NASCO AG: Progress in the planned doubling of Helium Production in 2017

- Drilling Program to Recommence May 15th, 2017
- AMCS Plant Installation on Schedule
- Updated Reserve Report and 10% Increase in PDP/PDNP Reserves

Hamburg, May 11, 2017. NASCO Energie & Rohstoff AG (NASCO), an oil and gas specialist headquartered in Hamburg, Germany and active in the USA, is pleased to announce an operational update to its drilling program in its helium field, Dineh-Bi-Keyah (DBK) in Arizona and the associated AMCS (http://www.amcscorp.com/) Cryogenic Plant installation.

Drilling:

As announced on February 15th 2017 a total of six wells were to be reworked or deepened to provide a total of 8 producing wells giving a minimum daily output of 8MM cubic feet of raw gas input per day which will provide around 400 MCF of high grade helium per day. Nasco through the Operator of the field Capitol Operating Group, LLC has contracted Drake Drilling Services to complete the final 2 wells Navajo 15 and 24.

NASCO CEO Jan Warstat stated, "We look forward to working with Drake Drilling who have a very good reputation in the 4 Corners area with multiple years of experience. These last 2 wells will complete the requirements to our planned expansion program and will provide more than enough gas for full production at the new plant."

AMCS Plant:

NASCO is pleased to advise that the new AMCS cryogenic plant that will be installed by Shiprock Helium, LP and operating in August 2017 is on track. All equipment has been ordered and contractors for the installation have been selected. The site preparation work has also begun as has the electrical work. Prior to this plant the helium produced at the field has been through “Pressure Swing Adsorption” technology. The new Cryogenic facility will greatly enhance recovery of Helium (up to 98.85%) and will more than double the daily throughput.
Increase in Reserves:

NASCO is pleased to announce that pursuant to the work it has conducted to date on the first 6 helium wells that DeGoyler and MacNaughton (http://www.demac.com), one of the leading reservoir engineering companies in the USA has increased the NPV10 (Net Present Value 10%) reserves by 10% to Nasco’s interest. This increase in reserves was based on an effective date of December 31, 2016. NASCO expects a further increase after completion of the remaining wells as described above.

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 and controls 80% of the Operating Company, Capitol Operating Group, LLC.

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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