



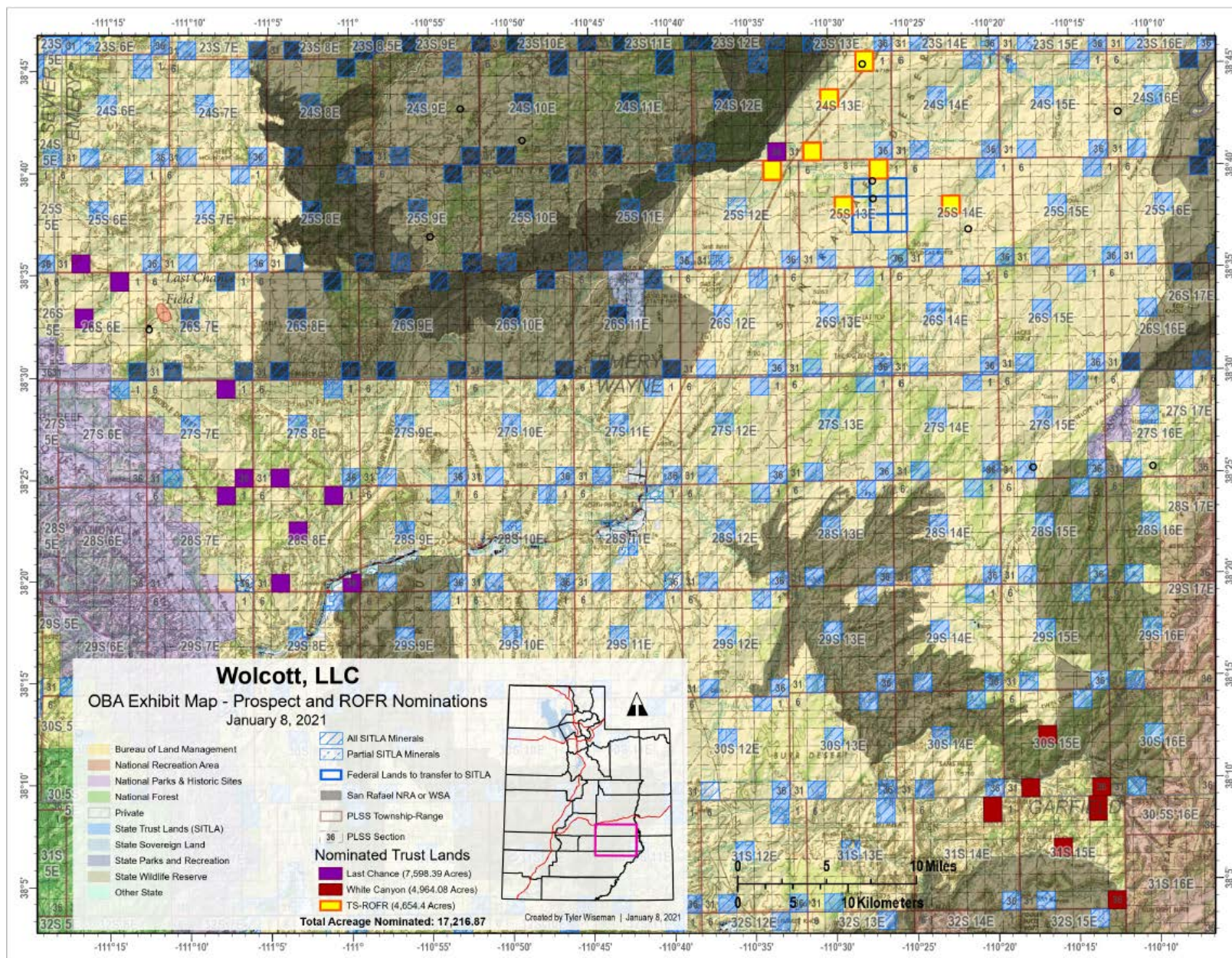
SITLA BOARD OF TRUSTEES MEETING JANUARY 21, 2021

Wesley Adams – Assistant Director/ Oil & Gas

Wolcott OBA Agenda



1. Prospects Map
 - Last Chance (7,598 acres)
 - White Canyon (4,964 acres)
2. Deal Points
3. Helium Summary
4. Questions



Deal Points

- Exploration fee in lieu of performance requirement - based on \$100,000 over 5 years:

30% Y1 = \$30,000

25% Y2 = \$25,000

20% Y3 = \$20,000

15% Y4 = \$15,000

10% Y5 = \$10,000

Trend acreage that is part of big picture concept, SITLA has option to re-invest the exploration fee into scientific research that can help support future helium leasing

- \$3 bonus (\$37,690), commensurate with risk profile – wildcat
- \$2 annual rentals (\$25,125) or \$175,870 for 7 years

Total Revenue = \$313,558 if no royalty occurs

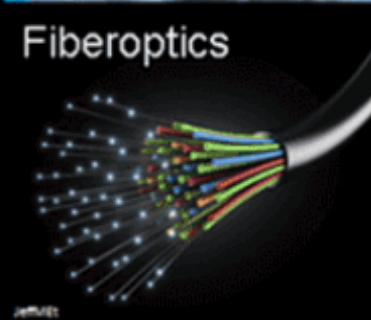
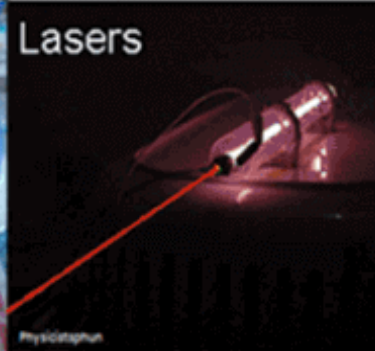
- Royalty rate 11% on liquified helium and 13.5% on gaseous – no post-production costs. (20% total burden cap)
- Right of first refusal on currently active leases depicted in yellow (60-day limitation, post lease expiration)
 - Overlaps with the Temple Springs OBA for Helium and would be subordinate
- Leases do not cover natural gas or oil (hydrocarbons)

Which is more important, filling a balloon or....

He

Helium may be the second most abundant element in the universe, but it is relatively rare on earth. It is obtained during the natural gas extraction process. This finite resource is essential in areas of science & technology. Currently, production is not keeping up with consumption.

This noble gas is critical in countless applications, including: cryogenics, MRI scanners, as a pressurizer & purge gas for rockets, as a protective atmosphere for arc welding, for breathing mixtures & ventilators, lasers, solar telescopes, deep sea exploration, gas chromatography, superconductivity, leak detection, supersonic wind tunnels, producing electronics, & small scale scientific research.



BalloonsBlow.org

Helium Summary

Helium is an inert non-greenhouse gas

Helium is experiencing a lot of attention in the global market because of its short supply and has been deemed a critical mineral by the U.S. D.O.I.

Utah and SITLA have significant upside with exploration efforts leading to discoveries

Helium's high market value provides substantial revenue (selling far north of \$200/ MCF 100x of natural gas) and societal benefit

- Hospitals/ MRI
- Aerospace/ High Tech

SITLA's Bowknot OBA lessee is currently drilling its helium test well. This OBA was approved late last year and has been in the works for 4 to 5 years.

Tyler Wiseman and myself will be hosting a Helium lunch and learn without the lunch on 1/26/21 for the SITLA agency staff



QUESTIONS

THANK YOU