

## **Royal Helium Announces Positive Test Results from the Climax-4 Nazare Zone and Begins Reservoir Modelling and Development Planning**

SASKATOON, SASKATCHEWAN – February 16, 2022. Royal Helium Ltd. (“Royal” or the “Company”) (TSXV: RHC) is pleased to announce that the hydraulic fracture program at the Climax-4 vertical well was successful in opening the Nazare formation and tested 0.57% helium over the 100-meter interval. The helium grade is consistent with initial (DST) tests and commercial grades in the region. Royal will now advance Nazare to the next stage to maximize the development of this particularly thick and large pay zone. Royal will begin conducting simulation modelling and evaluate development scenarios based on multi-stage, multi-leg horizontal frac completions programs. Follow-on development of the Climax Nazare reservoir will depend on the results of these simulations but will likely include drilling and hydraulically fracturing multi-leg/multi-branch horizontal wells.

John Styles, Chair of Edge Engineering, and Completions and Production Consultant to Royal comments, “The open hole, hydraulic fracture treatment on a 100-meter interval (vertical well) at Climax-4 in December 2021 performed better than projected. Royal’s next step in evaluating the potential of the unconventional Nazare play is to use the permeability, fracture conductivity and flow information gathered to use as inputs into a three-dimensional finite element simulator to evaluate development scenarios based on horizontal drilling used in combination with multi-stage hydraulic fracture technology. The analogies for this unconventional play type include the low permeability Montney horizontal multi-stage frac gas plays in Northeast British Columbia/Western Alberta, now one of the largest developed natural gas fields in the world. The scenarios Royal plans to simulate will include variations on number of horizontal legs, leg length and number of stages for the hydraulic fracture treatment”.

Andrew Davidson, President and CEO, “Sampling grades of helium consistent with the current commercial production grades in Saskatchewan is a great development at Nazare where the pay zone is 10-20 times thicker than conventional helium reservoirs found to date. With these results in hand, we are excited to proceed to reservoir and production simulation modelling and look forward to the remarkable potential of drilling and developing the largest helium reservoir ever found in Saskatchewan. Along with the ongoing development of the Nazare, our crews and technical teams are also advancing the conventional helium reservoirs at Climax and Ogema and preparing for our spring drill program”.

### **Royal Helium Ltd.**

Royal controls over 1,000,000 acres of prospective helium land in southwestern and south-east Saskatchewan. All of Royals’ lands are in close vicinity to highways, roads, cities and importantly, close to existing oil and gas infrastructure, with a significant portion of its land in close proximity to existing helium producing locations. With stable, rising prices and limited, non-renewable sources for helium worldwide, Royal intends to become a leading North American producer of this high value commodity.

For more information, please contact the Company.



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