate revenues in excess of US$100,000 per month.

The Company is now pleased to announce that M3 Helium has agreed in principle an offload agreement with Scout Energy for all helium production from the Rost well. This agreement is a critical step in finalising plans tobring Rost into production. With sales of helium secured, M3 Helium can now develop the well in the knowledge that the project can potentially be profitable upon completion.

Of particular note is that the helium price agreed with Scout Energy is some 17 per cent. higher than Mendell Helium's original project modelling, meaning that revenues are now expected to exceed previous estimates.

Even more significantly, Scout Energy has agreed toaccept payment of the Hugoton farm in fee out of the proceeds of the Rost heliumoffload agreement, which M3 Helium will settle as revenues are earned from Rost. M3 Helium will pay at least 50% of its operating cash flow per month from the Rost 1-26 to Scout Energy until the balance of the US$900,000 is settled. This important development will enable M3 Helium to fund its farm in obligation toScout Energysubstantially from payments made to it by Scout Energy. As a consequence, there is no longer any requirement to source the US$1 million farm in fee from external sources.

A further amendment to the farm in agreement is that the initial obligation to drill 25 wells will now be extended to include disposal wells. Following the success of M3 Helium's Nilson well in the Hugoton transition zone, the Company expects to use this as a blueprint for its future developments. Water production in the transition zone is higher and the experience at Nilson has shown that the economics of these wells is considerably improved if water disposal is through a nearby well, rather than being trucked offsite. As a consequence, M3 Helium's model for its development includes disposal wells, anticipated on a ratio of one disposal well for every 2 - 3 production wells. Including disposal wells within its farm in obligations represents a significant cost saving on the overall operations.

Furthermore, the Company will be able to levy a water disposal fee to Scout Energy should Scout Energy wish to utilise any disposal wells drilled by M3 Helium.

By way of background, M3 Helium's management previously estimated that a conventional oil & gas lease over land of the type included in the farm in agreement would be in the region of US$50 per acre. This implies an indicative farm acreage value of over US$8 million. M3 Helium's cost will comprise an eighth of that and with the cost self-financed from its partnership with Scout Energy. Also importantly, the farm in agreement provides M3 Helium with a right of first refusal should Scout Energy be approached by any third parties to farm into its Kansas lands which, in aggregate, amount to over 1 million acres.

Cryptocurrency

Mendell Helium is working on a feasibility study to use the excess methane produced at either the Rost well or future offset wells in the same area to provide energy for a cryptocurrency/Bitcoin mining operation. This work is at a very early stage but, if successful, could see the Company install a gas-powered generator and computer at a well site. A significant advantage of Rost is its very close location to the main road meaning that communications and logistics are relatively straightforward.

Based on comparator studies, the Company's preliminary estimates indicate that this project, if successful, would pay back in a little over one year. It would also provide a solution for methane which would otherwise be a waste product of M3 Helium's production at Rost or other offset wells. There can be no guarantee at this stage that the feasibility study will determine a viable project and further announcements will be made in due course.

Chief Engineering Officer

Mendell Helium is also pleased to announce that Alex Clem, who previously served as Senior Operations Engineer over Scout Energy's Kansas assets, has joined the Company asChief Engineering Officer (non-Board position). Mr Clem worked for Scout Energy for nine years in several capacities, evaluated more than 120 acquisition opportunities and deployed US$1.1 billion across 22 acquisitions.

In his role, Mr Clem will leadM3 Helium'splans to bring Rost into production and also identify additional locations for wells within the same geological zone as Rost. As a significant show of confidence in the Company's operations, he has agreed to be remunerated entirely from revenue generated by Rost or other wells that M3 Helium may produce from in the area.

Update on acquisition of M3 Helium

Further to the announcement of 27 June 2024, the Company and M3 Helium have agreed to extend the date by which the Option can be exercised to 30 June 2025, a date that coincides with the expected commencement of production at Rost. Terms under the loan facility that has been provided by Mendell Helium to M3 Helium have been correspondingly extended. 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.

There are no other changes to the Option which will be exercised through the issue of 57,611,552 new ordinary shares in Mendell Helium to M3 Helium's shareholders.

As announced on 6 November 2024, Nick Tulloch, CEO of Mendell Helium, is also Chairman of the board of M3 Helium.

The Company is carefully managing its limited working capital position.

Nick Tulloch, Chief Executive Officer of Mendell Helium and Chairman of M3 Helium, said:*"We have been clear with shareholders for some time that the opportunity to bring Rost, M3*

Helium's 5.1% helium composition well, into production is significant. Even on conservative estimates, this well has the ability to cover all of M3 Helium's G&A and provide funds for ongoing development.

"This week's agreement in principle with Scout Energy on a helium offload for all Rost production is the final preparatory step and an excellent result. We have been successful in agreeing a helium sale price some way ahead of our own modelling, thereby increasing the potential profitability of the well. But, even more importantly, M3 Helium's arrangement with Scout Energy to substantially fund its previously announced Hugoton farm in from Rost production dramatically changes the economics of that project too. We will be able to settle M3 Helium's obligations to Scout Energy out of payments made to M3 Helium by Scout Energy.

"We are also pleased to welcome Alex Clem, a former Scout Energy Business Development Engineer and Senior Operations Engineer, to our team. His connections and knowledge of Kansas operations, including the Hugoton gas field, are self-evident as is his expertise in valuing and developing producing assets. The successes we are reporting today show how we continue to benefit from the ongoing relationship with Scout Energy."

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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Alan Green

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 nineth well, Rost, is in Fort Dodge and was tested in July 2024as 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 statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this announcement. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law.

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