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Mendell Helium PLC
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Mendell Helium plc

("Mendell Helium" or the "Company")

Further developments in Bitcoin mining plans
Update on Fort Dodge operations

Mendell Heliumis pleased to announce that M3 Helium Corporation ("M3 Helium") has secured a new land lease and will shortly commence drilling a new well in a location that may be suitable for Bitcoin mining. The location of M3 Helium's new Jasper well in Nebraska has, based on historic tests at nearby wells, a possible high BTU biogenic methane resource at shallow depths.

The Company also provides an update on progress at Fort Dodge, Kansas including the forthcoming de-watering and production activities at M3 Helium's Rost 1-26 well ("Rost").

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 ten 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 a re-admission. As announced on 23 June 2025, the Company and M3 Helium have agreed to extend the date on which the Option should be exercised to 30 September 2025.

Highlights

- Low cost air compression drilling of the Jasper well
- Historic tests evidence 94% methane with 950 BTU
- Location supports shallow wells in tightly spaced formation which can be connected for Bitcoin mining
- Discussions underway with partners and advisers to advance the project
- Additional land leased at Fort Dodge, Kansas for new wells analogous to Rost

Morrill, Nebraska

M3 Helium, has entered into a lease of land north of the town of Morrill in the state of Nebraska. With the area not currently being known for oil & gas activities, the lease has been secured at very low cost using funds extended to M3 Helium from the Company's existing cash reserves. Furthermore, with lease acquisition and drilling costs expected to be less than US$100,000, this project represents an economical way to advance the Company's initiative to supplement M3 Helium's helium operations with a Bitcoin mining operation. As explained below, the

Company believes that gas production from the Jasper well could be used to power a generator directly from the well head and without the need for processing.

Subject to initial testing and receipt of a permit, drilling of the Jasper well is expected to commence this week. With the well being less than 2,000 feet in depth, results are anticipated before the end of August 2025 and will quickly determine the location's suitability for Bitcoin mining.

The project is located in the Denver Basin which, in Nebraska, is a largely untapped area in terms of natural gas discovery. Based on examining historical drilling data, the Company believes that the location of the Jasper well may be part of a regional gas accumulation, from an equivalent formation to the nearby Teapot Formation in the Powder River Basin in Wyoming. The formation is known locally as the Pierre shale, a thick sediment column spanning thousands of feet in western Nebraska. The Pierre shale is known to have a very high content of swelling clays and high-water saturation meaning it is not a conventional target for shale gas. Previously drilled wells in the nearby area have demonstrated that silty/sandy units exist throughout the Pierre shale column and represent multiple targets for gas production.

Results from a 2022 test nearby show a 94% methane content, suggesting a biogenic origin, with a high BTU (British thermal unit) of around 950. The gas was absent of hydrogen sulphide, and has negligible carbon dioxide or complex hydrocarbons, meaning it should be suitable for electric generation from the well head without the need for any processing.

As well as the region being an unconventional location for shale gas, there is no immediate gas infrastructure at the Jasper site. Mendell Helium believes this is the main reason why the Nebraska panhandle has been overlooked for gas production historically. But for this same reason, management believes it is a suitable location for Bitcoin mining, namely due to a potential low cost/high BTU methane supply.

Drilling technique and plans for Bitcoin mining

The Company plans to use a service rig equipped with a power swivel and air compression, which reduces mobilisation and operational costs whilst also minimising the environmental impact with a smaller surface footprint. With a target depth of less than 2,000 feet, total costs of drilling and testing, including acquiring the lease, are expected to be under US$100,000.

The well will not be fracked and so should flow under its own pressure. Management's expectation is that wells in this region will be relatively low, but stable, producers of methane with a lengthy economic well life. Noting the characteristics of these wells, management believe that, if the pilot is successful, then each section (one square mile) could support up to 40 wells. Similar to the Kansas business environment, oil & gas regulations in Nebraska are pro-development, offering easier leasing and lower regulatory hurdles for energy projects.

Mendell Helium has already begun working with prospective joint venture partners and specialist advisers to develop a plan for Bitcoin mining. Given the potential proximity of wells to each other, the plan would be based on several wells being connected to supply a single generator with that generator supporting the power and cooling requirements for the specialist servers required.

As previously announced, the Company has an account with Bitgo Inc. in South Dakota which would be able to take secure custody of all Bitcoin that may be produced from M3 Helium's planned Nebraska operations.

Biogenic methane

Natural gas may be formed thermogenically or biogenically. Most shale gas is derived from thermogenic pathways (time, heat and pressure) where organic matter called kerogen is converted into natural gas (and oil).

Biogenic methane, which makes up around 20 per cent of global natural gas supply, is derived from microbial digestion of organic matter andis often associated with shallow subsurface environments. Landfill gas is an example but often biogenic gas generation occurs over very broad regions. The Southeast Alberta gas field, which produces from upper Cretaceous formations, has yielded over 15 Tcf of natural gas in a century of production. Closer to Nebraska, the Bowdoin Dome isan area in north-central Montana known for its shallow, low-permeability, low-pressure natural gas reservoirs.

Fort Dodge, Kansas

Work is continuing in preparation for the dewatering and, thereafter, production activities at Rost. Sourcing the necessary surface equipment, and in particular the four water tanks which are positioned between Rost and the Brobee salt water disposal well ("Brobee SWD"), was a lengthier process than originally anticipated but delivery has now been scheduled for all necessary items and M3 Helium's contractor has prepared the site and agreed trenching locations (for water pipes) with the land owner. Rost and Brobee SWD will be connected via the water tanks and with a triplex pump installed at Brobee SWD to ensure efficient water flows. Allowing for connection times, the M3 Helium now expects operations to commence in the first half of September 2025.

As with the earlier stages of work on Rost, this final stage is also coming in under budget with savings being realised on several of the bigger capital items.

In anticipation of a successful outcome at Rost, M3 Helium has begun to increase its land holdings in the Fort Dodge area to secure optimum drilling sites ahead of any competing interests that may develop. To date, two tracts of land have been leased which M3 Helium estimates would, together, sustain a further four new wells. M3 Helium continues to retain a landman to examine further leasing opportunities.

Unlike the Hugoton, the target reservoirs in Fort Dodge are not uniform across the region. Consequently, rather than the indiscriminating leasing of extensive areas, M3 Helium has adopted a policy of leasing only smaller locations that it has identified as being analogous to Rost. This is naturally a more time consuming process but will be a significantly lower cost as M3 Helium will only take leases of land that it intends to fully utilise.

Nick Tulloch, Chief Executive Officer of Mendell Helium and Chairman of M3 Helium, said:*"We indicated recently that M3 Helium's Bitcoin mining plans had developed such that M3 Helium are looking at sites where known methane resources exist but the access to market is not available. This opportunity for the Jasper well in Nebraska is a culmination of that work.*

"Historical tests evidence a high concentration of methane that can be utilised directly in a generator without the need for any processing. And the shallow formations mean that drilling and extraction costs are expected to be very low. The Jasper well represents the initial pilot in this region but if it is successful in bringing methane to surface - noting that with the low cost operations even small quantities will be economic - M3 Helium may have a significant resource play that could be the beginning of its Bitcoin mining operations.

"M3 Helium's new interest in Nebraska does not detract from M3 Helium's ongoing work in Kansas where M3 Helium will continue to assess the viability of applying the hydrocarbon byproduct from wells in the Fort Dodge area to Bitcoin mining to supplement M3 Helium's helium production. With further leases in that area secured, we are increasingly optimistic about M3 Helium developing a wider operation in that area."

ENDS

Engage with the Mendell Helium management team directly by asking questions, watching video summaries and seeing what other shareholders have to say. Navigate to our Interactive Investor website here:https://mendellhelium.com/s/a6a55a

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.

Enquiries:

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Overview of M3 Helium

Mendell Helium 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 ten 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, just to the east of Dodge City, Kansas. It was tested in July 2024as containing 5.1% helium composition and a previous drill stem test yielded a maximum flow rate of approximately

2,900 Mcf per day. M3 Helium owns a mobile Pressure Swing Adsorption production plant which has been installed on site and will be used to purify the produced helium. The plant is capable of processing up to 800 Mcf per day of raw gas and purifying it up to 99.999% helium.

The tenth well, Brobee, is a disposal well that has been authorised at5,000 barrels of water per day at 1,200 psi.

M3 Helium is also developing a Bitcoin mining operation in Nebraska where it has taken a lease of land prospective for biogenic methane and is drilling a pilot well. It is onboarded for custody with Bitgo Inc. and its Bitcoin treasury management policy is available at https://mendellhelium.com/bitcoin-treasury.

Important Notices

Mendell Helium plc (the "Company") intends in the future to hold treasury reserves and surplus cash in bitcoin. Bitcoin is a type of cryptocurrency or crypto asset. Whilst the Board of Directors of the Company considers holding bitcoin to be in the best interests of the Company, the Board remains aware that the financial regulator in the UK (the "Financial Conduct Authority" or "FCA") considers investment in bitcoin to be high risk. At the outset, it is important to note that an investment in the Company is not an investment in bitcoin, either directly or by proxy. However, the Board of Directors of the Company consider bitcoin to be an appropriate store of value and growth for the Company's reserves and, accordingly, the Company may in the future be materially exposed to bitcoin. Such an approach is innovative, and the Board of Directors of the Company wish to be clear and transparent with prospective and actual investors in the Company on the Company's position in this regard.

The Company is neither authorised nor regulated by the FCA and cryptocurrencies (such as bitcoin) are unregulated in the UK. As with most other investments, the value of bitcoin can go down as well as up, and therefore the value of bitcoin holdings can fluctuate. The Company may not be able to realise any future bitcoin exposure for the same as it paid in the first place or even for the value the Company ascribes to bitcoin positions due to these market movements. As bitcoin is unregulated, the Company is not protected by the UK's Financial Ombudsman Service or the Financial Services Compensation Scheme.

Nevertheless, the Board of Directors of the Company has taken the decision to invest in bitcoin, and in doing so is mindful of the special risks bitcoin may in the future present to the Company's financial position. These risks include (but are not limited to): (i) the value of bitcoin can be highly volatile, with value dropping as quickly as it can rise. Investors in bitcoin must be prepared to lose all money invested in bitcoin; (ii) the bitcoin market is largely unregulated. There is a risk of losing money due to risks such as cyber-attacks, financial crime and counterparty failure; (iii) the Company may not be able to sell bitcoin at will. The ability to sell bitcoin depends on various factors, including the supply and demand in the market at the relevant time. Operational failings such as technology outages, cyber-attacks and comingling of funds could cause unwanted delay; and (iv) crypto assets are characterised in some quarters by high degrees of fraud, money laundering and financial crime. In addition, there is a perception in some quarters that cyber-attacks are prominent which can lead to theft of holdings or ransom demands. The Board of Directors of the Company does not subscribe to such a negative view, especially in relation to bitcoin. However, prospective investors in the Company are encouraged to do their own research before investing.

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