

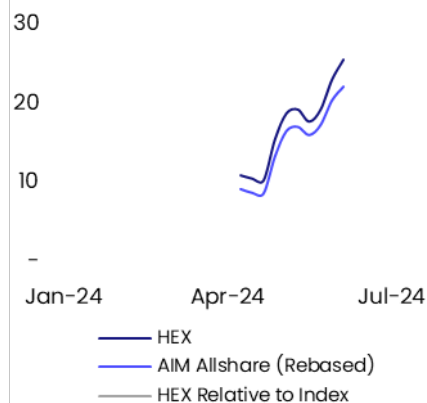
Acquisition Drives Growth

20 June 2024

NAV:	\$mm
Core	9.4
Dev. & Appraisal	76.5
Exploration	59.4
Total	145.3
Per Share	93p
From Current Price	305%

Stock Data

Market Cap:	£28.2mm
EV:	\$26.5mm
Shares in Issue	122.8mm
Change:	
1m	26%
3m	125%
12m	-



Helix Exploration plc's ("Helix's" or the "Company's") acquisition of Rudyard discovery principally through the issuance of shares adds not only value but provides investors with the benefits of near-term cash flow. We value Rudyard at \$85.5mm, which is comprised of \$76.5mm for the Contingent Resources, with the remainder (\$8.9mm) for the deeper exploration play. Following this news, our valuation is \$145mm (£114mm), or 93p, which reflects the issuance of 510,000 in new shares. The unrisks valuation of the Company's portfolio rises to \$291mm (187p) and represents a significant premium to the current price.

Immediately Value accreting

The acquisition of Rudyard for \$250,000 (\$150,000 in shares) is a significant step forwards for the Company, which sees it leverage its existing Montana asset base with an appraisal/development asset with **2C volumes of 525mm cf of helium ("He") and 2,176mm cf of natural gas ("CH₄")** in the Souris River and Red River formations.

Additionally, there is a **further low-cost incremental upside of 67mm cf (2U) of helium** possible in the deeper Dry Creek formation.

In meeting the consideration using its shares, it is immediately **value accretive to Helix and the shareholders, despite the additional shares in issue.**

Rudyard Balances the Portfolio

The Rudyard acquisition provides balance to the existing exploration portfolio, providing the portfolio with Contingent Resources, which **will be reclassified as Reserves once a development plan has been agreed and FID taken.**

Development and Cash Flow now a Near-Term Feature

Leveraging is equity, management has preserved the all-important cash resources to focus on the development of Rudyard and the drilling of the exploration well on its existing Ingomar Dome asset.

Given the potentially short timelines involved, the development programme at Rudyard provides the Helix with the prospect of near-term cash flow.

Transaction Immediately Value Accretive

OAK estimates that the transaction adds \$85.5mm, the majority of which (90%) is Appraisal and Development, with the remainder (\$8.9mm) in risk adjusted exploration valuation to the Company's existing valuation of \$60mm.

Consequently, **OAK has upgraded its overall valuation to \$145mm (93p), which an represents an increase of 143%.**

Corporate Broking

Jerry Keen

+44 207 468 7964

jerry.keen@oak-securities.com

Update Note

Contents

Acquisition Drives Growth	1
Contents	2
Rudyard Valuation – \$85.5mm	3
Summary	3
Economic Analysis	5
Research Analyst Disclosures	8
Dr Zac Phillips BEng (Hons.) MSc PhD MChemE SPE AAPG	8
DISCLAIMER: Investment Research	9
Notes	12

NOTE: “m” denotes thousands & “mm” millions

Rudyard Valuation – \$85.5mm

We have valued the acquisition of the Rudyard transaction at \$85.5mm using DCF valuation methodology, adjusting for exploration risk as required for the Prospective Resources using binomial EMV; the development ready Contingent assets dominate the valuation, and are unrisks at \$76.5mm, or 90% of Rudyard's valuation.

Summary

Helix has acquired the Rudyard asset (located in Hill County, Montana) for an implied price of \$250,000 through the issuance of \$100,000 in cash and \$150,000 in shares. In valuing Rudyard, Oak Securities (“OAK”) has used discounted cash flow (“DCF”) net present value (“NPV”) as its primary valuation tool.

This has allowed the study of a range of the critical factors that impact the value of an asset or portfolio of assets, including any risks to commerciality. We consider the Rudyard asset to be development ready, with the next stage of drilling focused on optimising the completion design.

Consequently, we believe that the 525mm cf of He and 2,176mm cf of CH₄ 2C Contingent Resources, will be quickly reclassified at Reserves, once the development programme is approved by management. Our valuation also includes 67mm cf of He in 2U Prospective Resources; the Resources breakdown is provided in Table 2.

Table 1 Helix Contingent and Prospective Resources

Asset	mm cf							
	He				CH ₄			
	Low	Best	High	Mean	Low	Best	High	Mean
Contingent Resources								
Souris River & Red River	126	525	1,276	599	350	2,176	6,605	2,784
<i>Total Contingent Resources</i>	<i>126</i>	<i>525</i>	<i>1,276</i>	<i>599</i>	<i>350</i>	<i>2,176</i>	<i>6,605</i>	<i>2,784</i>
Prospective Resources								
Ingomar Dome	248	1,462	4,983	2,053	-	-	-	-
Dry Creek	20	67	158	73	59	273	824	330
<i>Total Prospective Resources</i>	<i>269</i>	<i>1,529</i>	<i>5,141</i>	<i>2,126</i>	<i>59</i>	<i>273</i>	<i>824</i>	<i>330</i>
Total Resources	395	2,054	6,418	2,725	409	2,449	7,429	3,114

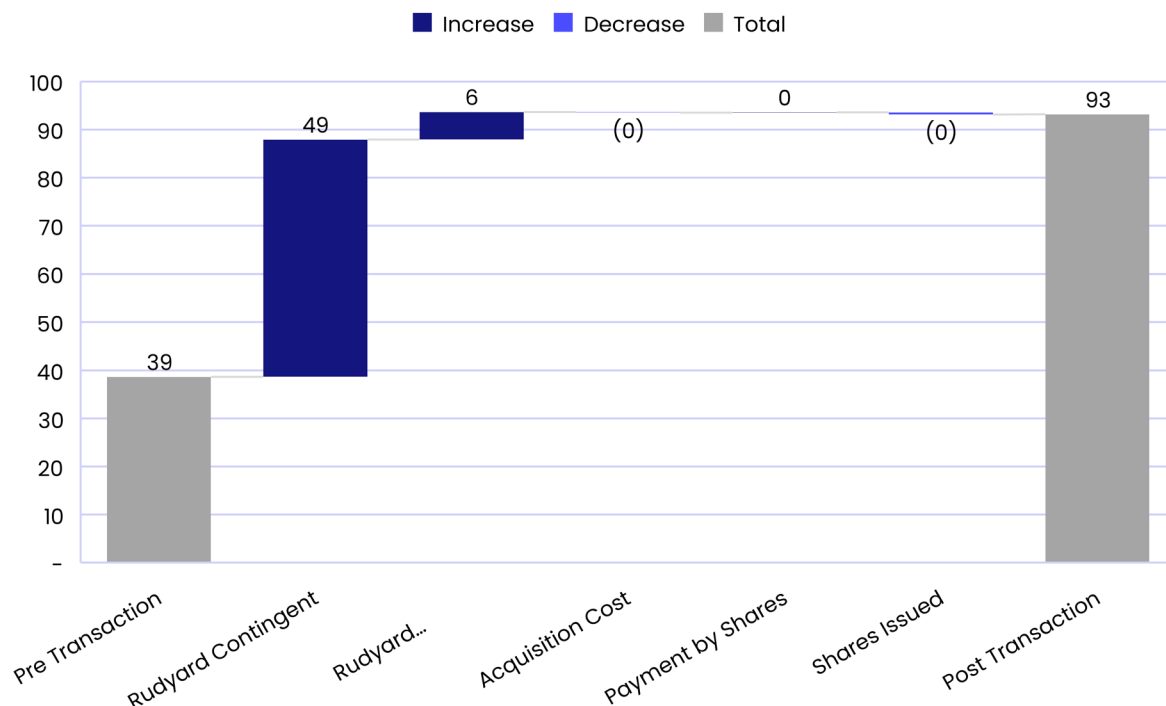
Source: Ryder Scott, Aeon Petroleum Consultants and Oak Securities data

Given that the acquisition consideration will be principally met by the issuance of new shares, we have assessed the valuation of the Company on both a dollar basis and on a per share basis, net to shareholders.

It is clear that the acquisition of Rudyard is immediately accretive to the dollar value of the Company, but even when accounting for the 510m shares issued to the vendor in the respect of the consideration, the acquisition is accretive to shareholders too; we provide a reconciliation in Figure 1.

Figure 1 Helix Exploration P50 Valuation Reconciliation

Impact of Rudyard Acquisition on Per Share Valuation (p/share)



Source: Company and Oak Securities data

Ordinarily, projects at the early stages of appraisal are usually adjusted for the risks associated with failing to meet predrill expectations and the extent of the unknowns ahead of drilling.

In this case, however, given the reported extent of the flow test to date, and the results of subsequent work, we do not consider it necessary to risk adjust the valuation using multi-nodal EMV methodology. OAK has elected to account for the operational risks by applying a higher cost base to allow for any additional drilling and completion complexity that might be required to permit a commercial development to take place.

Furthermore, we have also increased our allowance for maintenance capex, to potentially account for any remedial work over activity or for the wells and associated completions.

For the Prospective Resources, however, we have corrected for geological and commercial risks using the multimodal expected monetary value (“EMV”) approach, apply a 73% chance of geological success to the success based NPV_(10%) valuation; we consider trap and seal to be the key risk associated with a technical success.

Nevertheless, we have not applied a technical to commercial risk adjustment as we consider the deeper Dry Creek prospect to be an extension to the existing development and would therefore be an incremental project. In that respect, any saleable He or CH₄ would be recovered using the existing well infrastructure.

In conjunction with the Company's Ingomar Dome asset, Helix has brought balance to its portfolio, and given that the Rudyard assets are largely development ready, it also raises the prospect for early cash flow, at least 18 to 24 months earlier than would have otherwise been expected from its Ingomar Dome asset alone; Helix's overall valuation is summarised in Table 1 and Figure 2.

Economic Analysis

In valuing Rudyard, OAK has followed a nominally identical valuation process to that undertaken on the Ingomar Dome prospect and disclosed in the Initiation note dated April 16, 2024.

That notwithstanding, in valuing the Rudyard asset, we have reversed out the costs associated with the functioning of the "plc," which are borne by the Ingomar Dome asset, so there is no double counting of SG&A costs.

The Rudyard and Ingomar Dome assets are too far apart to realise any benefits that might accrue from Ingomar and Rudyard being co-development opportunities. Following the development of the Rudyard, Ingomar would open up a second development hub.

Consequently, the development ready horizons (Souris River and Red River) will bear the costs of the establishment of the gas treatment infrastructure. The costs associated with the deeper Dry Creek formation (exploration) will therefore be incremental the wider development costs and limited to the costs associated with the deepening of an existing well.

The valuation of the exploration asset (Dry Creek) specifically excludes any fixed operating and well costs, which remain with the development ready horizons (Souris River and Red River).

We expect any development of the exploration asset to be achieved through leveraging the existing well stock installed for the development of the Souris River and Red River horizons.

The results of OAK's analysis suggests that the Rudyard assets are valued at \$85.5mm, 90% (\$76.5mm) of which is contributed by the appraisal and development Souris River and Red River horizons; we summarise this in Table 3 to Table 4 (Dry Creek EMV).

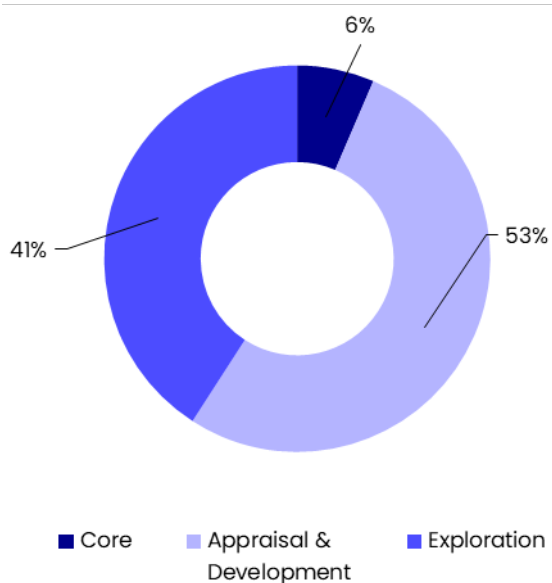
Table 2 Helix Exploration P50 Valuation Summary

Field	mm cf				NAV			
	Helium		Natural Gas		(\$mm)		(p/share)	
	Unrisked	Risked	Unrisked	Risked	Unrisked	Risked	Unrisked	Risked
Core								
Balance Sheet Items	-	-	-	-	9.4	9.4	6	6
Core NAV	-	-	-	-	9.4	9.4	6	6
Appraisal & Development								
Rudyard Souris & Red River	525	525	2,176	2,176	76.5	76.5	49	49
NAV Contribution	525	525	2,176	2,176	76.5	76.5	49	49
Exploration								
Ingomar Dome	1,462	437	-	-	192.5	50.5	123	32
Rudyard Dry Creek	67	47	273	191	12.8	8.9	8	6
Exploration NAV	1,529	484	273	191	205.2	59.4	132	38
Total NAV	2,054	1,009	2,449	2,367	291.1	145.3	187	93

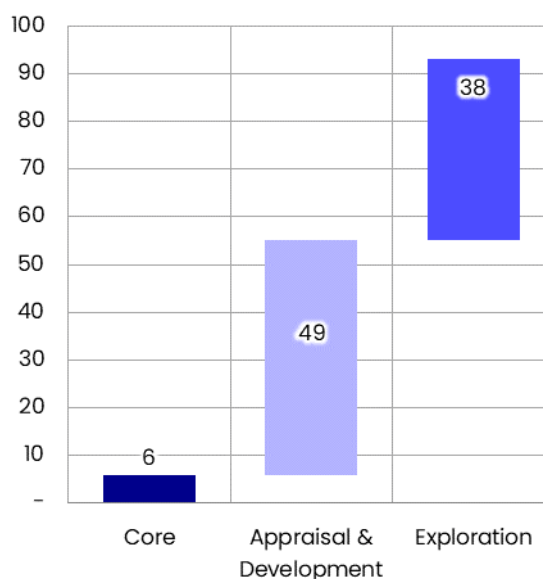
Source: Company and Oak Securities data

Figure 2 NAV Summary

Percentage of Risked NAV



p/share



Source: Oak Securities data

Table 3 Rudyard Success-Based NPV_(10%)

Forecast Name	P90	P50	P10	Mean
Souris River and Red River				
Pre-Tax Undiscounted Net to HEP	15.3	153.4	550.3	222.8
Pre-Tax NPV Net to HEP	5.9	76.5	215.2	93.4
Post Tax NPV Net to HEP	3.2	53.4	151.8	65.4
Dry Creek				
Pre-Tax Undiscounted Net to HEP	7.5	32.0	83.2	37.1
Pre-Tax NPV Net to HEP	1.6	12.8	32.8	14.2
Post Tax NPV Net to HEP	1.0	9.0	23.5	10.1

Source: Company & Oak Securities data

Table 4 Rudyard EMV

Forecast Name	P90	P50	P10	Mean
Souris River and Red River[†]				
Pre-Tax Undiscounted Net to HEP	12.3	150.4	547.3	219.8
Pre-Tax NPV Net to HEP	5.9	76.5	215.2	93.4
Post Tax NPV Net to HEP	3.2	53.4	151.8	65.4
Dry Creek				
Pre-Tax Undiscounted Net to HEP	4.0	21.9	59.2	25.6
Pre-Tax NPV Net to HEP	0.8	8.9	23.6	10.0
Post Tax NPV Net to HEP	0.3	6.2	16.7	7.0

Source: Company & Oak Securities data

Note: Souris River and Red River NPV_(10%) and EMV are identical due to the zero-risk associated with Contingent Resources associated with the development.

Contingent Resources are risked in cost and complexity adjustments

Research Analyst Disclosures

Dr Zac Phillips BEng (Hons.) MSc PhD MIChemE SPE AAPG

Zac has in excess of 29 years' experience in oil & gas and finance, working for companies such as BP, Chevron, Merrill Lynch and ING Barings. His wide experience base, allied with his deep background and experience in Chemical and Petroleum Engineering, has uniquely positioned him to undertake both finance and technical roles, enabling him to focus on the economics of investment in oil & gas, and its assessment, on a range of projects from process change implementation, to operating plants and companies.

Zac's extensive oil & gas financial and technical experience has ably lent itself to the valuation of exploration and producing Oil & Gas assets, especially where complex financial structures define companies' access to the economic benefits of ownership. Latterly, Zac was the CFO to Dubai World's Oil & Gas business (DB Petroleum), with responsibility for risk management, valuation and the authoring of investment proposals. During this time, Zac valued in excess of 152 transactions with a combined transaction value of in excess of \$63bn.

Zac has an Honours Degree in Chemical Engineering from Wales, a PhD in Chemical Engineering from Bath University and a MSc in Petroleum Engineering from Heriot Watt. He is a member of the Society of Petroleum Engineers, Institute of Chemical Engineers, American Association of Petroleum Geologists and the Association of International Energy Negotiators.

DISCLAIMER: Investment Research

This document has been issued to the reader (“you”) by Oak Securities (“OAK”), the trading name of Merlin Partners LLP, to promote its investment services and is a marketing communication for the purposes of the European Markets in Financial Instruments Directive (“MiFID”) and Financial Conduct Authority’s (“FCA’s”) Rules.

Merlin Partners LLP is authorised and regulated in the United Kingdom by the FCA (Reg No. 449191) for designated corporate finance and investment business. The FCA’s address is 25, The North Colonnade, Canary Wharf, London E14 5HS.

OAK considers this note to be of minor non-monetary benefit as defined by the FCA, which may be received without charge as the content is either (i) considered to be commissioned by OAK’s clients as part our advisory services to them; or (ii) is short term market commentary. Consequently, this document has not been prepared in accordance with the legal requirements designed to promote the independence or objectivity of investment research and is not subject to any prohibition on dealing ahead of its dissemination.

This document is for information purposes only and neither the information contained within it, nor the opinions expressed, are to be constituted or construed as an offer or a solicitation of an offer to buy or sell the securities or other instruments mentioned in it. Further, this document should not be interpreted as offering investment advice and no personal recommendation is being made to you; the securities referred to may not be suitable for you and should not be relied upon in substitution for the exercise of independent judgement.

This material is for the use of intended recipients only and only for distribution to professional and institutional investors, i.e. persons who are authorised persons or exempted persons within the meaning of the Financial Services and Markets Act 2000 of the United Kingdom, or persons who have been categorised as Professional Customers or Eligible Counterparties and is not intended for Retail Clients, as defined by the rules of the FCA.

Unless otherwise stated, the date displayed on the first page (the “Publication Date”) of this document may be considered to be the date of its completion and first dissemination. If this document references views of analysts or sources other than the author named herein, then you should refer that document, and its date, for that view.

The value of investments referenced herein may go up or down and past performance is not necessarily a guide to future performance. Where investment is made in currencies other than the base currency of the investment, movements in exchange rates will have an effect on the value, either favourable or unfavourable.

Securities that are either issued in emerging markets, or whose assets based in emerging markets, or are exposed to business areas such as those at the earlier stages of the natural resources development lifecycle, such as at the exploration and appraisal stages, are typically subject to greater volatility and risk of loss than would otherwise be expected.

The investments discussed in this document may not be suitable for all investors and the document does not consider the investment objectives and policies, financial position or portfolio composition of any recipient. Investors must make their own investment decisions based upon their own financial objectives, resources and appetite for risk.

Certain investments contained in the document may have tax implications for investors whereby levels and basis of taxation may be subject to change. OAK does not provide tax advice and investors should seek advice from a tax adviser.

OAK uses reasonable efforts to obtain information from sources which it believes to be reliable, but the contents of this document have been prepared without any substantive analysis being undertaken into the companies concerned or their securities, and while there has been independent verification of some elements contained within it, not all sources can be considered to be fully independently verified.

This document has been prepared in good faith and based upon sources believed to be reliable. However, OAK, its directors or employees, makes no guarantee, representation or warranty, (either express or implied), as to the factual accuracy, completeness, or sufficiency of information contained herein. Unless otherwise stated, any share prices used in this document are taken after market close on the business day prior to the date of publication.

Opinions expressed are the opinions of OAK as of the Publication Date only. The information and opinions provided herein are for the benefit of OAK’s clients as at the date of this document and are subject to change without notice. The opinions and information disclosed in this document may have been disclosed to the issuer prior to publication and subsequently amended. You should not expect OAK to provide you with updates on the subject matter contained within this document or commit to a regular programme of planned updates.

You should make your own investment decisions based upon your own financial objectives and financial resources. Neither past performance nor forecasts are a reliable indication of future performance, and you may realise losses on any investments, including possible loss of the principal amount invested. Products are not insured by any government or government agencies and are neither guaranteed, insured, nor a deposit account or other

obligation of any depository institution. OAK shall not be liable for any direct or indirect damages, including lost profits arising in any way from the information contained in this material.

OAK, its directors or employees may have a position or holding in any investment mentioned in this document or a related investment, and such positions or holdings may be inconsistent with this research recommendation and may from time to time dispose of any such securities or instrument.

In the last 12 months OAK may have been a manager, or co-lead manager, in the underwriting or placement of securities to the issuers of securities mentioned in this document within the last 12 months or may have had corporate finance mandates or may have received compensation for investment banking services from such companies.

OAK may be, or may have been, party to an agreement with the issuer of the securities mentioned in this document relating to the production of this recommendation. OAK may receive or may intend to seek compensation for investment banking services from such companies within the next 3 months. A senior executive or director of OAK or a connected person may be an officer, director or advisor of any issuer of securities mentioned in this document. Accordingly, recipients of this document should not rely on this document being impartial and information may be known to OAK, or persons connected with it, which is not reflected in its material.

OAK has in place a number of mechanisms for identifying and managing potential conflicts which include policies and procedures to identify, consider, manage and monitor potential conflicts of interests. Internal guidance and training regarding the identification of possible conflicts before they arise. Procedures to ensure that potential conflicts are escalated to the appropriate level within OAK.

Internal arrangements (including physical separation and other information barriers) for regulating the flow of information between and within business areas have been implemented to maintain the independence of the document's author.

This document is being supplied to you solely for your information and may not be reproduced, re-distributed or passed to any other person or published in whole or in part for any purpose. This material is not directed at you if OAK is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you and persons into whose possession this material comes should inform themselves about and observe any such restrictions.

If this note has been sent to you by a party other than OAK, or you have accessed this note from sources other than directly from OAK, the original contents may have been altered or comments may have been added. OAK is not responsible for any such amendments.

Important Disclosures for United States Persons

This document is not intended to be widely distributed in the United States ("US"). However, where OAK circulates this document to persons located in the US directly, it does so to persons that it considers to be "major US institutional investors" as defined pursuant to Rule 15a-6(b)(4) (each an "MII") in limited numbers and in reliance on Rule 15a-6(a)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

With respect to any distribution of this report to a US person, the information contained in this report (i) is intended solely for use by MII, (ii) was prepared by the analyst named herein, who is a non-US research analyst and, as such, may not be subject to all requirements applicable to US-based analysts, (iii) is not subject to all of the independence and disclosure standards applicable to research reports prepared for retail investors, and (iv) may not be used or relied upon by anyone that is not a MII for any purpose.

Any US person receiving this report represents and agrees, by virtue of its acceptance thereof, that it is a MII and that it understands the risks involved in executing transactions in such securities.

Neither the report, nor its authors who prepared or approved the report, is subject to the full scope of US legal or regulatory requirements pertaining to research reports or research analysts. OAK is neither registered as a broker-dealer under the Exchange Act nor a member of the Financial Industry Regulatory Authority, Inc. or any other US self-regulatory organization.

To the extent this report relates to non-US securities, note that investing in non-US securities may entail particular risks. Such securities may not be registered under the U.S. Securities Act of 1933, as amended, and the issuer of such securities may not be subject to US reporting and/or other requirements.

Financial statements included in a research report with respect to such securities, if any, may have been prepared in accordance with non-US accounting standards that may not be comparable to the financial statements of US companies. Available information regarding the issuers of such securities may be limited, and such issuers may not be subject to the same auditing and reporting standards as US issuers.

Fluctuations in the values of currencies other than the United States dollar, as well as the potential for governmental restrictions on currency movements, can significantly erode principal and investment returns. Market rules, conventions and practices may differ from US markets, adding to transaction costs or causing delays in the

purchase or sale of such securities. Securities of some non-US companies may not be as liquid as securities of comparable US companies.

The information contained herein may include forward-looking statements within the meaning of US federal securities laws that are subject to risks and uncertainties. Factors that could cause a company's actual results and financial condition to differ from expectations include, without limitation: political uncertainty, changes in general economic conditions that adversely affect the level of demand for the company's products or services, changes in foreign exchange markets, changes in international and domestic financial markets and in the competitive environment, and other factors relating to the foregoing. All forward-looking statements contained in this report are qualified in their entirety by this cautionary statement.

If this note has been sent to you by a party other than OAK, or you have downloaded this document from a source unconnected to Oak Securities, the original contents may have been altered or comments may have been added. OAK is not responsible for any such amendments.

OAK does not accept any liability for any direct or consequential loss of any kind arising out of the use or reliance on the information given in the document or in connection with it. This document does not consider the specific investment objectives and financial situation of any recipient, nor does it provide individually tailored investment advice or offer tax, regulatory, accounting or legal advice.

Prior to entering any proposed transaction, recipients should determine, in consultation with their own investment, legal, tax, regulatory and accounting advisors, the economic risks and merits, as well as the legal, tax, regulatory and accounting characteristics and consequences, of any transaction. Investors seeking to buy or sell any financial instruments discussed or recommended in any research report should seek independent financial advice relating thereto.

The products discussed in this report are not FDIC insured, may lose value and are not guaranteed by any party.

Author Certification

The author identified in this report certifies, with respect to the companies or securities that are analysed, that (i) the views expressed in this report reflect their personal views about all of the subject companies and securities; and (ii) no part of their compensation was, is or will be directly or indirectly dependent on the specific recommendations or views expressed in this report.

Additional Disclosures

OAK has produced this material solely for information purposes. It is not to be reproduced under any circumstances and is not to be copied or made available to any person other than the recipient. This document does not constitute an offer of, or an invitation by or on behalf of OAK or its affiliates or any other company to any person, to buy or sell any security.

The information contained herein has been obtained from published information and other sources, which OAK or its affiliates consider to be reliable. OAK does not accept any liability or responsibility whatsoever for the accuracy or completeness of any such information. All estimates, expressions of opinion and other subjective judgments contained herein are made as of the date of this document.

By accepting this document, you agree that you have read the above disclaimers, acknowledge them and agree to be bound by all of the foregoing limitations, restrictions and provisions, and recognise that:

1. OAK or its affiliates may have been the beneficial owners of 1% or more of the securities mentioned in this report.
2. OAK or its affiliates may have managed or co-managed a public offering of the securities mentioned in the report in the past 12 months.
3. OAK or its affiliates has received compensation for investment banking services from the issuer of these securities in the past 12 months.
4. One or more persons of OAK, or its affiliates may, from time to time, have a long or short position in any of the securities mentioned herein and may buy or sell those securities or options thereon either on their own account or on behalf of their clients.

This document may not be distributed in or into Australia, Canada, or Japan.

Notes



Oak Securities

90 Jermyn Street
London SW1Y 6JD
United Kingdom

Tel: +44 203 973 3678
Email: info@OAK-securities.com
Web: www.OAK-securities.com