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New Era Helium Begins Construction of its Pecos Slope Plant in New Mexico

MIDLAND, Texas, July 19, 2023 (GLOBE NEWSWIRE) -- New Era Helium Corp. ("New Era Helium" or the "Company") is pleased to announce that Arjae Design Solutions of Nisku, Alberta, Canada has begun construction of its Pecos Slope Plant, a 20,000 MCF/D natural gas and helium processing plant. To date, New Era's gas has been processed by a third-party to produce helium and natural gas. The Company is building its own natural gas processing plant to process its gas produced from the Pecos Slope Field. The Pecos Slope Plant, which will be located approximately 20 miles north of Roswell, New Mexico will produce approximately 2.7 million standard cubic feet (MMscf) of gaseous helium per month or an estimated 32 MMscf per year. The Pecos Slope Plant, which is expected to commence operations on June 1, 2024, will also produce 477,000 MCF per month of methane and 32,545 bbls per month of natural gas liquids.

The estimates for the various products that the Pecos Slope Plant will produce were developed by Arjae Design Solutions based on Pecos Slope Field Gas Composition samples. A helium sampling audit performed on 303 company-owned wells measured helium concentration levels ranging from 0.167 to 1.513 MOL%. The average helium concentration level was 0.486 MOL%.

NOTE: [In a prior press release, the Company misstated the estimate of helium production from the Pecos Slope Plant and associated pricing for helium due to a typographical error in the units of measure.]

In addition, New Era Helium recently completed a successful RFQ process, and the Company expects to finalize a 10-year helium sales agreement with a major global industrial gas company and a foreign Tier 2 gas company within the next 30 – 60 days. Helium pricing in these agreements will be consistent with recent transactions for comparable quantities.

New Era's CEO, Will Gray stated, "With estimated annual helium production of approximately 32,000 Mcf, New Era Helium is poised to capture approximately 1% of the North American Helium Market. The Company has over 772 proved, probable, and possible drilling locations on its approximate 137,000 gross acres located within the Pecos Slope Field. This substantial inventory of drilling locations and associated reserves will provide the Pecos Slope Plant a daily inlet source of gas for an estimated 53 years." Once operational, the free cash flow generated from the Pecos Slope Plant will provide a foundation for New Era Helium's aggregation strategy of both helium production and exploration opportunities. Mr. Gray continued, "Given the large number of small exploration start-ups in the southwestern United States and Canada, we expect to see an increase in M&A activity as companies seek to increase scale to provide greater access to capital. This is necessary to attain critical mass required for new liquefaction capacity and allow early investors to monetize their investments. New Era aims to be an active participant in this potential merger trend."

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About New Era Helium Corp.

New Era Helium Corp. is an exploration and production company that sources helium produced in association with the production of natural gas reserves in North America. The company currently owns and operates over 137,000 acres in Southeast New Mexico and has over 2.5 BCF of proved, probable, and possible helium reserves. More information can be found at www.newerahelium.com.

Cautionary Note Regarding Forward-Looking Statements

Some of the statements in this press release may be forward-looking statements or statements of future expectations based on currently available information. Such statements are naturally subject to risks and uncertainties. Factors such as the development of general economic conditions, future market conditions, unusual catastrophic loss events, changes in the capital markets and other circumstances may cause the actual events or results to be materially different from those anticipated by such statements. The Company does not make any representation or warranty, express or implied, as to the accuracy, completeness or updated status of such statements. Therefore, in no case whatsoever will the Company and its affiliates be liable to anyone for any decision made or action taken in conjunction with the information and/or statements in this press release or for any related damages.