



Commencement of Testing of Quinn Creek 141

Helios Energy Ltd (ASX Code: HE8 and HE8OA) (**Helios** or **Company**) has commenced testing the Quinn Creek 141 well.

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.

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.

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

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 analysed 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 located in the onshore Gulf Coast.

Testing is likely to take a minimum of 3 weeks to complete.

ASX Code: HE8

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Presidio Oil Project – Extension of Time to Drill Third Well

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. Helios to date has drilled 2 of those 3 wells with those 2 wells being the Quinn Creek 141 well and the Quinn Mesa 113 well. Helios was required to drill the third well by 30 April 2018 but has been granted an extension until 30 June 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 June 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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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.