

CORPORATE NEWS

NASCO Successfully Takes First Steps to Increase Output – Helium Production to Double in 2017

- Three additional well bores successfully deepened, reworked and stimulated, fourth in progress.
- Higher helium content in raw gas verified

Hamburg, February 15, 2017. NASCO Energie & Rohstoff AG (NASCO), an oil and gas specialist headquartered in Hamburg, Germany and active in the USA, has successfully taken the first steps to increase output in its helium field, Dineh-Bi-Keyah (DBK) in Arizona.

These steps include technically reworking a total of six well bores. This should support enough raw gas to double the helium production in this field in 2017.

Of the six well bores planned, three have been successfully deepened, reworked, and stimulated. A fourth well bore is currently being deepened and will be completed soon. The deepening of two further well bores should be completed by the end of March 2017.

Gas analyses were performed at three of the successfully reworked well bores. The results show a helium content of between 5.8% and 6.2% in the raw gas and is therefore higher than expected. Compared to other leading helium deposits in the world, the USA has peak values. The tested flow rate has been well above expectations so far.

NASCO board member David Burns stated, "The projects completed so far are within the planned budget. We have already reached an important milestone for doubling the helium production in 2017 based on the results available up to now."

The completed projects supply important insights into the deposits and the technical properties of the well bores. The results of the first three completed well bores significantly increase the quantities of proven and producing helium reserves (PDP/PDNP).

NASCO – Well-Positioned in the Biggest Global Commodity Market

NASCO Energie & Rohstoff AG has been making targeted investments to expand their helium activities since 2014. Previously, their helium production focused solely on a site in

Arizona with the Navajo name Dineh-bi-Keyah (DBK), which is located in northeast Arizona, an area known as the Four Corners region. What makes the DBK field so remarkable is that its raw gas has an above-average helium content of more than five percent, a rare global occurrence. In comparison, the gas starts being economically worth extracting when it has a helium content of 0.5 percent.

NASCO is the controlling shareholder of the DBK helium field in Arizona and holds 60% of the permits.

Increasing Global Demand for Helium

Global demand for the noble gas helium is increasing, yet its availability on this planet is limited. This is driving helium prices up. The USA is the biggest market for helium, followed by Asia and Europe. Helium has many commercial and scientific uses worldwide, primarily in cryogenics as a coolant for very low temperatures (e.g., for cooling superconducting magnets for CT scans), as a material used in welding and cutting, as a tracer gas for leak detection, as a compressed gas to deploy automobile airbags, as a lifting gas for airships and balloons, and also as a component gas of breathing mixes for divers. In addition, it plays a decisive role in researching new technologies.

ABOUT NASCO

The oil and gas specialist NASCO Energie & Rohstoff AG (NASCO), which is located in Hamburg, Germany, and active in the USA, is one of the few German producers on the global helium market. The company acquires, develops and operates helium gas fields in the USA, which is the largest commodities market in the world. NASCO owns five sites in four U.S. states as well as their own offshore extraction concessions for helium, crude oil and natural gas in the Gulf of Mexico. Their helium clients are U.S. refineries and industrial gas companies that refine and sell the noble gas to end customers. The company has a long-term supply agreement with Praxair, the leading industrial gas company in the USA.

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