

VERTICALLY INTEGRATED GAS PRODUCER

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# DESERT MOUNTAIN ENERGY CORP.

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77,000 ACRES OF LAND IN NEW MEXICO  
+ 100,000 ACRES OF LAND IN ARIZONA

# FORWARD-LOOKING STATEMENTS



Statements in this presentation that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors. Such forward-looking information represents management's best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. Desert Mountain Energy Corp. does not assume the obligation to update any forward-looking statement.





# DESERT MOUNTAIN ENERGY CORP.

Helium, natural gas and condensate production from the West Pecos Slope Abo Gas field in New Mexico

The exploration and development of helium, hydrogen and noble gas properties in Northeastern Arizona

World-class technical team with decades of experience in the exploration and development of helium, hydrocarbons and other minerals

Excellent access to capital markets

Raised CDN \$23 million for capital expenditures in March 2023 at \$1.95/unit

Now trading on TSX Venture Exchange under the ticker symbol "DME.V". Also trades on the U.S. OTCQX as "DMEHF" and Frankfurt as "QM01". The Company has more value in place than ever before

A corporate philosophy that respects the environment, the community and education



# DESERT MOUNTAIN ENERGY CORP.

## ABOUT

77,000 acres of land with 188 producing gas wells and over 50 miles of gas collection system near Roswell, New Mexico

+100,000 acres of mineral leases, four helium fields and 8 helium wells in the Holbrook Basin, Northeastern Arizona

Successfully drilled 5 wildcat helium wells and 3 offsets in Arizona

Over CDN \$10 million in the treasury with no anticipated need for future equity financings

Expected helium sales in December 2023

Generating revenue from trucking, drilling investments and gas sales

Focused on increasing gas volumes through field optimization in New Mexico

Pre-order plant components, casing and buildout support infrastructure to support helium production

Desert Mountain Energy was selected for the 2023 OTCQX Best 50 and the TSXV Best 50



# Management Team

**Robert Rohlfig**, CEO & Executive Chairman, is a seasoned oil & gas industry operations executive with a strong geological background and over 25 years experience in formulating, conducting and managing successful exploration, drilling, development and production programs for oil & gas and minerals worldwide.

**Don Mosher**, President & Director, has 35 years of experience in corporate finance, business development, management and marketing. He has served on boards and management teams of many publicly traded companies, advising companies on marketing, financing and corporate strategies.

**Valorie Farley**, CPA & CFO, has experience in power generation and distribution, natural resources, regulatory and financial reporting, audits and real estate development.

**Eric Witt**, Drilling Operations Manager, was previously the drilling engineer for Conoco Philips and Marathon Drilling.

**James Hayes**, Vice President of Engineering, has over 14 years of experience in engineering design and with on-site field operations in Oklahoma, Texas, Colorado, North Dakota and Alaska.

**Ched Wetz**, Vice President of Risk Management, has served as the director of risk management/facility ethics as well as compliance officer/safety officer at various hospitals, care centres and businesses. He has served in a distinguished manner on numerous boards, both for-profit and non-profit, and joint commissions on accreditation for state departments.

**Dr. James Cronoble**, VP of Exploration and Director, earned his B.S. in Geology from the University of Oklahoma followed by both his M.S. and PhD. in Geology from the Colorado School of Mines. He has more than forty years of exploration and operations experience in the Rocky Mountains and Mid-Continent of the United States.

# Board of Directors

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**Robert Rohlfing**, CEO and Executive Chairman

**Don Mosher**, President & Director

**Michael O'Shea**, Chair of the Audit Committee & Director, is an accomplished professional with significant experience in senior audit and management roles. His career spanned +35 years initially articling with KPMG and the Ontario Provincial Auditor's Office, followed by senior audit positions at Enbridge and Gulf Canada.

**Dr. James Cronoble**, Vice President of Exploration & Director

**Dr. Kelli Ward**, Independent Director, has dedicated herself to medicine, business, public policy and politics for the past 25 years. In 2012, she ran and was elected for the Arizona State Senate. She was then elected Chair of the Republican Party of Arizona in 2019 and was re-elected in January 2021.

**Jenaya Rohlfing**, Independent Director, is a Petroleum Engineer who has exhibited exceptional technical, leadership and organizational skills in all facets of drilling operations for oil & gas over the past 13 years in various management positions with ConocoPhillips. Currently, she is the Drilling Engineering Supervisor for ConocoPhillips', Permian Basin.

**Weldon Stout**, Independent Director, recently retired from his position after serving for eight years as a District Court Judge in Oklahoma. Prior to his appointment as a judge, his private practice focused on business, estate planning and Federal Court litigation. He served as both Assistant District Attorney following as Chief Prosecutor.



# CAPITAL STRUCTURE

Outstanding shares: 89,813,109  
Options: 6,655,000  
Warrants: 2,314,218  
Tradeable Warrants: 11,400,000  
Fully diluted: 110,182,327

TSX Venture Exchange: DME U.S.  
OTC: DMEHF Frankfurt  
Exchange: QM01





# WEST PECOS SLOPE ABO GAS FIELD

TO WATCH A  
FLYOVER OF THE  
WEST PECOS SLOPE  
ABO GAS FIELD,  
CLICK HERE





# WEST PECOS SLOPE ABO GAS FIELD

All external piping has been expertly installed and welded, with our team of electricians now putting the finishing touches on the final electric assembly. Upon completion of this, and the arrival of the essential compressor, our plant will be operational.

DME will then be able to process and provide natural gas, condensate, and helium directly to our valued customers.







The high-pressure compressor is essential for selling gas into the IACX gas pipeline and pipelines of future buyers.



# THE DME HELIUM PROCESSING FACILITY

- Throughput can be modified to meet specific raw gas mixes.
- The processing facility will be powered by natural gas from the West Pecos Gas Field. However, it has the flexibility to be modified and operated using different energy sources, such as solar power.
- Gas production will be achieved by commingling the natural gas wells in the West Pecos Gas Field, which contain varying grades of helium.
- The Company will be focused on increasing volumes of raw gas with a combination of downhole solutions and adding compressors to the collection system, reducing bottlenecks and pigging the line to allow optimized gas flows.
- DME's helium processing facility is specifically designed to handle the co-production of helium and hydrogen gases.
- The helium processing facility has the capability to process helium with varying grades ranging from 0.03% to 11%.



Internal view of 1 of the 4 modular housing units that house the helium processing facility

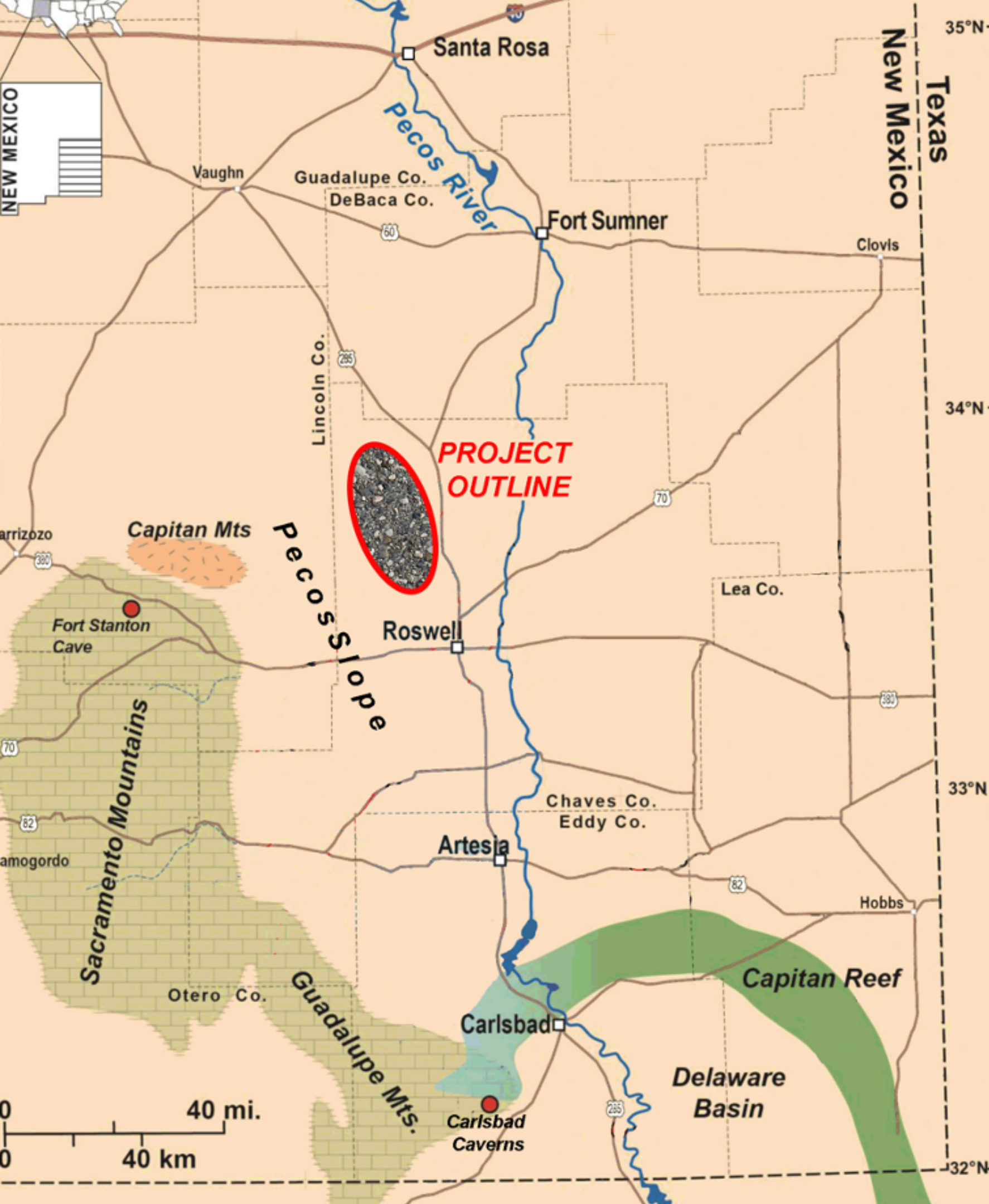
# THE WEST PECOS SLOPE ABO GAS FIELD IN NEW MEXICO

The West Pecos Slope Abo Gas Field, located in the heart of New Mexico, is in close proximity to the historic town of Roswell, known for its intriguing alien activity.

New Mexico has a long-standing reputation as a leader in oil and natural gas production in the U.S., making it an ideal location for energy exploration and development. The thriving oil and natural gas sector in New Mexico provides seamless access to a wide range of services and supplies, resulting in significant cost savings and minimal wait times.



**DESERT MOUNTAIN  
ENERGY CORP.**



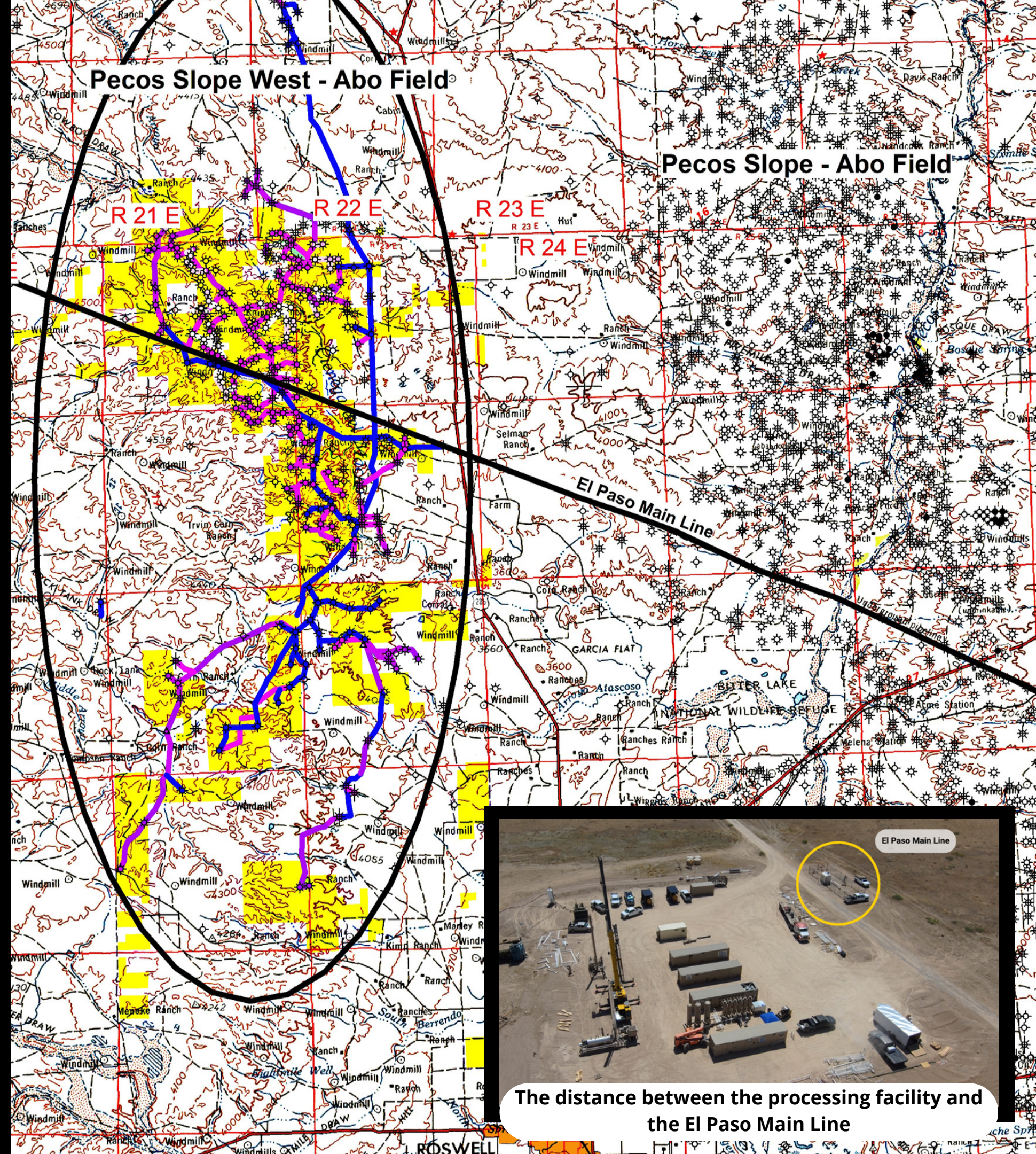


# THE WEST PECOS SLOPE ABO GAS FIELD

The West Pecos Slope Abo Gas Field encompasses a vast infrastructure, including 188 producing wells, over 50 miles of gas collection lines, and 77,000 acres of oil and gas leases. With the potential for future expansion, an additional 70-100 wells could be developed.

The primary source of revenue for the company will come from the sales of helium, natural gas, and condensate. DME operates a vertically integrated business model. With a prime location less than 300 feet from the El Paso Main Line, stretching from California to Texas, our processing facility offers the unique advantage of direct sales to end users.

In addition, DME is studying the potential for perforating virgin pay zones downhole in the producing wells.



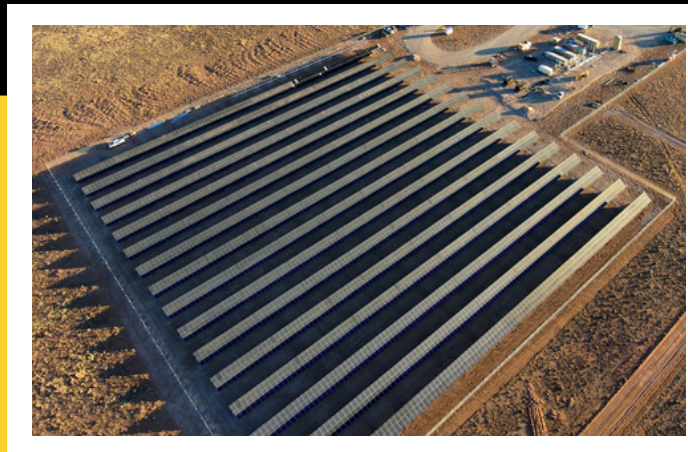
The distance between the processing facility and the El Paso Main Line



# ARIZONA

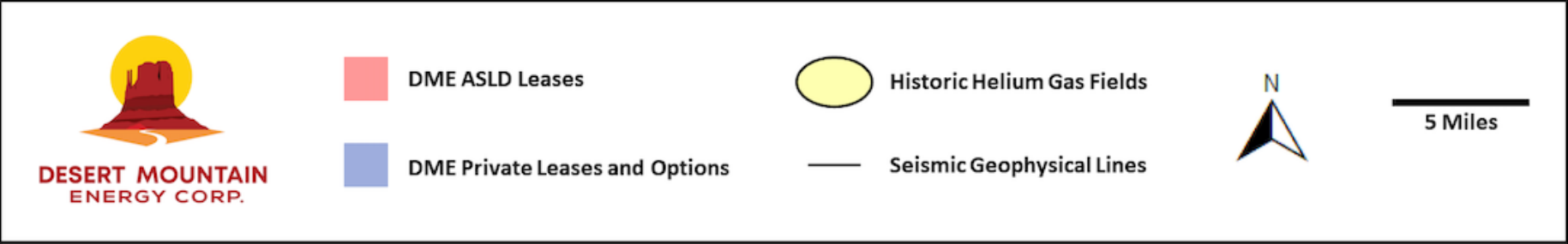
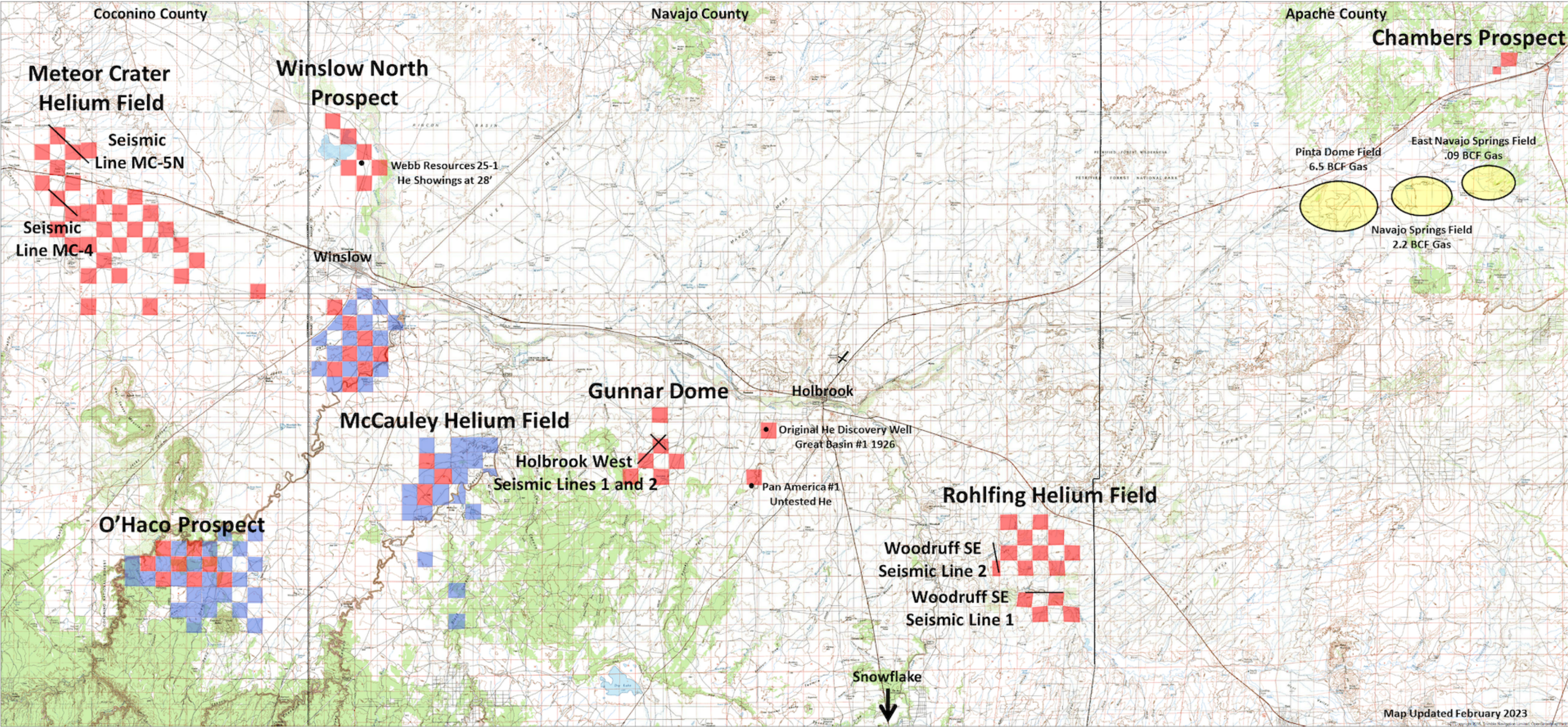
## NITROGEN/HELIUM FIELDS & MINERAL CLAIMS

- DME holds mineral leases on both State and private land, totalling over 100,000 acres.
- The Company has successfully drilled 5 wildcat wells, identifying multiple helium fields and 3 offset helium wells
- A hydrogen field was discovered within the McCauley Helium Field
- Helium production at the McCauley Helium Field has faced delays due to permitting issues
- The company will generate revenue from the 3,600-panel solar farm through the sale of electricity.





DME's Lease Holdings and 2-D Seismic Geophysical Lines, Holbrook Basin, Arizona





# In Summary:

- DME owns 77,000 acres of oil and gas leases in New Mexico with 188 producing gas wells and +50 miles of gas collection system
- The Company plans to explore the possibility of drilling between 70 to 100 new wells in the West Pecos Gas Field
- After processing the raw gas through the helium processing facility, revenue will be generated from helium, natural gas, and condensate.
- DME is a vertically integrated company that aims to sell its products directly to end users
- The Company holds +100,000 acres of mineral claims in the state of Arizona.
- In Arizona, DME has successfully completed drilling operations for a total of 8 wells. These include 5 wildcat helium wells and 3 offset wells. As a result, DME has made significant discoveries, identifying multiple helium fields.
- DME intends to commence production on the Arizona wells once the necessary permits for stimulation work have been obtained.





# WHAT IS HELIUM?

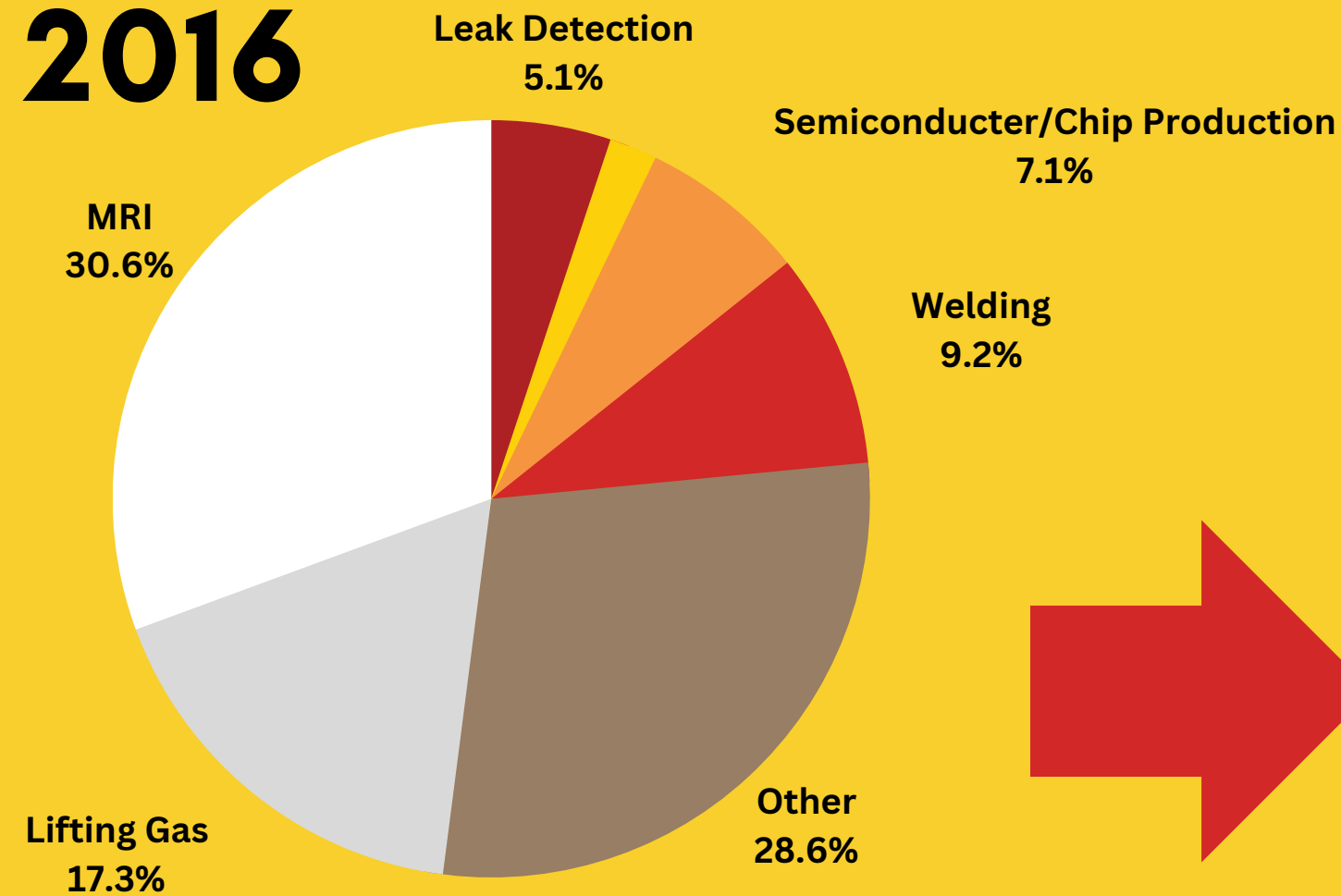
- An inert, monatomic gas that is non-flammable, colorless, odorless, tasteless, and has a boiling point of  $-452.07^{\circ}\text{F}$  ( $-268.93^{\circ}\text{C}$ ), the lowest of any element on earth.
- The symbol is He and its atomic number is 2; part of the noble gas group.
- Prevalent throughout the universe but rare on earth.
- It's very small atom makes it extremely mobile, allowing it to penetrate most rocks and escape from earth's gravity, so trapping mechanisms are critical to retaining it in host rocks.
- Two sources on earth: (1) primordial, part of the original formation of the planet; (2) radioactive decay of uranium and thorium in the earth's crust.
- The isotope composition of He in Arizona is consistent with the preponderance of He arising from radioactive decay.
- Helium was historically found incidental to oil & gas exploration but exploration is now underway specifically for Helium.
- Helium is often found in wells associated with natural gas. In Holbrook Basin, it has generally been associated with nitrogen and carbon dioxide.
- After initial separation from other gases in the well, He is typically sold as raw Helium product grading 50-80% He; it is further processed into Grade A He.
- Typically shipped as a liquid to distribution centers in trucks and sold as bulk liquid He or gasified and compressed into tanks or small cylinders for delivery to end-users.





# USES OF HELIUM: 2016 vs 2021

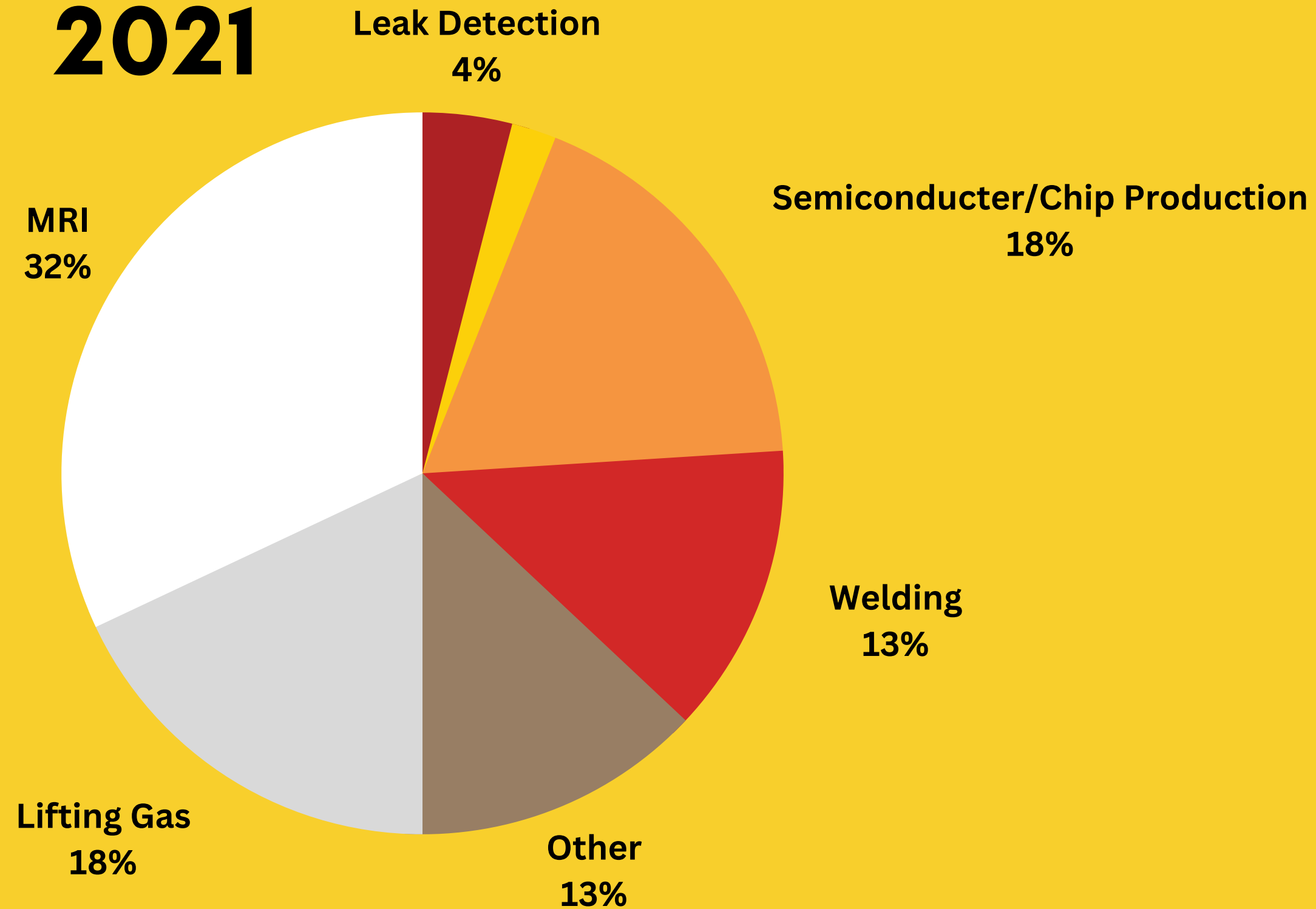
## 2016



Helium has unique properties that cannot be satisfied with an alternative gas. Traditional uses remain, while the demand for helium has expanded with new high-tech applications, such as:

- The manufacturing of fibre optics
- Electric Vehicles; the liquid hard drives require helium due to energy efficiency and memory
- Space exploration; used to purge the rocket engines prior to take-off

## 2021





# A TIMELINE OF WORLD WIDE HELIUM SHORTAGES

## HELIUM SHORTAGE 1.0 (2006-2007)



Concluded when Qatar's inaugural helium plant achieved its maximum capacity, coupled with the 2008 economic downturn.

## HELIUM SHORTAGE 2.0 (2011-2013)



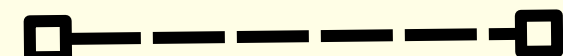
Came to an end, primarily due to the full operation of Qatar's second helium plant which was initiated towards the end of 2012.

## HELIUM SHORTAGE 3.0 (2017-2020)



The shortage commenced as a result of an economic and political embargo on Qatar by nearby nations, coupled with a drop in production from primary sources. However, this scarcity ceased when the Covid-19 pandemic caused a sudden decrease in economic activity and subsequently, the demand for helium.

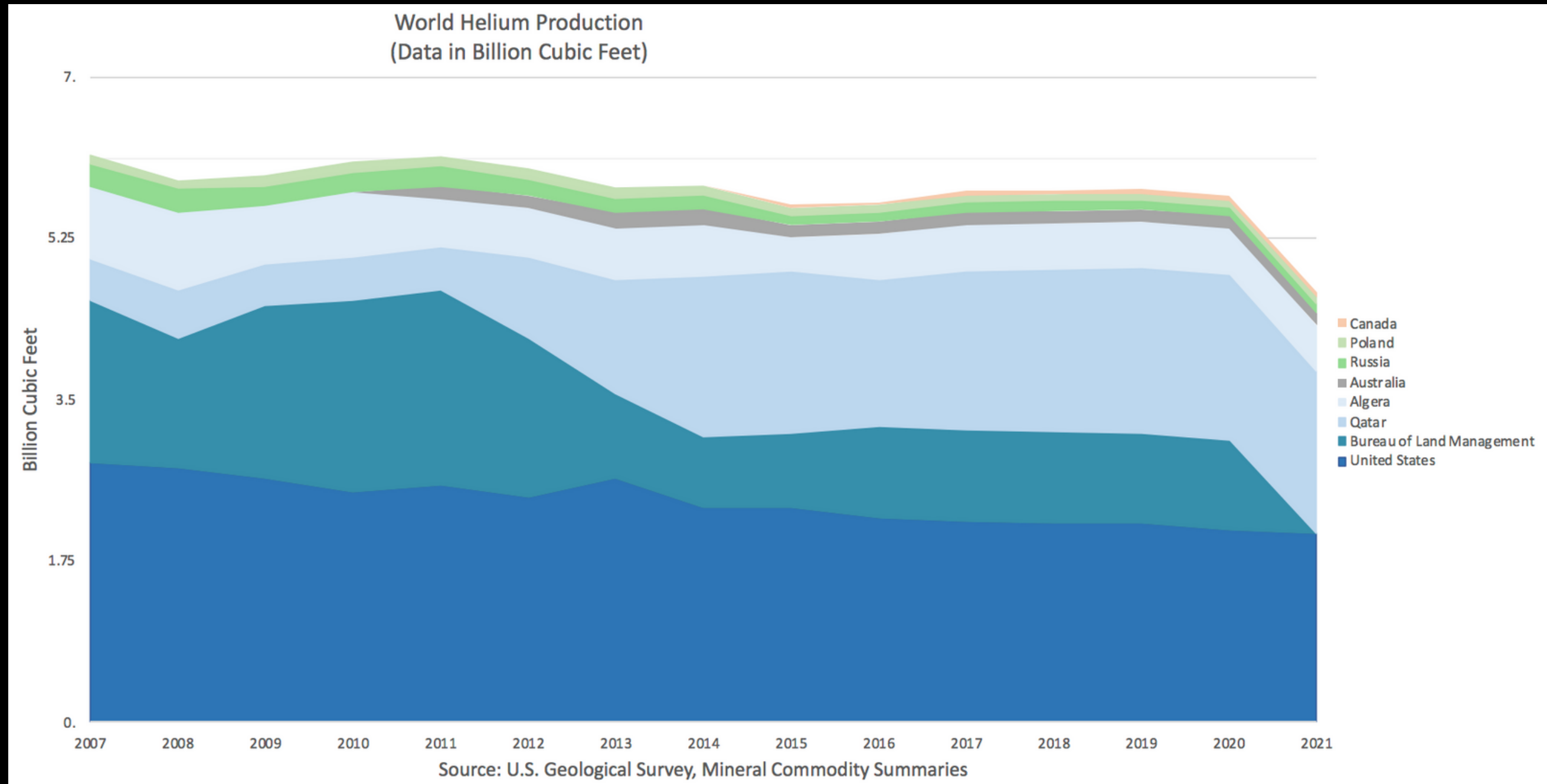
## HELIUM SHORTAGE 4.0 (2022-????)



The shortage started in early 2022 following explosions on two gas processing trains at Amur GPP. This incident created a lot of uncertainty in the market and led to a significant increase in sourcing costs.



# 2017 Estimated Domestic Helium Consumption and Usage by Application



As a result of low gas prices over the last decade, development in traditional gas fields has declined, resulting in less traditional gas production and therefore less helium. Helium is a by-product in Natural Gas, with grades of .3% to .7%



# Natural Gas Gross Withdrawals and Production

<a href="#">Download Series History</a> <a href="#">Definitions, Sources &amp; Notes</a>								
Show Data By: <input checked="" type="radio"/> Data Series <input type="radio"/> Area	Graph Clear	2017	2018	2019	2020	2021	2022	View History
Gross Withdrawals	<input type="checkbox"/>	33,292,113	37,325,539	40,780,210	40,613,767	41,666,118	43,384,575	1936-2022
From Gas Wells	<input type="checkbox"/>	6,161,420	7,864,063	7,433,288	6,749,352	6,346,420		1967-2021
From Oil Wells	<input type="checkbox"/>	6,217,438	4,503,499	4,603,548	4,611,984	4,555,008		1967-2021
From Shale Gas Wells	<input type="checkbox"/>	19,927,602	23,977,248	27,840,830	28,431,290	30,000,232		2007-2021
From Coalbed Wells	<input type="checkbox"/>	985,653	980,730	902,544	821,141	764,458		2002-2021
Repressuring	<input type="checkbox"/>	3,538,733	3,587,368	3,521,924	3,716,990	3,721,408		1936-2021
Vented and Flared	<input type="checkbox"/>	255,488	470,601	539,480	419,723	286,668		1936-2021
Nonhydrocarbon Gases Removed	<input type="checkbox"/>	260,066	258,703	271,889	274,607	329,664		1973-2021
Marketed Production	<input type="checkbox"/>	29,237,825	33,008,867	36,446,918	36,202,446	37,328,378	38,936,202	1900-2022
NGPL Production, Gaseous Equivalent	<input type="checkbox"/>	1,897,242	2,234,593	2,547,897	2,709,697	2,810,580	3,120,069	1930-2022
Dry Production	<input type="checkbox"/>	27,340,583	30,774,274	33,899,021	33,492,749	34,517,798	35,816,133	1930-2022

Source: U.S. Energy Information Administration

- Traditional Natural Gas production has declined to 6.346 TC/year
- Shale gas production over the same period has increased from 19.9 TCF/year to 30 mill TCF/year
- No helium is extracted from shales but it has created low gas prices for over a decade



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# CONTACT

ROBERT ROHLFING

CEO & EXECUTIVE  
CHAIRMAN



[ROBERT@DESERTMOUNTAINENERGY.COM](mailto:ROBERT@DESERTMOUNTAINENERGY.COM)



(918) 752-7020

DON MOSHER

PRESIDENT &  
DIRECTOR



[DON@DESERTMOUNTAINENERGY.COM](mailto:DON@DESERTMOUNTAINENERGY.COM)



(604) 617-5448

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