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Mendell Helium PLC
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Mendell Helium plc

("Mendell Helium" or the "Company")

Placing to raise £700,000 to fund second Rost production well

Institutional support positions Mendell Helium for next stage of growth

Mendell Helium is pleased to announce that it has conditionally raised £700,000 (before expenses) by way of a placing with institutional and other investors (the "Placing") for a total of 23,333,333 new ordinary shares of 1 pence each in the Company ("Ordinary Shares") at a price of 3 pence per new Ordinary Share (the "Issue Price").

The Placing marks an important milestone for Mendell Helium as, together with a non-binding co-funding proposal from US based investors described below, it provides the Company with the capital strength to support M3 Helium Corporation's ("M3 Helium") production strategy in Fort Dodge, Kansas through drilling a new well. With proven commercial production at M3 Helium's Rost 1-26 ("Rost") well, the Board considers that the opportunity to accelerate its development plan in Fort Dodge is compelling.

Highlights

- A total of 23,333,333 new Ordinary Shares have been issued through the Placing to raise approximately £700,000
- The Placing complements a proposal from a group of US based investors to co-fund a second well on the Rost lease in Fort Dodge
- The combination of the Placing and the proposed US based investor co-funding is expected to accelerate M3 Helium's operations in Fort Dodge and provide a further revenue stream
- Discussions with a Kansas oil & gas company to dewater and recomplete a currently disused well have moved to the contract negotiation stage, providing another potential opportunity for M3 Helium to increase its revenue
- Mendell Helium has received Enterprise Investment Scheme (EIS) advance assurance from HMRC

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 six producing 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 1 December 2025, the Company and M3 Helium agreed to extend the date on which the Option should be exercised to 28 February 2026.

Details of the Placing

The Company has conditionally raised £700,000 (before expenses) through the Placing with institutional and other investors for a total of 23,333,333 new Ordinary Shares at the Issue Price. The new Ordinary Shares will be issued on a non-pre-emptive basis pursuant to the authorities granted to the Board at the Company's annual general meeting held on 30 October 2025.

The new Ordinary Shares, when issued and fully paid, will rank *pari passu* in all respects with the existing Ordinary Shares in issue and therefore will rank equally for all dividends or other distributions declared, made or paid after the issue of the new Ordinary Shares.

The Issue Price represents a discount of approximately 11.1 per cent to the closing middle market price of 3.375 pence per Ordinary Share on 26 January 2026, being the latest business day prior to the announcement of the Fundraising.

SI Capital Limited and Stanford Capital Partners Ltdacted as the Company's brokers in connection with the Placing.

Rost twin well and Fort Dodge development

Following on from the success of Rost, M3 Helium has been developing plans to expand its operations in the Fort Dodge region. As announced on 9 December 2025, M3 Helium was approached by a group of US based investors (the "Investor Group") who expressed interest in supporting this expansion. Direct investments in oil & gas wells are common in the US and, if structured correctly, can attract certain tax benefits for US investors. For M3 Helium and Mendell Helium, a direct investment is non-dilutive for equity holders but nevertheless provides an opportunity to accelerate its development plans.

These discussions have advanced considerably this year and the non-binding proposal currently being finalised is:

- The Investor Group intend to fund 50% of a second well on the Rost lease (the "Twin Well") which the parties estimate will cost US$937,000.
- M3 Helium would act as operator of the Twin Well.
- Similar to Rost, the Twin Well will require de-watering ahead of production and the new well will have access to M3 Helium's nearby Brobee salt water disposal well ("Brobee").
- The Investor Group would make a one-off contribution of US$125,000 to fund certain upgrades required at Brobee to support the de-watering process from the two production wells.
- Production from the Twin Well will be processed at M3 Helium's facility at Rost, in return for which M3 Helium will earn a processing fee equal to 20% of gross production from the Twin Well.

M3 Helium proposes to drill the Twin Well with 7 inch casing (as opposed to the Rost well which was drilled using a 5.5 inch casing). The larger casing will increase volume by approximately 62% enabling greater water removal. Evidence both from Rost itself and also analogous wells in the same formation indicate a correlation between water removal and gas production. M3 Helium therefore believes this wider casing, coupled with an electric submersible pump, could enable the Twin Well to be more productive than Rost. Furthermore, Rost itself may benefit from its proximity to the Twin Well with greater water removal from the reservoir the two wells are expected to share.

The Company expects to make a further announcement in due course regarding the outcome of discussions with the Investor Group, including whether definitive agreements are entered into in relation to the proposed co-funding

of the Twin Well. There can be no certainty that any binding agreement will be concluded.

M3 Helium has been mapping out the formation to which the Rost well has access to. As previously announced, it has already leased further land for future wells and it expects to continue to lease additional suitable locations as it prepares for a wider field development plan. As part of this plan, M3 Helium has also been examining the location of gas pipelines. Although there is no gathering system directly proximate to Rost, there are nearby options that, should it have several wells in production, may be economic to connect to in the future. Delivery of production via a pipeline negates the need for surface purification facilities and could enable sales of other components in the produced gases as well as helium.

Mendell Helium also announced on 9 December 2025 that it has reached an agreement in principle with a local well owner to dewater and recomplete a currently disused well. This well had previosuly produced with high flow rates and a compelling helium and methane composition before flooding. Mendell Helium believes that the de-watering technique employed at Rost, which itself was previously a disused well, could bring this well back to production. This partnership would provide a faster, and very likely more economical, route to expansion than drilling on a new site. Furthermore the availability of data from past production reduces the geological risk of the operation. These discussions have also progressed this year and are now at the contract negotiation stage. Further announcements will be made in due course.

Use of proceeds of the Placing

Mendell Helium intends to apply the majority of the net proceeds of the Placing through the issue of additional loans to M3 Helium to enable it to develop the Twin Well in conjunction with the Investor Group and to continue investigating opportunities for M3 Helium to expand its interests in the Fort Dodge area through additional producing wells.

At the date of this announcement Mendell has provided approximately US$1.5 million in loans to M3 Helium including accrued interest. Following exercise of the Option at the time of the Company's move to AIM, these loans will become intragroup loans.

Enterprise Investment Scheme (EIS)

As at the date of this announcement, Mendell Helium has received Enterprise Investment Scheme ("EIS") advance assurance from HMRC. EIS offers UK investors significant tax breaks, currently including 30% income tax relief, capital gains tax (CGT) exemption (after three years), CGT deferral (reinvesting gains), loss relief (offsetting losses against income/gain) and potential inheritance tax (IHT) relief. Several investors in the Placing have opted to apply for EIS relief.

EIS relief is subject to the individual circumstances of investors and to the Company continuing to meet the relevant qualifying conditions.

Admission

Application has been made for the 23,333,333 new Ordinary Shares to be admitted to trading on the Aquis Stock Exchange AQSE Growth Market ("Admission"). Admission is expected to occur at 8:00 a.m. on or around 30 January 2026. The new Ordinary Shares will rank *pari passu* with the existing Ordinary Shares.

Total Voting Rights

Following Admission, the Company's enlarged share capital will comprise 148,991,306 Ordinary Shares of 1 pence each. Therefore, the total number of voting rights in the Company will be 148,991,306. This figure may be used by shareholders as the denominator for calculations by which they will determine if they are required to notify their interest in the Company, or a change to their interest in the Company, under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

Nick Tulloch, Chief Executive Officer of Mendell Helium and Chairman of M3 Helium, said: *"Today's placing of £700,000 paves the way for a major step forward for Mendell Helium and we are delighted by the backing received from investors. This support reflects confidence in both our strategy and our progress as we take the next steps in developing M3 Helium's Fort Dodge production plan.*

"The interest shown by industry participants provides external validation of the technical approach we have taken at Rost.. The combination of funding for a new well from local investors and a potential partnership with a Kansas oil & gas company reflects the progress M3 Helium has made as a result of challenging conventional wisdom and taking on a de-watering project. The fact that the strategy has proved successful has elevated M3 Helium's standing and brought new opportunities to it.

"From this platform, there is now a clear and defined path for M3 Helium to commence a larger scale development plan and redefine a helium producing region in Kansas."

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.

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/link/PKa6Ve

Enquiries:

Investor questions on this announcement https://mendellhelium.com/s/a6a55a
We encourage all investors to share questions
on this announcement via our investor website

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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's flagship well, Rost 1-26, is in Fort Dodge, just to the east of Dodge City, Kansas. It has been tested as containing 5.1% helium composition and a 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 although management believes on-site purification to around 75% will be more practical.

Water removed from Rost 1-26 is delivered to Brobee, a nearby disposal well that has been permitted at 5,000 barrels of water per day at 1,200 psi.

Production at Rost 1-26 commenced in early November 2025 and the most recently recorded flow rate in December 2025 was 250 Mcf per day equating to approximately $1.4 million of helium per year.

M3 Helium also has interests in five producing wells (Peyton, Smith, Nilson, Bearman and Demmit) within the Hugoton gas field in South-Western Kansas, 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 are all tied into the infrastructure.

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

Forward Looking Statements

These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates, and projections about its industry; its beliefs; and assumptions. Words such as 'anticipates,' 'expects,' 'intends,' 'plans,' 'believes,' 'seeks,' 'estimates,' and similar expressions are intended to identify forward-looking statements. These statements are not a guarantee of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the Company's control, are difficult to predict, and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions security holders and prospective security holders not to place undue reliance on these forward-looking statements, which reflect the view of the Company only as of the date of this announcement. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances, or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

Important Notices

Mendell Helium plc (the "Company") intends in the future to invest surplus cash and hold treasury reserves 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 is aware that the financial regulator in the UK (the "Financial Conduct Authority" or "FCA") considers investment in bitcoin to be high risk. 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. An investment in the Company is not an investment in bitcoin, either directly or by proxy.

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. Prospective investors in the Company are encouraged to do their own research before investing.

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