



Macro	Last	-1D	-1M	-3M	YTD	Sector Indices (local)	Last	-1D	-1M	-3M	YTD	Markets (local)	Last	-1D	-1M	-3M	YTD
Brent (\$/bbl)	48.79	-0.9%	23.7%	14.4%	-26.1%	AIM Oil & Gas	1,353	4.1%	24.8%	36.7%	29.9%	FTSE 100	6,555	0.1%	10.9%	10.4%	-13.1%
WTI (\$/bbl)	45.63	-1.4%	23%	15.0%	-25.4%	FTSE UK Oil & Gas	408.9	-0.3%	38.6%	21.3%	-39.5%	FTSE AIM All share	1,074	0.5%	9.3%	12.1%	12.1%
Henry Hub (\$/MMBtu)	2.41	-6.6%	-9.9%	33.7%	15.1%	Euro Oil Service	106.6	0.2%	1.7%	4.8%	6.3%	S&P 500	3,692	-0.2%	5.2%	7.7%	14.3%
UK NBP (p/wh)	42.11	-1.1%	5.3%	38.9%	35.5%	US E&Ps (XOP)	59.0	-3.3%	45.3%	19.3%	-37.8%	Euro STOXX 50	3,530	-0.3%	10.2%	6.5%	-5.7%
£/\$	1.33	-1.2%	1.3%	1.1%	0.5%	US Oil Service (OIH)	157.8	-2.5%	57.0%	26.2%	-40.5%	Hang Seng	26,507	-1.2%	3.1%	7.8%	-6.0%
£/€	1.10	-1.1%	-0.9%	-1.5%	-7.0%	S&P Global Clean Energy	1,473	0.6%	8.2%	43.9%	95.9%	Nikkei	26,547	-0.8%	9.1%	15.0%	12.2%

Helium One – Float on (HE1, 4.6p, £23m mkt cap)

Helium One Global Ltd. started trading on AIM last Friday at an issue price of 2.84p, raising £6m via a placing alongside its RTO listing. This leaves it fully funded for its exploration programme starting in Q1/Q2 2021 consisting of infill seismic acquisition and a three well drilling programme targeting helium prospects in the Rukwa Project area of Tanzania. The shares have surged in initial trading and are up over 60% since listing.

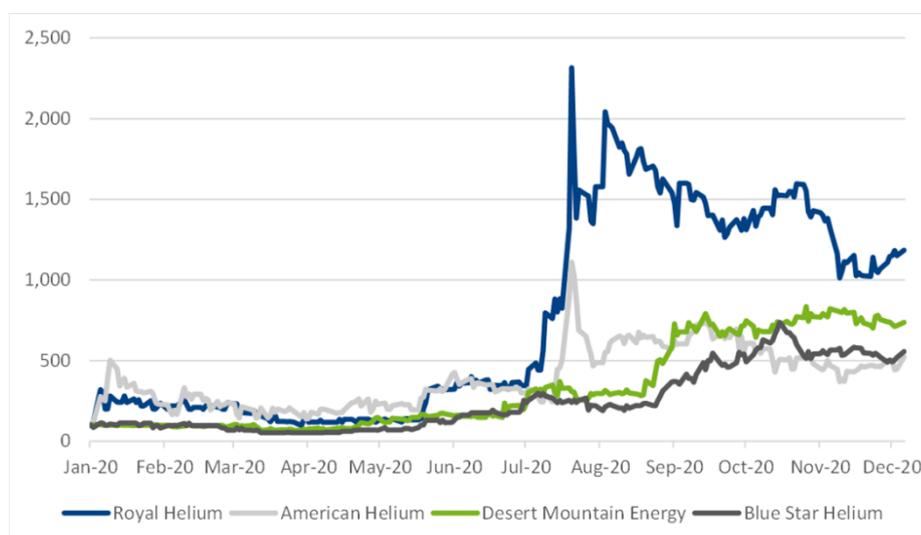
Admission Document

Last month we met with HE1’s CEO, David Minchin, who told us about the company’s strategically significant potential Helium deposits. HE1 believes its acreage in south west Tanzania contains the largest helium deposit of its type, which offers the potential to change the way helium is delivered over the next 100 years.

Helium is a finite resource that is irreplaceable and unsubstitutable. Its main use is in MRI, which represents ~20% of the market. It has the smallest pore space of any gas and is used for purging in the fast growing space industry. It is also used in the semiconductor industry, which has helped underpin demand through the pandemic.

Most of the current global helium supply comes as a by-product of conventional natural gas production, but at very low concentrations (<0.5%). Major LNG projects are key suppliers, but with many developments/expansions delayed or shelved, supply growth will likely be restricted. The US Federal Reserve strategic helium stockpile also went offline last year after previously accounting for 20-25% of global supply. Benchmark helium prices have rocketed as a result, up 135% since 2018 to US\$280/mcf, although it is an opaque market.

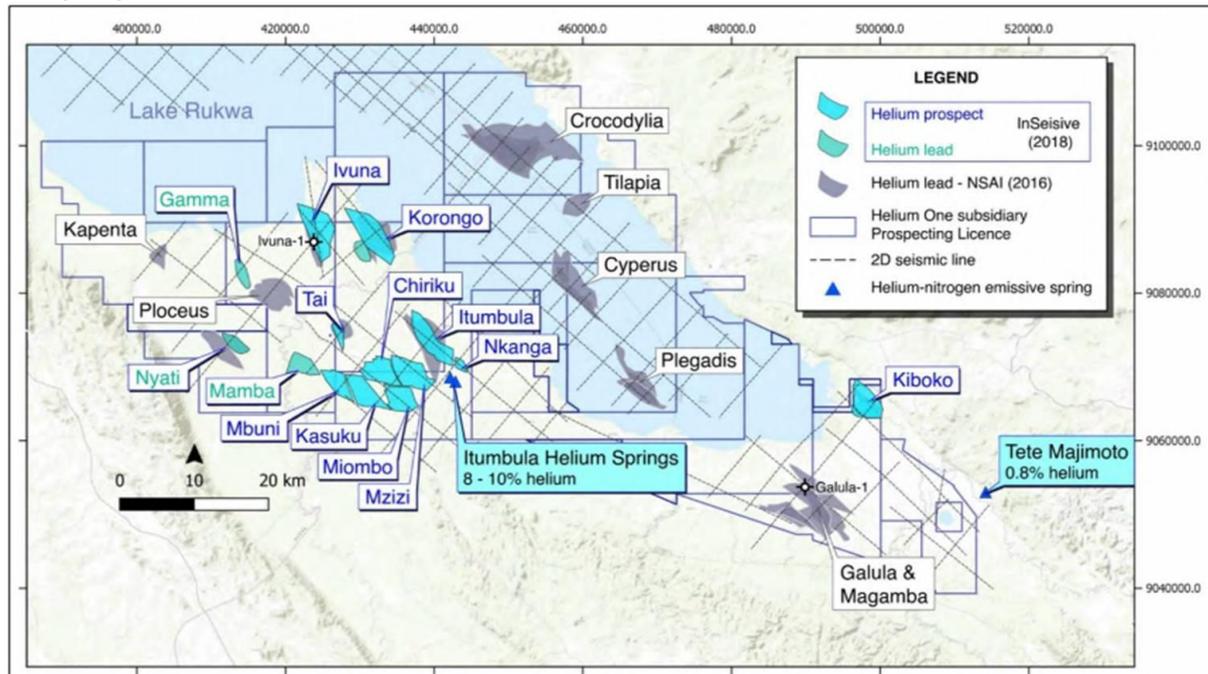
Helium company share prices have performed strongly as a result...



HE1's 100%-owned acreage covers 4,512 sq.km in Tanzania, split into three project areas. Helium-nitrogen gas seeps to surface have been recorded in the area in thermal springs, with helium concentrations of over 10%. This widespread and prolific occurrence of helium-nitrogen thermal springs is unique globally. Two historic oil and gas exploration wells drilled in the Rukwa Rift Basin by Amoco in 1987 demonstrated reservoir and sealing formations.

The company has identified 20 prospects and four leads in the Rukwa project area. These have independently verified unrisked P50 prospective helium resources of 138 bcf. Risked prospective recoverable resources are put at 14 bcf, equivalent to 1.2-1.5 tcf of natural gas at current prices.

HE1 prospects and leads



HE1's exploration wells will be shallow (300 - 1,200m) and use a slim hole rig, which is cheaper. The three planned wells will target the Mbuni, Itumbula and Kasuku prospects and are expected to cost just US\$2.5m.

Use of proceeds

Item	Cost USD	%
Corporate G and A	250,000	5.0
Tanzanian G and A	130,000	2.6
Salaries	450,000	9.0
Licence fees	740,000	14.9
Fieldwork	250,000	5.0
2D Infill Seismic	900,000	18.1
Drilling	1,900,000	38.2
Well evaluation	360,000	7.2
Total	4,980,000	100.0

Management are in advanced discussions with a drilling contractor. The rig is expected to mobilise from Botswana in March, with drilling expected to start at the end of Q1/early Q2 2021. Each well is expected to take ~1 month.

Development of this resource would involve a modular process plant design to remove nitrogen, which is expected to cost ~US\$50m for a 350 mmcf/yr facility. Operating costs are estimated at US\$15-20/mcf.

The Rukwa Project area is 850km by road from the main port of Dar es Salaam, which is well situated to serve the Asian market for helium, including China, which represents a fast growth region for helium demand.

The licences fall under the Industrial Minerals Act, not Mining or Oil & Gas, so have a favourable fiscal framework – just a 3% royalty and the government gets a 16% free carried interest.

This may not be your traditional E&P company and is certainly not for the risk averse, but the upside potential from its fully-funded drilling programme looks very interesting.



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