



Helios Energy Ltd  
21 April 2022

## Helium - Second Extraction Plant

### Helium Business – China – Second Extraction Plant

Helios Energy Ltd (ASX Code: HE8) (**Helios** or **Company**) is pleased to announce the entering into and commencement of a second helium extraction joint venture in China.

Through its wholly owned subsidiary, Helios Energy China Ltd, Helios has entered into a boil-off gas (**BOG**) helium extraction joint venture with Chinese domestic liquefied natural gas (**LNG**) company, Shanxi Wanshengyuan Natural Gas Co. Ltd (**Wanshengyuan**), located in Shanxi, China.

Under the helium extraction joint venture agreement, Wanshengyuan will provide all land, all BOG feed gas and all associated utilities for the helium extraction joint venture. Helios will construct at a cost of approximately US\$9.5m (CNY60 million), new, leading edge helium gas extraction modules immediately adjacent to Wanshengyuan's LNG plants located in Shanxi province in China. Wanshengyuan will contribute the BOG feed gas at no cash cost and in exchange for its contributions to the joint venture will receive 50% of the profits of the joint venture. Helios is responsible for the upfront capital investment of US\$9.5m (CNY60 million), all technology and equipment deployment and all the sales of the liquid helium. Helios is entitled to 50% of the profits of the joint venture.

Wanshengyuan, founded in July 2010, owns LNG plants, gas stations, city gas gate stations and LNG supply pipe networks throughout both Shanxi and Shaanxi provinces in China.

As the operator of the helium gas extraction plants, Helios will produce high purity industrial grade liquid helium and earn 50% of the profits derived from the liquid helium produced and sold. Helios expects the annual helium gas output from this second extraction joint venture to be approximately 500,000 Nm<sup>3</sup> per year, which is 5 times the expected liquid helium production from the first helium extraction joint eventure with Ordos Xingxing.

Helios is one of the first companies to commercially extract material quantities of BOG helium in China, liquefy it and then sell it to domestic Chinese customers.

ASX Code: HE8

#### Directors

Hui Ye  
Non-Executive Chairman

Richard He  
Managing Director

Robert Bearden  
Non-Executive Director

Nicholas Ong  
Non-Executive Director

John Palermo  
Company Secretary

#### Contact Details

##### Australian Office

Level 3, 18 Richardson Street  
West Perth WA 6005 Australia

PO Box 1485 West Perth  
WA Australia 6872

Tel +61 1300 291 195  
Fax +61 8 6298 6191

##### USA Office

3 Riverway, 17<sup>th</sup> Floor  
Suite 1750, Houston  
Texas USA 77056

Tel +1 713 333 3613  
Fax +1 713 583 0965

[www.heliosenergy ltd.com](http://www.heliosenergy ltd.com)



Helios Energy Ltd  
21 April 2022

Based on the current helium market price in China, Helios expects liquid helium sales arising from this second joint venture to be approximately US\$39m (CNY250m) per annum.

The first phase of the project is scheduled to start construction in July 2022 and commence first output in March 2023.

### **Helium's Characteristics and Uses**

Helium is a noble gas. Helium is rare on earth and unevenly distributed. Helium's physical characteristics determine its usage in many fields such as cryogenic superconductivity, cryogenic cooling, thermometry, leak detection, shielding gas, carrier gas and other uses.

### **Demand and Supply of Helium in China**

The USA is the world's largest helium customer and producer. China is the 2nd largest helium consumer and accounts for more than 10% of global demand for helium. Helium resources are scarce in China and approximately 95% of all helium used in China is imported.

Helios' use of unique and leading edge helium extraction and liquification technology provides a cost effective and reliable way to produce liquid helium. The joint venture with Wanshengyuan aims to cheaply extract, liquify and profitably sell high quality helium to domestic Chinese customers.

For further information, please contact:

**Richard He**  
**Managing Director**