



FOR IMMEDIATE RELEASE

Tumbleweed Midstream Announces New 10-Year Helium Sales Agreement

- The new take-or-pay agreement locks in a global tier one helium supplier for Tumbleweed's helium production, providing the buyer a stable helium supply through 2030.
- The contract provides Tumbleweed with the option to sell up to 10% of its helium production to additional buyers on the open market.
- Natural gas wells associated with a new 15,000-acre dedication, scheduled to be drilled and connected to Tumbleweed's Ladder Creek gathering system in Q1 2021, will bring more raw helium into the plant for processing.
- Tumbleweed plans to initiate a plant expansion later in 2021.

CHEYENNE WELLS, Colorado – February 2, 2021 – [Tumbleweed Midstream, LLC](#) ("Tumbleweed") announced today it has executed a new 10-year helium sales agreement with a global tier one helium supplier. The new contract delivers a top-rated global customer for Tumbleweed's Ladder Creek plant's helium production capacity and provides the customer a steady supply of helium through December 31, 2030.

Specific terms of the agreement are undisclosed, however Tumbleweed estimates the value of the overall contract could exceed \$500 million. Final contract value will depend on the volume of helium produced by the Ladder Creek plant and delivered between now and year-end 2030.

"We are extremely pleased to be able to announce a new long-term contract with one of the world's top tier suppliers of helium to global markets," said Tumbleweed Midstream Founder and CEO Durell Johnson. "With much speculation in the helium market related to new supplies coming on from Russia and Qatar in 2021 and 2022, this new contract provides the stability we need to ensure our producers that their helium will be sold at fixed prices."

A unique aspect of the agreement gives Tumbleweed the option to sell up to 10% of its helium production to third-party buyers who need to make non-scheduled purchases of helium on the open market. "This is significant because every molecule of available helium anywhere in the

world is under contract,” said Johnson. “We have reserved a portion of our annual production specifically to help suppliers who encounter a supply hiccup and suddenly need to buy helium to satisfy customer contracts. Because there is no established marketplace where you can buy helium, we want helium buyers to know they can fill a temporary supply interruption with a single phone call to Tumbleweed Midstream.”

After it acquired the Ladder Creek Helium Plant and Gathering System in December 2019, Tumbleweed revamped its natural gas producer agreements and added new gathering and processing customers. These actions increased natural gas input to the plant in 2020, underpinning a fourfold increase in helium production. Tumbleweed expects its Ladder Creek Helium Plant will ship more than 100 trailer loads of processed liquefied helium in 2021. A trailer of liquefied helium holds approximately 1 million cubic feet of the inert gas.

The Ladder Creek Helium Plant and Gathering System serves natural gas producers operating in eastern Colorado and western Kansas. Natural gas produced in the region has a high helium content, which allows Tumbleweed to return premium netbacks to producers. The presence of significant amounts of helium and low drilling costs for the region’s shallow conventional gas wells are attracting new natural gas drilling to the region. “Continued growth will come from natural gas producers right here in our backyard,” Johnson said. “We recently executed a new 15,000-acre dedication with a producer in Kansas and expect to see new drilling activity that will bring additional production to the plant by the end of Q1.”

Current processing capacity at the Ladder Creek cryogenic processing plant is 38 million cubic feet per day (MMcf/d), expandable to 57 MMcf/d. The company plans to initiate a plant expansion later this year.

Ladder Creek Helium Plant and Gathering System

The Ladder Creek Helium Plant uses state-of-the-art cryogenic processes to extract helium and natural gas liquids from raw natural gas. The helium is further purified to 99.999%, and its temperature is reduced to negative 458 degrees Fahrenheit for transport to customers as a liquid. The Ladder Creek system is supported by long-term acreage dedications across a 1,000-square-mile area that spans Cheyenne, Kit Carson and Kiowa counties in Colorado and Hamilton, Greeley, Wichita, Kearney, Wallace and Finney counties in Kansas. [See system map here.](#)

Uses of Helium

Helium is used in the medical industry for MRI machines and for ventilators, which often use a mixture of oxygen and helium called “heliox” to treat patients with severe asthma and other respiratory illnesses. Helium is also used in cryogenics, welding, deep sea diving, manufacturing of fiber optic cables and semiconductors, and retail sales of helium-filled balloons.

About Tumbleweed Midstream

Tumbleweed Midstream, LLC is a privately held, independent natural gas gathering and processing company whose primary business is focused on the separation and production of liquefied helium, NGLs and residue gas from the incoming gas stream as well as the purification and liquefaction of crude helium from third parties. The company's operations are centered at the Ladder Creek Helium Plant and Gathering System located near Cheyenne Wells, Colorado, just west of the Kansas-Colorado border. Tumbleweed Midstream is supported by capital commitments from the company's management team and founders. For more information, please visit tumbleweedmidstream.com.

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Media contact:

Bevo Beaven

TEN|10 Group, LLC

303.433.4397, x114 o

720.666.5064 m

bevo.beaven@ten10group.com