



Dry Piney

Helium and Carbon Sequestration Project

Enercom Denver Conference, August 20, 2024

Dry Piney Project Overview

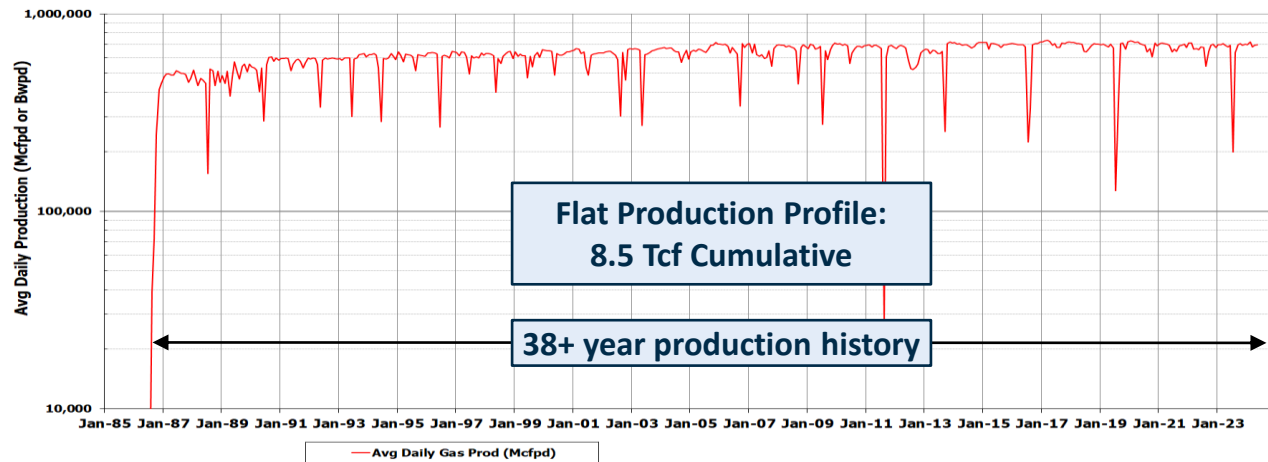
- **The Dry Piney Unit directly offsets and is structurally similar to the world's largest/oldest Helium & CCUS project: *ExxonMobil's 720 MMcfpd LaBarge Shute Creek plant***
 - Analog safely operating since Dec 1985 (38+ years)
 - Purity liquid Helium (~ 22% of world supply)
 - 250 MMcfpd EOR CO₂ + 135 MMcfpd natural gas
 - CO₂/H₂S acid gas injection into the Madison/Bighorn since 2005 for 45Q tax credits (with an ongoing expansion)
- **Blue Spruce is in FEED for a new 400 MMcfpd, two train gas processing plant and related infrastructure:**
 - Currently an integrated project: Upstream + Midstream + Helium/Methane marketing + CO₂ management
 - Spud 1st producer Sept 2024
 - Three value streams:
 - Purity liquid Helium (~ 13% of world supply), 75 MMcfpd natural gas into the Opal hub (~ Tcf of nat gas reserves), and 4.5 MM metric tons CO₂ per year permanently sequestered (Class II injection wells)
- **Strong economics underwritten by Helium take-or-pay contracts with multiple "A" credit rated industrial gas companies and a multi-decade flat production profile**
- **Dry Piney will be a Top 5 North American carbon sequestration project with significant room to grow**

Dry Piney Direct Analog: ExxonMobil LaBarge-Shute Creek

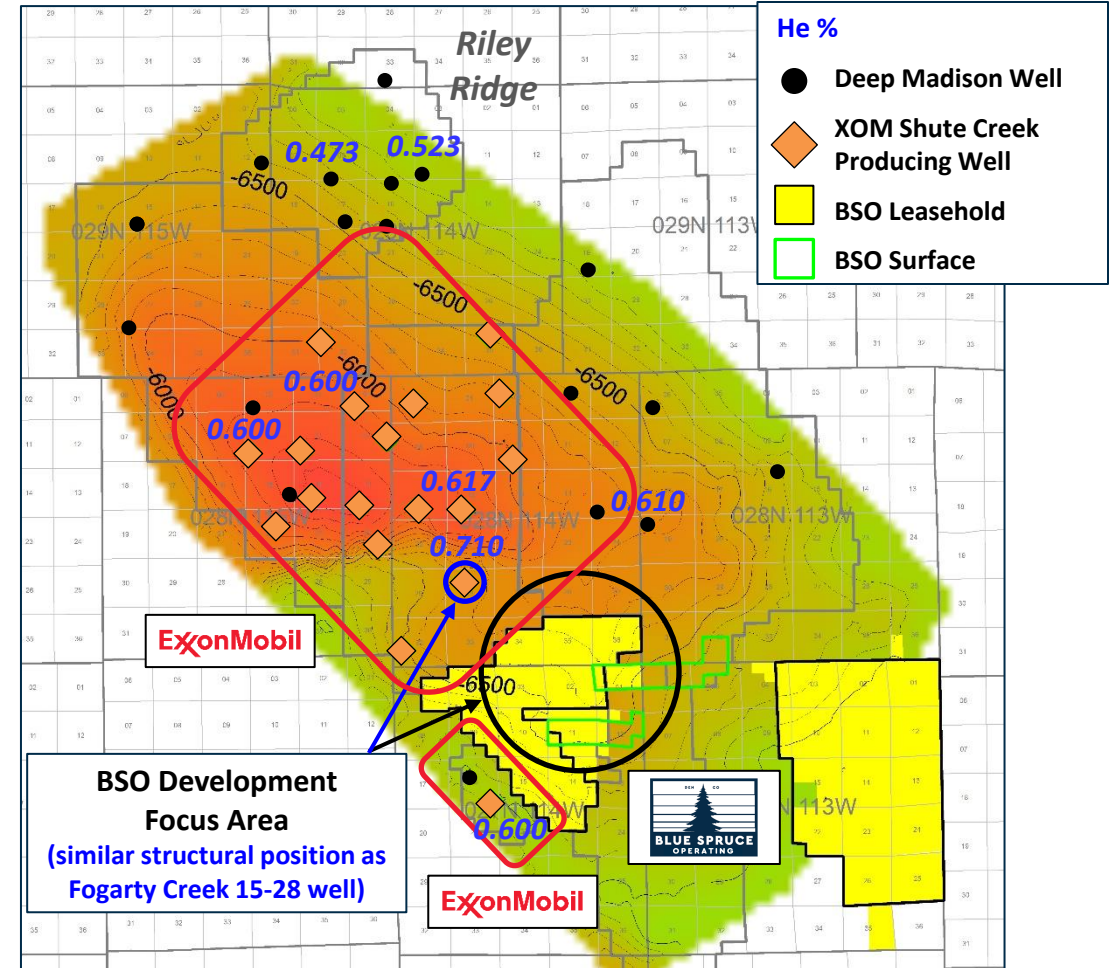
Significant Helium & Natural Gas Reserves

- Exxon's Shute Creek has produced ~720 MMcfpd from 14 - 18 wells with 0% decline since 1985 (last producer drilled in 1993)
 - 8.5 Tcf cum production to date
 - 75+ year remaining life from this super-giant structure
- LaBarge structure is well defined by 2D & 3D seismic data (Blue Spruce licensed) in addition to 37 wells that penetrate the Madison or deeper
- Exxon's Fogarty Creek 15 - 28 well is the closest offset producer with the highest Helium concentration measured at 0.71% (flowing ~75 MMcfpd raw gas with 783 Bcf cum)

Shute Creek Raw Gas Production History

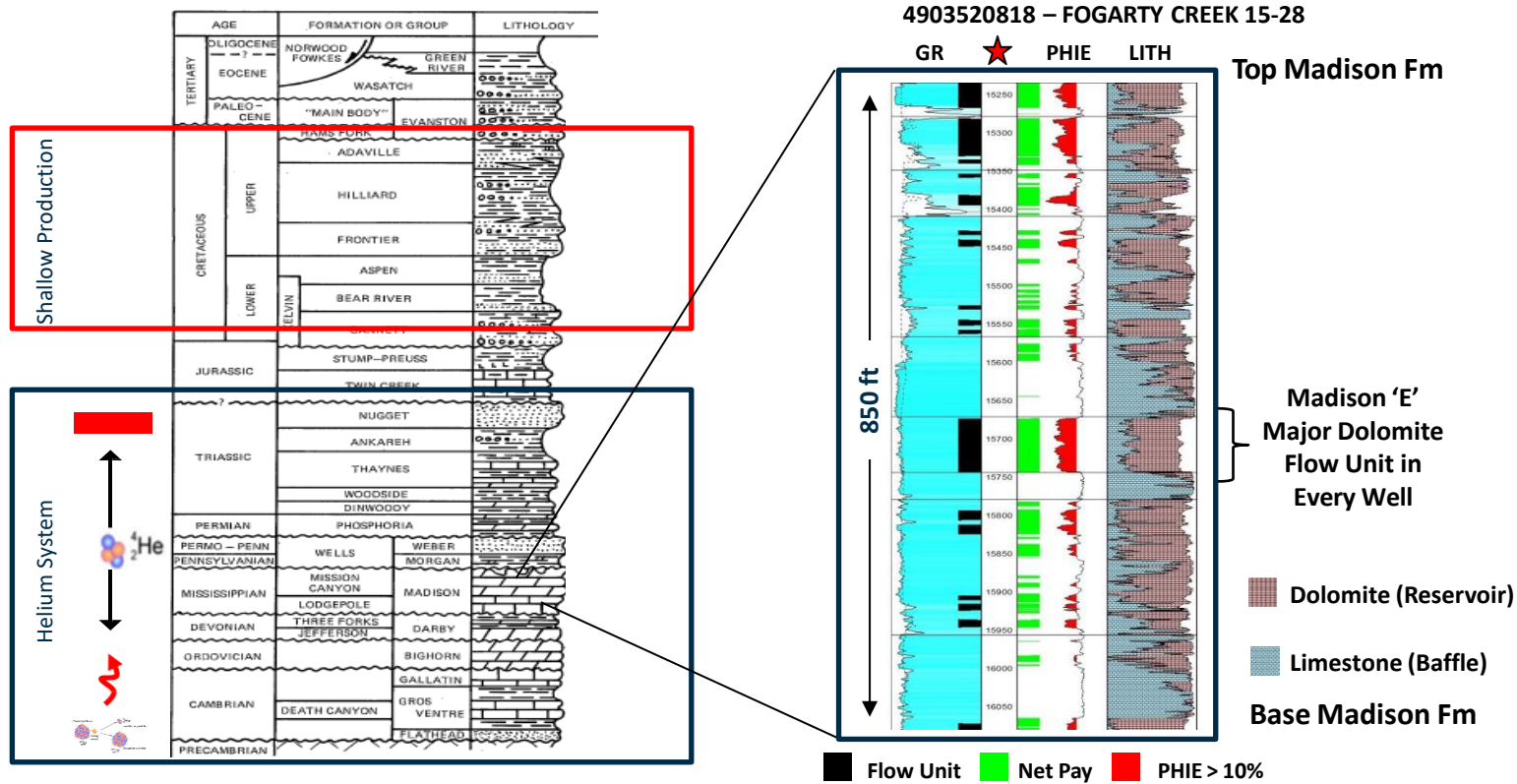


3D Seismic Structure Map & Helium Concentrations



LaBarge Area Strat Column & Madison Type Log

Direct Offset Fogarty Creek 15-28



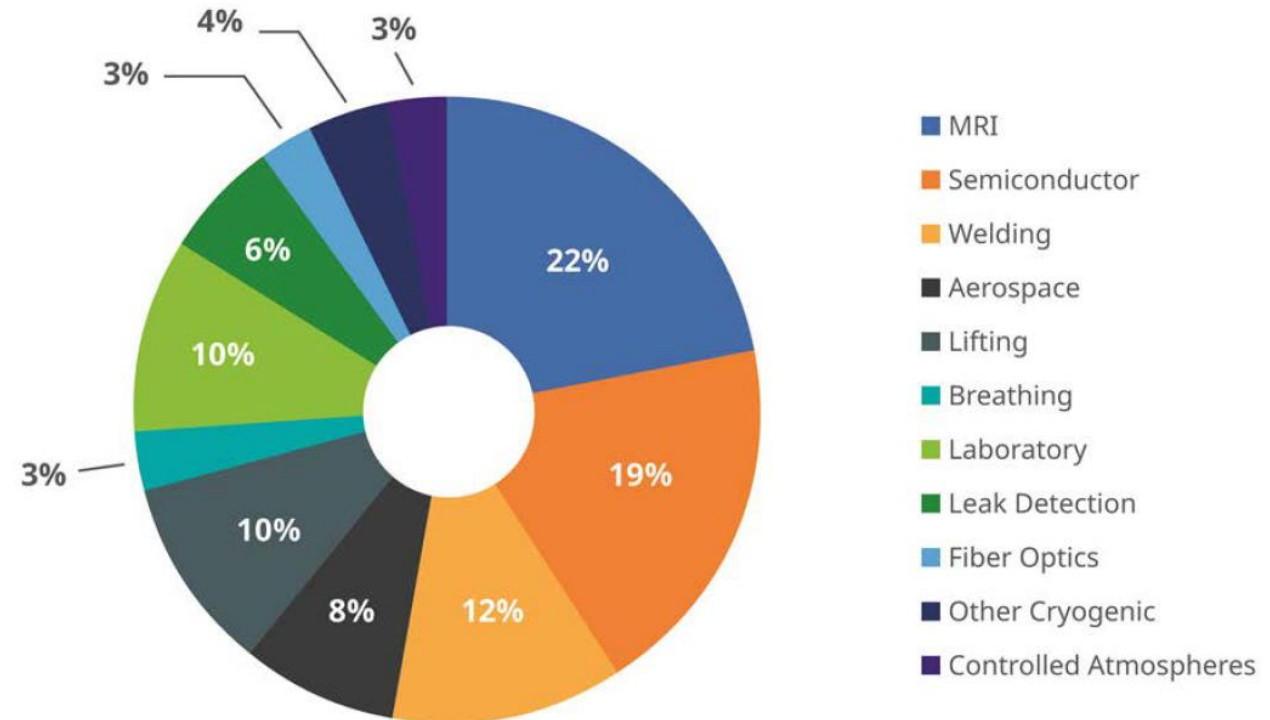
- Super-Giant conventional four-way
- Covers ~ 800 sq miles, 4300' gas column, and ~ 300 Tcf OGIP
- Blue Spruce acreage near the crest of the LaBarge Structure
 - Structural position controls methane and Helium concentrations
- A unique but economic raw gas stream
 - Sequestered acid gas: 66.0% CO₂ + 4.9% H₂S
 - Revenue Products: 20.3% CH₄ + 0.625% He
 - 7.9% N₂
- 15,000 – 17,000' TVD vertical wells with acid stimulation, no hydraulic fracturing required

Domestic Helium without Geopolitical Risk

Helium Market Dynamics

- Helium is an inert, noble gas with unique physical properties used in many high-tech applications with little or no substitute
- Helium market seeing increased demand and international supply disruptions that support upward pricing
- Global Helium market undersupplied in 2023 – 2024:
 - The US BLM strategic storage (5-10% of global supply) is in terminal decline with Zero public sales
 - Siberian Amur plant supplying Chinese market but buyer & market export restrictions complicating future Russian supply growth
- Strong demand growth from semiconductor fabrication, rocket launches, fiber optics, and other high-tech uses
- For US consumers, international suppliers are a longer, less reliable and more costly option

Helium Demand by Application

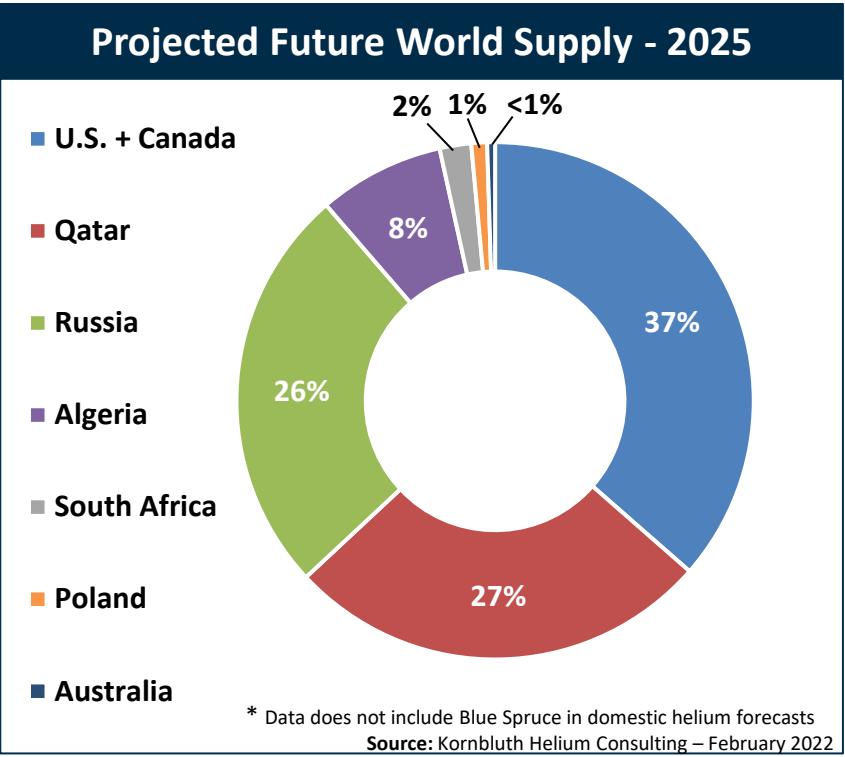
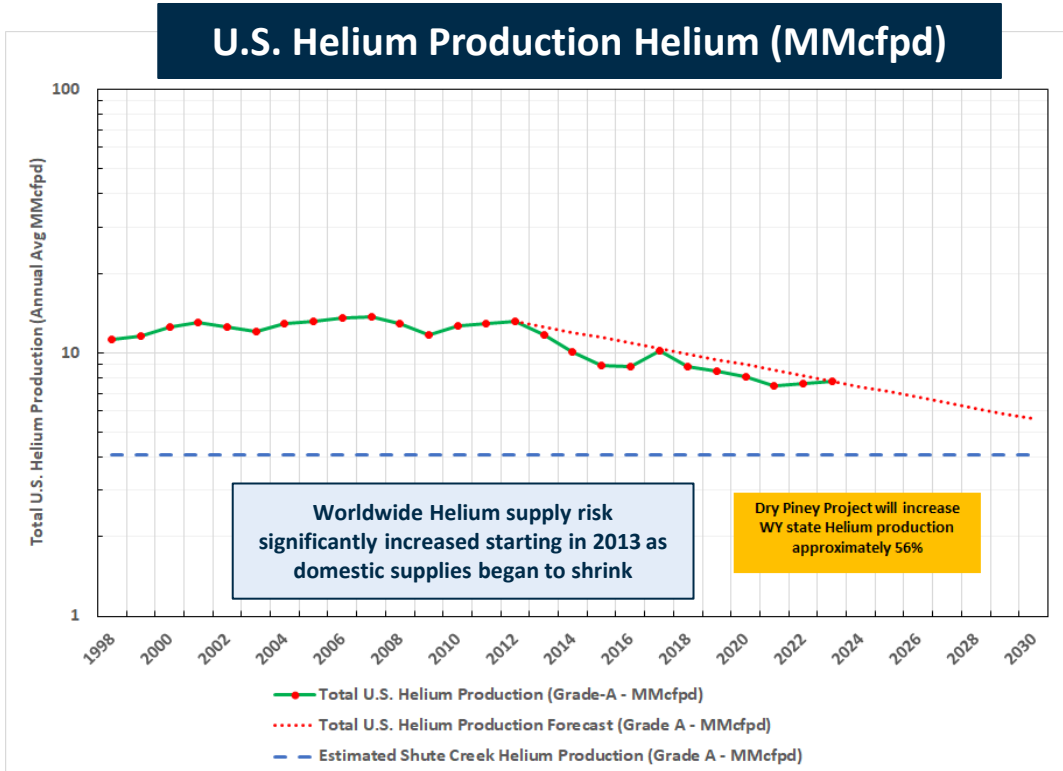


Source: Kornbluth Helium Consulting – February 2022

The global Helium market is forecasted to reach ~\$18 Bn by 2025, growing at a ~ 13% CAGR over the 2021-2025 period ⁽¹⁾

(1) Global Helium Market: Insights & Forecast with Potential Impact of COVID-19 (2021-2025)

Falling Domestic Supplies: Increased reliance on Russia & Qatar



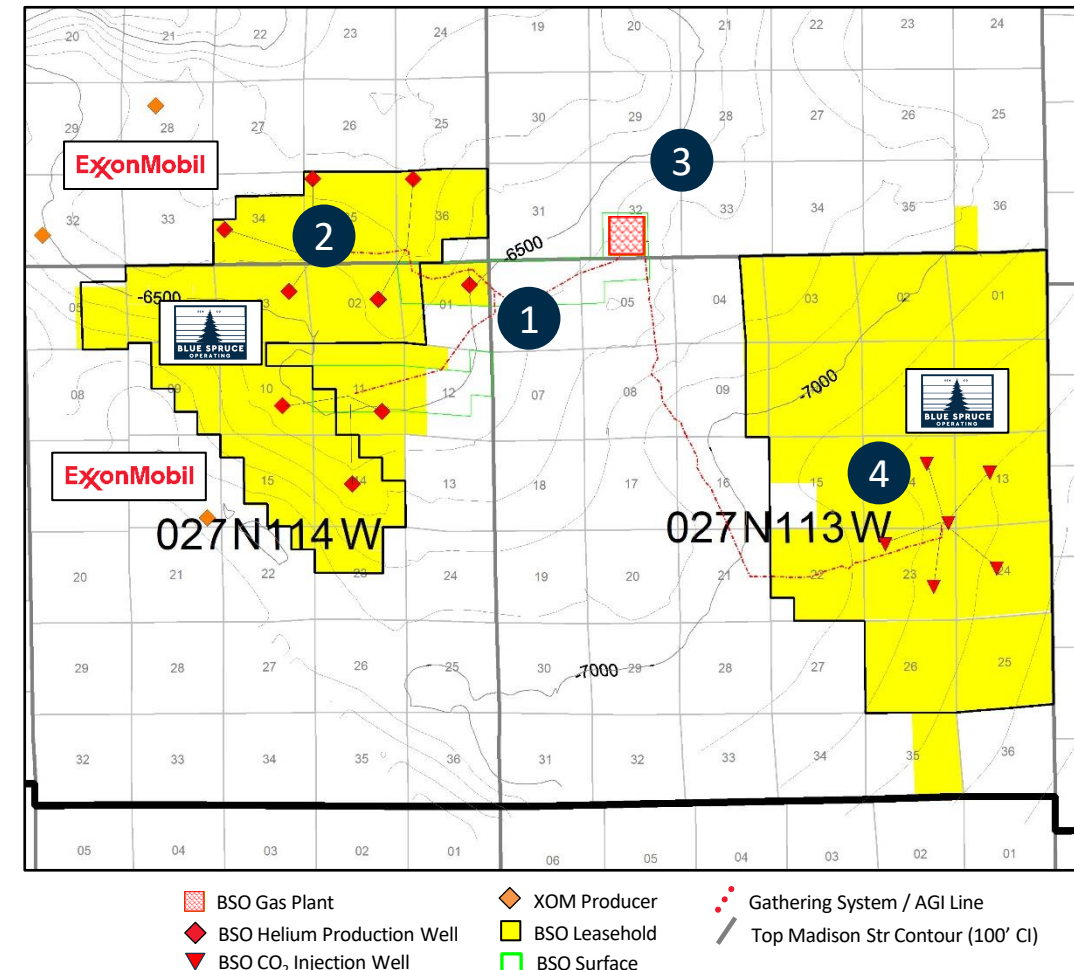
- U.S. Helium production is expected to decrease by 2 MMcfd within 5 years
 - U.S. strategic and business interests (semiconductors, healthcare, aerospace) will increasingly rely on Russia and Qatar as key suppliers
- Dramatic Helium price increases (2013 -2023) seen as domestic supplies fell
- Dry Piney will successfully compete with increasing Helium imports into a growing market

Dry Piney Project: Development Summary

Key Development Components

<p>1</p> <p>Minimal Surface Disturbance</p>	<ul style="list-style-type: none"> Development plan: four production pads and one AGI pad Private surface location allows for reduction of transportation infrastructure by processing gas onsite
<p>2</p> <p>Helium Development</p>	<ul style="list-style-type: none"> 8 deviated wells producing an average 50 MMcfpd raw gas rate per well - 640 acre well spacing w/one back-up producer BSO acreage delineated with proven Helium production on the northern and southern boundaries 3D seismic defined conventional structure, no hydraulic stimulation
<p>3</p> <p>Gas Processing Plant</p>	<ul style="list-style-type: none"> Process separates raw feed gas into Helium, methane, LNG, and liquid nitrogen streams and waste CO₂ / H₂S for disposal Plant location adjacent to paved county highway for easy construction and Helium market access
<p>4</p> <p>CO₂ Sequestration</p>	<ul style="list-style-type: none"> 5 deviated Class II injection wells for permanent CO₂ sequestration Acid gas disposal into geologically secure storage within the Madison and Bighorn formations

Asset Locator Map



An Infrastructure Project with Hard-wired Returns

- **Construction/Drlg Permits, Helium offtake contracts, and a turnkey EPC bid will reduce capital and revenue risk:**
 - Turnkey plant capital bids from reputable gas plant construction firms received by mid-2025
 - Helium sales contracts = Long-term fixed prices with CPI escalators from industrial gas companies (10, 15, and 20 yr deals)
 - Multi-year natural gas hedging available at Opal Hub
- **Multiple avenues for project financing:**
 - Construction financing underwritten by take or pay offtake contracts with investment grade counterparties
 - Ability to refinance construction loans by bringing forward 45Q value via tax equity, transfers, or other monetization strategies
- **Enormous long-term Helium value optimization:**
 - Five decade + project life provides significant optionality for incremental value creation
 - Combined with Shute Creek volumes, the LaBarge area will supply 1/3 of current world Helium supply
 - Capture long-term incremental value with untapped marketing, trading, and hedging arbitrage opportunities

Project Economics: Strong Economics with Multiple Revenue Streams

Capital Estimates and Returns

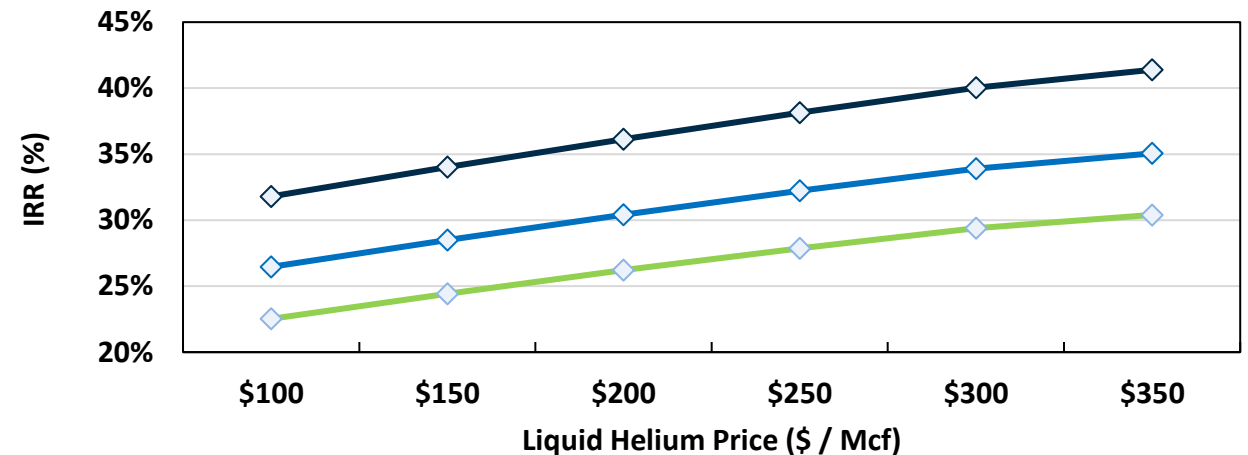
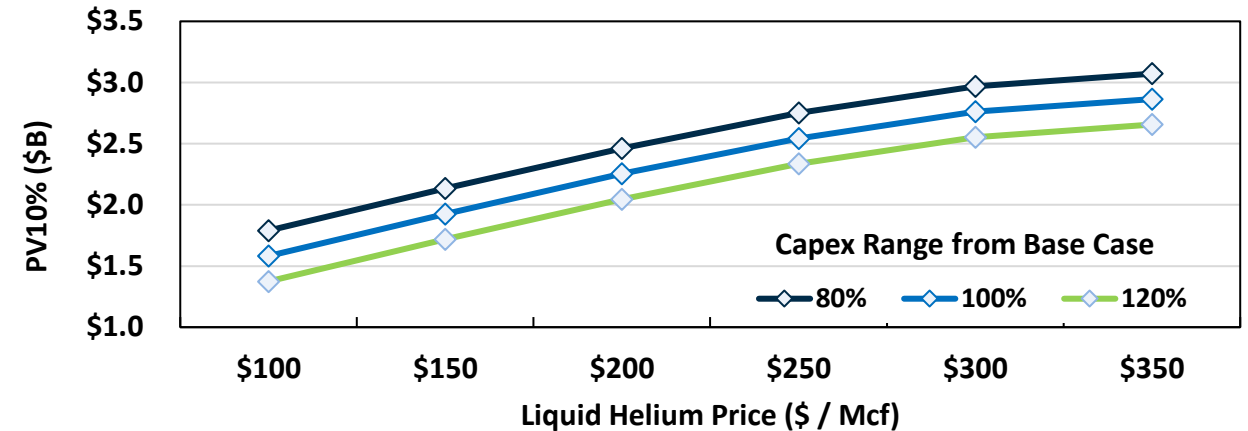
Total Development Capital

- Gross Capex Range: \$1.4 - \$1.5 B
 - Proven gas processing technologies
 - ~ 72% midstream capex, 28% upstream
 - Debt financing available for project level capital

Development Equity IRR%

- Unlevered economics w/50-yr life
- 100% gas-fired power self-generation
- Liquid Helium Sales and natural gas revenues (fixed @ \$3.00/MMBtu NYMEX w/basis)
- 45Q direct pay first 5-yrs, monetized at a discount remaining 7-yrs
- Opex escalated at CPI
- Additional upside from potential 45Q tax equity structure

Unlevered Returns: Capex & Helium Price Sensitivities



Project Milestones: Achieved to Date + 2025

2023-2024 Achievements

- Oct 2023 - Japex (U.S.) as a Blue Spruce strategic minority partner
- Apr 2024 - Successful Helium offtake process (volumes, price, term)
- June 2024 - Recommended for a Wyoming Energy Matching Funds grant of \$7.245 MM
- June 2024 - Pre-FEED gas plant technology vendor selection process completed
- July 2024 - 3D seismic survey merge and PSDM completed
- Sept 2024 - Bankers engaged for equity & debt capital raise
- Sept 2024 - Select EPC firms for competitive turnkey plant FEED process
- Sept 2024 - Spud 1st producer
- Fall 2024 - Execute long-term Helium take-or-pay sales agreements

2025 Objectives

- *1H 2025 - Equity & Debt Raise*
- *Early 2025 - Spud 1st AGI well*
- *Summer 2025 - Receive federal & state permits*
- *Summer 2025 - Select EPC firm for plant construction*
- *Fall 2025 - Call Final Investment Decision*
- *Fall 2025 - Order long-lead item equipment/tubulars & begin construction & drilling*



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