RNS Number : 8887U
Mendell Helium PLC
02 March 2026

Mendell Helium plc

("Mendell Helium" or the "Company")

Operations update
Update on move to AIM and Option Extension

Mendell Helium is pleased to announce an update on its proposed strategy for the development of further production wells proximate to M3 Helium Corporation's ("M3 Helium") Rost 1-26 well ("Rost") in Fort Dodge, Kansas. The Company also provides an update on the timing of its proposed move to AIM.

Highlights

- Drilling contract agreed and rig secured
- Drilling of M3 Helium's next Fort Dodge well will commence in March 2026
- Drill permits filed for both the Rost and Enlow leases
- Brobee salt water disposal well to be upgraded
- In addition to Morrow sands, these new wells will target new deeper helium prospects
- Headline terms agreed with US investor group to co-fund the Rost twin well
- Agreement in principle with local operator to co-develop a nearby shut-in well
- AIM admission document targeted for publication in March 2026
- Option to acquire M3 Helium extended to 30 April 2026

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 today, the Company and M3 Helium have agreed to extend the date on which the Option should be exercised to 30 April 2026.

Developing Fort Dodge

During recent months, Mendell Helium has been analysing prospective drilling programmes in Fort Dodge, Kansas. This region already contains numerous existing oil & gas wells but several of these existing wells, despite exhibiting initially strong flow rates, quickly encountered water that ultimately constrained production. Mendell Helium has been examining locations where the Rost de-watering technique could be employed for successful production.

Rost

As announced on 27 January 2026, Mendell Helium is proposing a twin well on the Rost lease, to be completed with larger 7 inch casing thereby enabling greater water removal which in turn is expected to increase gas production.

Alongside the placing also announced on 27 January 2026, the Company is advancing discussions with a group of US high net worth investors to co-fund the twin well. Headline terms for that investment have now been agreed and a location for the twin well has been determined. The landowner has been notified of these plans and M3 Helium has submitted a permit to drill application to the Kansas Corporation Commission ("KCC"). Alongside this, a drilling contractor has been secured and a drilling contract has been executed by M3 Helium.

At the time that the twin well is drilled, M3 Helium also intends to upgrade the Brobee salt water disposal well ("Brobee") by opening up access to the deeper Arbuckle formation. This is expected to considerably enhance Brobee's water disposal capacity - above its current permitted level of 5,000 barrels per day. The expected cost of this is US$125,000 which would be borne by the US investor group on the basis they participate in the drilling of the twin well. There is a 30-day permitting process for the upgrade but Brobee can continue to operate at its present capacity during that period.

Enlow

Mendell Helium had previously secured two leases, known as Bleumer and Enlow, in Fort Dodge to the north of Rost. Both locations were identified as well logs from previous oil and gas operations had intercepted the Morrow sands, the production zone targeted by Rost.

In recent weeks, Mendell Helium has considerably developed its research on these areas and has identified a suitable location on Enlow for a new production well. The landowner has been notified of the proposed well and M3 Helium has submitted a permit to drill application to the KCC. The same drilling contractor for the Rost twin well is able to drill at Enlow and the order of these two new wells will shortly be determined.

Deeper formation

Based on the operations at Rost to date, Mendell Helium believes that helium-enriched nitrogen gas co-exists along with brine, throughout the approximately 700 foot thick Mississippian/Viola carbonate reservoir, resting below the Morrow formation. The upper portion of the Mississippian formation is commonly tested in the Fort Dodge area wells, but only a few deeper penetrations all the way through the unit have been conducted. Mendell Helium proposes to evaluate the entire deep sequence for helium and its carrying agent nitrogen gas.

As part of its forthcoming drilling plans, M3 Helium will explore this theory by drilling beyond the Morrow and deep into the Mississippian where it is believed a far more extensive reservoir of helium-enriched brine may be accessed. These plans are factored into the budgets of both the Rost twin well and the Enlow well and, if successful, represent an extension (and not an alternative) to the core production target of the Morrow. M3 Helium will equip the drilling rig's mud processing system with a mass spectrometer measuring mud gas composition including helium and nitrogen and the nitrogen/oxygen ratio to estimate for any air contamination.

Recompletion of existing well

As explained above, Mendell Helium and M3 Helium believe that the Rost de-watering technique could be employed elsewhere in the region and, as announced on 27 January 2026, it had commenced contract negotiations with a third party operator to recomplete a shut-in well owned by that party. As well as being a faster route to expansion, the directors believe that this strategy arguably has less risk in that existing wells have evidenced prior flow rates. The parties have an agreement in principle and expect that this will be finalised during March 2026, enabling M3 Helium to set a date for that recompletion.

Operational developments

M3 Helium has been integrating the pressure swing adsorption unit ("PSA") with the other surface facilities at Rost and the first stage of the PSA is ready for use. M3 Helium believes that could take helium concentrations in delivered gas into the range of 35 - 75%. PSAs will, over time, be damaged by hydrocarbons as the adsorbent materials (zeolite in the case of M3 Helium's PSA) will become less effective. Operating a PSA long term in this manner will require regular replacement of adsorbents, thereby adding to cost and downtime.

M3 Helium has therefore examined several procedures for removing natural gas liquids ("NGLs") from the wellhead gas stream - as well as supporting the operations of the PSA, extraction of the NGLs also creates a further revenue line for M3 Helium. Conventional methods have been determined as unreliable due to the presence of butane in the gas mix which has a lower boiling point than other NGLs. However, M3 Helium is currently devising a solution based on gas membranes which it expects to be more cost effective and needing less maintenance than refridgeration units that are more typical in the industry.

Pending commissioning of its PSA, M3 Helium has utilised membrane separation units at Rost operating using the natural flowing pressure of the well and has achieved an improvement in concentration of the product gas to approximately 10.4 percent, roughly double the concentration of the native gas and thereby doubling the value of each tube trailer delivery of helium.

In preparation for the drilling of new production wells, M3 Helium is also assessing suitable pumps for de-watering. As previously announced, Rost began production with an electric submersible pump which was then replaced by a beam pump as water volumes dropped. Beam pumps are cheaper to purchase and operate but do not necessarily have the capacity to perform the initial de-watering. Other options, such as jet pumps, are also being examined as longer term solutions.

Update on proposed move to AIM and completion of acquisition of M3 Helium

Mendell Helium is targeting publication of its AIM admission document during March 2026. Following publication, the Company will hold a general meeting (the notice period for which is 14 clear days) and accordingly admission to AIM is targeted for April 2026. Mendell Helium will make further announcements in due course.

As previously announced, the Company and M3 Helium have agreed that the optimum date on which the Option should be exercised is the date of admission to AIM on the basis that this will be most efficient in terms of production of the required regulatory documentation. With this in mind, the Company and M3 Helium have agreed to extend the Option to 30 April 2026.

The date for repayment of the loan made by Mendell Helium to M3 Helium has been similarly extended to 30 April 2026. At the date of this announcement Mendell Helium has provided approximately US$1.75 million in loans to M3 Helium including accrued interest.

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.

Nick Tulloch, Chief Executive Officer of Mendell Helium and Chairman of M3 Helium, said: *"The past month has seen a considerable step forward in several of our initiatives. We are now in sight of publication of the AIM admission document, culminating what has been a lengthy process which we have run alongside the ongoing development of M3 Helium's operations in Kansas.*

"Those operations are also reaching the next stage, building on our learnings from the Rost well in Fort Dodge. M3 Helium is currently obtaining permits to drill two new wells, one twinned at Rost itself and the other at the nearby Enlow lease, also believed to be prospective for the Morrow sands which have been so important to Rost. Alongside that, discussions to partner with a local operator in de-watering a shut-in well and bringing that back to production are progressing well. March is expected to be a key period for operational and corporate progress for the Company."

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

Mendell Helium plc *Via our website*
Nick Tulloch, CEO investors@mendellhelium.com

Cairn Financial Advisers LLP (AQSE Corporate Adviser) **Tel: +44 (0) 20 7213 0880**
Ludovico Lazzaretti / Liam Murray

SI Capital Limited (Broker) **Tel: +44 (0) 1483 413500**
Nick Emerson

Stanford Capital Partners Ltd (Broker) **Tel: +44 (0) 203 3650 3650/51**
Patrick Claridge/Bob Pountney

Fortified Securities **Tel: +44 (0)** 203 4117773
Guy Wheatley

AlbR Capital Limited **Tel: +44 (0)** 207 4690930
Gavin Burnell, Colin Rowbury, Jon Belliss

Brand Communications (Public & Investor Relations) **Tel: +44 (0) 7976 431608**
Alan Green

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 Dimmitt) 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.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our Privacy Policy.

END

NEXEAEDFEDKKEAA