



## Testing of Quinn Creek 141 Well

### Highlights

- **Testing of Quinn Creek 141 to start on 15 March 2018**
- **Comprehensive test of Austin Chalk equivalent section which encountered live oil shows between 3,000 and 5,000 feet when drilling and which flowed oil to surface in the Quinn Mesa 113 well**

Helios Energy Ltd (ASX Code: HE8 and HE8OA) (**Helios** or **Company**) is planning to commence testing the Quinn Creek 141 well on 15 March 2018.

Quinn Creek 141 was spud by Helios as Operator on 23 April 2017 and was designed to be drilled to a total depth (TD) of 6,000 feet to test targets in the San Carlos Sandstone, Austin Chalk equivalent, Eagle Ford Shale, Buda Carbonate, Georgetown Limestone and Edwards Limestone formations.

The well was drilled to 5,000 feet and encountered live oil shows from 3,000 to 5,000 feet through a thickened Austin Chalk age sequence of fractured shales and carbonates. Oil was recovered from the mud pits and subsequent oil analysis indicated that the oil is a very good quality, mature, Eagle Ford type, 33 degrees API oil. After logging, 5.5 inch well casing was run to protect these oil and gas shows. The well was subsequently drilled with slim-hole equipment to TD and then logged and suspended to await completion.

Multiple zones worthy of testing have been identified in the well from 2,300 to 6,000 feet. These intervals comprise the Buda Carbonate, Eagle Ford (Boquillas Limestone), Eagle Ford Shale, several intervals in the Austin Chalk equivalent section and the San Carlos Sandstone.

Testing is expected to begin on 15 March 2018 and is likely to take a minimum of 3 weeks starting at the bottom of the well bore with an open hole test of the Buda Carbonate. Depending on the outcome of that test, testing will then move up hole to an open hole test of the Eagle Ford Boquillas limestone and shale.

ASX Code: HE8

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These tests will all be in uncased open hole and are indicative tests only. They are important however in that they will provide the basis for a regional resource assessment of the Buda Carbonate and the Eagle Ford Boquillas limestone and shale.

Subject to the outcomes of these tests, a thick section of the Austin Chalk equivalent formation will then be perforated and tested focusing on zones with fractures and high gas readings. Depending on these test results the Company has designed a vertical fracture stimulation plan for this thick section of the Austin Chalk equivalent formation, subject to equipment availability.

The Austin Chalk equivalent formation was a secondary target interval in the recently tested Quinn Mesa 113 well. A thin section of 10 feet of fractured shales and carbonates located in the Austin Chalk equivalent formation between 3,900 and 3,910 feet was perforated and tested by Helios. Testing resulted in oil and gas flowing to surface. This oil was analyzed and is a very similar type of oil to the oil that was recovered from the mud pits in Quinn Creek 141. It was also 33 degree API, an Eagle Ford type oil, mature and similar to the oil found in the Giddings Oil Field, an Austin Chalk field in the onshore Gulf Coast.

The initial test of the Austin Chalk equivalent formation in the Quinn Creek 141 will be the third zone tested and the interval being tested is 250 feet thick. There are several additional intervals of the Austin Chalk equivalent formation above this zone in the Quinn Creek 141 well.

After the positive but limited testing of the Austin Chalk equivalent formation in Quinn Mesa 113, the planned testing of the Quinn Creek 141 well has been amended to provide for a more expansive and comprehensive test of the Austin Chalk equivalent interval. The Quinn Creek 141 well is located approximately 2 miles due west of the Quinn Mesa 113 well location.

A number of separate and distinct fracture zones were observed in this 250 feet thick Austin Chalk equivalent interval on formation image logs that had high gas readings when drilled. Each of these zones will be perforated over the 250 feet interval in such a way as to allow Helios to subsequently proceed to conduct a full frack job if deemed appropriate. Depending on the outcome of that frack job (if conducted), testing will then move up hole to the San Carlos Sandstone. An outline of the regional stratigraphy of the Presidio Oil Project is set out below.

Regional Stratigraphy of the Presidio Oil Project Area

Gulf Coast		Presidio Oil Project		
Series	Division or Group	Subsurface		
Gulf Cretaceous	Austin	San Carlos (Olmos)	●	
		Austin Chalk equivalent	●	
	Eagle Ford	Upper Eagle Ford Shale	●	
		Boquillas	●	
	Comanche Cretaceous	Washita	Buda	●
			Eagle Mt SS	
George Town			●	
Fredericksburg		Kiamichi		
		Edwards	●	
Trinity		Glen Rose		
	Hosston/Travis Peak			

● Oil targets



## Expanded Seismic Programme

Shooting of the Company's initial 3D and 2D seismic programme has been completed. The Company's 3D seismic programme was shot across a 2 square mile area which covers its Quinn Creek 141 well and its Quinn Mesa 113 well and the ground in between the 2 wells. The 2D line of seismic that was shot is approximately 4 miles in length and covers a line of east-west orientation between the Quinn Creek 141 well and the Quinn Mesa 113 well and their proximate surrounds.

The initial interpretation of both seismic data sets has been completed. The seismic indicates a possible regional high and therefore potential trap for the Buda Carbonate, Georgetown Limestone and Edwards Limestone formations to the north of the Quinn Creek 141 and the Quinn Mesa 113 wells. As a result Helios has decided to shoot an additional 13 miles of 2D seismic lines in the area which is due north (up the valley floor) of both the Quinn Creek 141 and the Quinn Mesa 113 wells. Surface work has commenced and recording of this additional 2D seismic will commence in 2 weeks and will take 7 days to complete. Processing and interpretation will then take a further 3 weeks. This new 2D seismic along with the testing outcomes of the Quinn Creek 141 well will determine the location of the third well in the Presidio Oil Project. It will also assist in determining the nature, extent and timing of any additional testing of the Quinn Mesa 113 well.

For further information, please contact:

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### **Competent Person's Statement**

*This information in this ASX announcement is based on information compiled or reviewed by Stephen Hermeston. Mr. Hermeston is a qualified petroleum geologist with over 35 years of experience in North America, South America, Africa, Middle East, Far East, Europe and other international areas involving technical, operational and executive aspects of petroleum exploration and production, in both onshore and offshore environments. He has extensive experience in petroleum exploration, appraisal and reserve and resource estimation and well as in identifying and evaluating new oil and gas ventures. Mr. Hermeston has a Bachelors degree in Geology and is a member of the American Association of Petroleum Geologists.*