



Update - Quinn Creek 141

Helios Energy Ltd (ASX Code: HE8 and HE8OA) (**Helios** or **Company**) is pleased to report that the Quinn Creek 141 vertical well located in Presidio County, Texas, USA is currently flowing oil and gas to surface. Total fluid production for the most recent 24 hour period was 290 barrels of fluid which was comprised of 85 barrels of oil and 205 barrels of completion fluid. Gas is being produced at the rate of 456 mcf per day on a 34/64ths of one inch choke.

In late June 2018, Helios successfully completed a one stage vertical frack of the Austin Chalk age equivalent section in the Quinn Creek 141 well at a depth of between 4,744 and 4,880 feet. The frack successfully injected approximately 200,000 pounds of proppant and approximately 10,000 barrels of completion fluid.

Only 2,775 barrels of completion fluid have been recovered to date (approximately 28% completion fluid recovery). The testing of the well is therefore in its early stages.

As the well has cleaned up and the percentage of completion fluid recovery has risen, a steadily increasing oil cut has been observed.

Presidio Oil Project – Quinn Creek 141

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. The well was first drilled to 5,000 feet and encountered live oil and gas shows from 3,000 feet to 5,000 feet through a thickened Austin Chalk age sequence of fractured shales and carbonates. Casing was then set to protect these oil and gas shows and the well was then deepened to 6,000 feet and by doing so penetrated the upper Eagle Ford Shale as well as the Lower Eagle Ford Boquillas organic rich limestone before entering the Buda Carbonate.

ASX Code: HE8

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From the live oil shows between 3,000 feet and 5,000 feet 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.

Helios must drill 3 wells to earn a 70%WI in the initial 6,400 acres (4,480 net acres) which comprise the Presidio Oil Project and a 70%WI in each of these 3 wells. Helios to date has drilled 2 of those 3 wells with those 2 wells being the Quinn Creek 141 vertical well and the Quinn Mesa 113 vertical well. Helios has been granted an extension until 30 September 2018 to drill the third well.

Leasing Programme

The Company has been actively leasing in the Presidio Oil Project area. Excluding the initial 6,400 acres (4,480 net acres) of the Presidio Oil Project in which Helios will earn a 70%WI upon completing the drilling of 3 wells by 30 September 2018, the Company has been actively leasing additional acres in close proximity to these initial 6,400 acres and now has a 70%WI in a further 26,096 acres. In addition, Helios has a 70%WI in a further 34,280 acres which have been placed under call option to lease. In total therefore, Helios has under contract a 70%WI in a total of 66,776 acres (46,743 net acres).

For further information, please contact:

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Managing Director

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.