HELIOS ENERGY LIMITED

Annual Report | 30 June **2018**

CONTENTS

Helios Energy Ltd

ABN 61 143 932 110
Annual Report – 30 June 2018

Directors	Hui Ye Non-Executive Chairman Richard He Managing Director Nicholas Ong Non-Executive Director Robert Bearden Non-Executive Director	
Company Secretary	John Palermo	
Registered Office	**Australian Office** Level 3, 18 Richardson Street West Perth WA 6005 Australia PO Box 1485 West Perth WA Australia 6872 T:+61 1300 291 195 F:+618 6298 6191	**USA Office** 2 Riverway, 17th Floor Suite 1710, Houston Texas USA 77056 T:+1 713 333 3613 F:+1 713 583 0965
Share Register	Computershare Investor Services Pty Ltd Level 11, 172 St George's Terrace Perth WA 6000 Investor enquiries: 1300 557 010 T:+618 9323 2000 F:+618 9323 2033	
Auditor	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco WA 6008 T:+618 6382 4600 F:+618 6382 4601	
Stock Exchange	Australian Securities Exchange (**ASX**) ASX Code: HE8 and HE8OA	
Website	www.heliosenergyltd.com	

Your directors present their report on the consolidated entity consisting of Helios Energy Ltd and the entities it controlled at the end of, or during, the financial year ended 30 June 2018 (**Helios Energy** or the **Company** or the **Group**).

Directors

The name of each person who has been a director during the reporting period and to the date of this report are:

Hui Ye - appointed 1 December 2017

Richard He - appointed 20 October 2017

Gary Steinepreis - resigned 11 September 2018

Nicholas Ong – appointed 4 August 2017

Robert Bearden – appointed 14 February 2018

Anthony Brennan – resigned 31 October 2017

Carl Coward – resigned 20 October 2017

COMPANY SECRETARY

The company secretary is John Palermo who was appointed on 10 September 2018 to replace Gary Steinepreis.

PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS

The Company is an oil and gas exploration company whose principal activities are the Presidio Oil Project and the Trinity Oil Project (together, the **Projects**). Both Projects are located in Texas, USA.

The Company, via a Prospectus, finalised a capital raising for a total of $18,011,859 and the securities of the Company were reinstated to Official Quotation from the commencement of trading on 11 August 2017, following the Company's compliance with ASX Listing Rule 11.1.3 and Chapter 1 and 2 of the ASX Listing Rules.

Presidio Oil Project

The Presidio Oil Project is located in Presidio County, Texas, USA. Initially comprised of 6,400 acres (4,480 net acres) in which Helios is to earn a 70% working interest (**WI**) upon completing the drilling of 3 wells by 31 December 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). 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 31 December 2018 to drill the third well.

New Oil Discovery in Presidio Oil Project

Oil Discovery in the Ojinaga Shale Formation

In late June 2018, Helios successfully completed a one stage frack in the vertical Quinn Creek 141 well to test oil shows and log indications between 4,744 and 4,880 feet in the lower Ojinaga Formation. On 19 July 2018, the Company reported that the well flowed 260 barrels of oil and 1,345 barrels of completion fluid in 168 hours (7 days). The oil produced is good quality, mature, 39 degrees API gravity light oil similar in composition to Eagle Ford oils. Gas was also produced at 456 mcf per day on a 34/64ths of one-inch choke. As the well cleaned up and the percentage of completion fluid recovery rose, a steadily increasing oil cut was observed. Total load recovery (until the lower interval was shut in) is approximately 35% (3,509 barrels of completion fluid out of 10,187 barrels of completion fluid injected). The observations to date evidence a new oil discovery. The results from this one stage frack of the Ojinaga Formation between 4,744 and 4,880 feet are very encouraging.

Very Encouraging Oil and Gas Production from a Single Stage Frack

The Quinn Creek 141 well flowed 260 barrels of oil and 1,345 barrels of fluid during the first 168 hours (7 days) of oil production. The Quinn Creek 141 well also produced gas at the rate of 456 mcf per day on a 34/64ths of one-inch choke from a single stage frack. As the well cleaned up and the percentage of completion fluid recovery rose, a steadily increasing oil cut was observed. Typical fracked horizontal wells in west Texas have lateral lengths of between 5,000 feet (25 fracked stages) and 10,000 feet (50 fracked stages) and with each stage having a typical horizontal length of 200 feet. The rate of oil and gas production from this single stage frack is very encouraging.

High Quality Oil

The oil produced is good quality, mature, Eagle Ford type, 39 degrees API gravity light oil.

Highly Naturally Fractured Lower Interval

Formation micro-imaging (**FMI**) logs indicate that the lower interval of the Ojinaga Formation in the Quinn Creek 141 well is highly naturally fractured. Generally, high levels of natural fracturing are a positive for 30 day initial oil production (**30 Day IP**) and estimated ultimate recovery (**EUR**) and enable easier frack execution.

Thick Lower Bench

The lower bench of the Ojinaga Formation is approximately 330 feet thick with uniform rock characteristics. It is predominantly black shale with micro laminations of siltstone and fine carbonates.

Easily Fracked Lower Bench

The frack of the lower bench of the Ojinaga Formation in the Quinn Creek 141 well resulted in the successful injection of approximately 200,000 pounds of proppant (approximately 1,500 pounds of proppant per foot) and approximately 10,000 barrels of completion fluid (approximately 75 barrels of completion fluid per foot) and was deployed easily and without complications. At 1,500 pounds of proppant per foot this frack can be considered a “light frack”. Leading oil players in the Permian Basin in west Texas are commonly injecting 3,000 pounds of proppant per foot. Generally speaking, the greater the amount of proppant injected per foot (all other factors remaining equal) the higher the levels of 30 day initial oil production (**30 Day IP**) and estimated ultimate recovery (**EUR**) of oil.

Easily Mapped with 2D & 3D Seismic

The lower bench of the Ojinaga Formation shows well on both 2D & 3D seismic and is easily mapped.

Porosity and Permeability in Lower Bench of the Ojinaga Shale Formation

The lower bench of the Ojinaga Shale Formation in the Quinn Creek 141 well has porosity predominately ranging between 4% to 12.5% and permeability up to 0.75 μd (micro darcys). Analysis of the Quinn Creek 141 well and surrounding historical wells clearly shows that these porosity and permeability characteristics in Presidio County in the Ojinaga Shale Formation exceed the characteristics present in the Eagle Ford Shale in the Karnes Trough which is the premier sweet spot of the Eagle Ford Shale play.

Middle and Upper Intervals in the Ojinaga Shale Formation

The middle bench of the Ojinaga Formation is located between 4,235 and 4,729 feet (approximately 494 feet) and the upper interval of the Ojinaga Formation is located between 3,400 and 4,235 feet (approximately 835 feet). However, the primary zone of interest in the upper interval lies between 3,400 and 3,605 feet (205 feet). Both intervals are characterized by oil and gas shows and natural fracturing and both are similar in geological characteristics to the interval which was the subject of the one stage frack between 4,744 and 4,880 feet. Helios has tested the middle and upper benches of the Ojinaga Formation. The middle bench was firstly perforated and then treated with acid. Oil was recovered to surface during the subsequent swabbing. The results of the testing of the middle bench of the Ojinaga Formation merit the conducting of a frack similar to that undertaken in the lower bench of the Ojinaga Formation. Helios has decided not to proceed with a frack at this time. Instead it has decided to focus its resources on its oil discovery in the lower bench of the Ojinaga Formation. Following the testing of the middle bench of the Ojinaga Formation, Helios came up hole to the upper bench of the Ojinaga Formation. The upper bench was firstly perforated and then treated with acid. Oil and gas were recovered to surface during the subsequent swabbing. The results of the testing of the upper bench of the Ojinaga Formation also merit the conducting of a frack. Helios has decided not to proceed with a frack at this time. Instead it has decided instead to focus its resources on its oil discovery in the lower bench of the Ojinaga Formation.

New Seismic Programme

Helios has to date shot, processed and interpreted a total of 17 miles of 2D seismic and 2 square miles of 3D seismic across the Presidio Oil Project. The Company's 3D seismic programme was acquired over 2 square miles covering the Quinn Creek 141 well and the Quinn Mesa 113 well and the area in between the 2 wells. Recent geological surface fieldwork has supported the current seismic interpretation and confirmed that an extensive area of Ojinaga Shale Formation and Eagle Ford Shale Formation are present throughout Helios' leases. The decision by Helios to focus its resources on its oil discovery in the lower interval of the Ojinaga Formation has resulted in the decision to acquire a further 39 miles of 2D seismic. Work on this new seismic programme has commenced. This 2D seismic programme will be shot, processed and interpreted prior to the commencement of the drilling of the third well in the Presidio Oil Project.

Presidio Oil Project – Infrastructure

Access to the Quinn Mesa 113 and the Quinn Creek 141 well locations is provided by a 25 mile unsealed, formed road constructed by Helios that branches off the sealed US-90 highway which carries heavy truck and passenger vehicle traffic. The Quinn Mesa 113 and the Quinn Creek 141 well locations have access to ample supplies of fresh water provided by local water wells drilled into shallow water aquifers. The El Paso Oil Refinery located in El Paso, Texas has a processing capacity of 135,000 barrels of oil per day and is located 170 miles from the Presidio Oil Project. Crude oil is sold there by truck delivery. The Presidio Oil Project is located 250 miles (or 5 hours by truck) from Midland, Texas which is the epicenter of the Permian Basin oil industry. All rigs, supplies and services required for the Presidio Oil Project are sourced from Midland, Texas. Oil production in the Permian Basin is nearing 3,200,000 bopd.

Oil and Gas Leases Held as at 30 June 2018

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 31 December 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) in the Presidio Oil Project. The Company also holds a 100% working interest in the Trinity Oil Project, Texas with a total interest of 3,118 net acres.

Operating Result

The loss from operations as at the 30 June 2018 after providing for income tax was $1,828,995 (2017: loss of $1,085,954). Additional information on the operations and financial position of the Group and its business strategies and prospects are set out in this directors' report and the annual financial report.

Dividends

No dividends were paid or are proposed to be paid to members during the financial year.

Future Developments, Prospects and Business Strategies

Information on likely developments in the operations of the Group and the expected results of operations have not been included in the annual report because the directors believe it would be likely to result in unreasonable prejudice to the Group. Therefore, this information has not been presented in this report.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the group to the date of this report, not otherwise disclosed in this report.

Environmental Issues

The current Group's operations are subject to environmental regulations which apply to oil and gas exploration in Texas, USA.

After Reporting Date Events

Other than these matters, there has been no matter or circumstance that has arisen that has significantly affected, or may significantly affect:

1. the Group's operations in future financial years, or
2. the results of those operations in future financial years, or
3. the Group's state of affairs in future financial years.

Information on Current Directors

Hui Ye (Non-Executive Chairman)

Experience and Expertise

Mr Ye is the Chairman and President of Beijing Chunhui Yuan Group which is a large and very successful private company with extensive interests in real estate, hotels, natural resources, education and entertainment.

Other Current Directorships

Nil

Former Directorships in the Last Three Years

Nil

Special Responsibilities

None

Interests in securities

Fully paid ordinary shares: 473,998,197 (50% interest via Notable Pioneer Limited)

Listed options: 131,578,162 (each with an exercise price of $0.02 and expiring on 31 December 2021) (50% interest via Notable Pioneer Limited)

Richard He (Managing Director)

Experience and Expertise

Mr He is an entrepreneur and venture capitalist in natural resources with a particular focus on oil and gas. Before moving to Houston to develop oil and gas opportunities, Richard was an investment banker and venture capitalist based in Shanghai and Beijing for more than 12 years with a capital markets practice and investment focus on Chinese equities listed on the major Chinese stock exchanges. Over the past 11 years, he has been based in Houston, Texas and has invested in and managed exploration and production shale plays in Texas, USA. He is noted for his successful development of the Halliday Oil Field in the Woodbine tight sands play located in East Texas in which he was a joint venture participant. After drilling 14 successful fracked horizontal wells, the joint venture participants sold the Halliday Oil Field to Halcon Resources for US$520m. Richard holds a B.S. in Computer Science from Peking University in China.

Other Current Directorships

Nil

Former Directorships in the Last Three Years

Nil

Special Responsibilities

None

Interests in securities

Fully paid ordinary shares: 75,138,072 (interest via PAA Energy LLC)

Performance rights: 50,100,000 (interest via PAA Energy LLC)

Listed options: 329,750,000 (each with an exercise price of $0.02 and expiring on 31 December 2021) (interest via PAA Energy LLC – 161,750,000 and interest via Antlers Energy Ltd – 168,000,000).

Robert Bearden (Non-Executive Director)

Experience and Expertise

Mr Bearden has over 25 years of senior management experience in oil and gas exploration, development and production throughout the Gulf of Mexico, Kazakhstan, Indonesia, China, Iraq and West Africa. He was previously the President and CEO of the ASX listed public company Sino Gas & Energy Holdings (ASX Code: SEH) which under his leadership reached a market capitalization of $375m. Prior to that role, he was the Operations Director for Addax (a Sinopec subsidiary) and the Production Excellence Manager for the Americas for Hess Corporation. He began his oil and gas career with Chevron where he worked for 27 years, and held positions including Managing Director Mid-Africa, Sr. Vice President EuroAsia, General Manager Tengizchevroil, and Operations Manager for the Gulf of Mexico. Mr Bearden has a Bachelor of Engineering degree from Texas A&M and a Master of Petroleum Engineering degree from Tulane University. He also holds a MBA from Purdue University and an International Masters in Management from ESCAP-EAP, Paris. Mr Bearden lives in Texas, USA, and he is a petroleum engineer by profession.

Other Current Directorships

Nil

Former Directorships in the Last Three Years

Nil

Special Responsibilities

None

Interests in securities

Fully paid ordinary shares: 1,000,000
Listed options: Nil

Nicholas Ong (Non-Executive director, age 40)

Experience and Expertise

Mr Ong spent seven years as a Principal Advisor at the ASX overseeing the listings of over a hundred public companies. He has since worked as a company secretary and director to listed companies and has developed a wide network of private client advisers, high net worth individuals and sovereign fund managers.

Other Current Directorships

Arrow Minerals Ltd since 15 June 2011
CoAssets Ltd since 18 March 2015
Vonex Limited since 14 June 2016
Black Star Petroleum Ltd since 31 July 2018.

Former Directorships in the Last Three Years

Global Gold Holdings Ltd 1 February 2017 to 9 June 2017
Auroch Minerals Limited 31 May 2014 to 29 June 2016
Tianmei Berverage Group Corporation Ltd from 25 August 2016 to 15 February 2018
Jiajiafu Modern Agriculture Ltd from 2 April 2016 to 21 November 2017.
Bojun Agriculture Holdings Ltd from 8 May 2017 to 30 June 2018
Excelsior Gold Limited from May 2011 to 21 September 2016.

Special Responsibilities

None

Interests in securities

Fully paid ordinary shares: Nil

Listed options: Nil

Information on Former Directors

Anthony Brennan

Experience and Expertise

Mr Brennan is a Chartered Accountant with a career of 30 years. He was previously a partner in an Australian national accounting firm and has extensive hands on experience in financial management. Since leaving the accounting profession in 1990 he has played a leading role in a number of Australian resource companies, including the role of Managing Director and Chairman of a number of ASX or London Stock Exchange (LSE) listed companies. In 2004 he founded Delta Capital Pty Ltd to provide boutique investment banking and corporate advisory service principally to the natural resources sector with a special focus on conventional and alternative energy companies.

Gary Steinepreis

Experience and Expertise

Mr Steinepreis holds a Bachelor of Commerce degree from the University of Western Australia and is a Chartered Accountant. He provides corporate, management and accounting advice to a number of companies involved in the resource, technology and leisure industries.

Carl Coward

Experience and Expertise

Mr Coward's qualifications include a Bachelor of Commerce from Curtin University of Technology in Perth, Western Australia. Mr Coward has several years' experience in investment banking with a particular focus on the natural resources sector. He has recently been involved in thermal coal projects in Indonesia, South Africa and North America.

Directors' Interests in Shares and Options

At 30 June 2018, Directors, in office, held a relevant interest in the following securities of the Company:

2018 Name	Ordinary Shares	Options Listed	Performance Rights
Hui Ye	473,998,197	131,578,162	-
Richard He	75,138,072	329,750,000	50,100,000
Nicholas Ong	-	-	-
Robert Bearden	1,000,000	-	-
Anthony Brennan	-	-	-
Gary Steinepreis	13,800,000	1,253,000	-
Carl Coward	-	-	-

Meetings of Directors

The number of meetings of the Company's Board of Directors held during the financial year up to and including 30 June 2018 and the numbers of meetings attended by each director were:

Name of Director	Number of Meetings - A	Number of Meetings - B
Hui Ye	1	1
Richard He	2	2
Nicholas Ong	2	3
Robert Bearden	1	1
Anthony Brennan	1	1
Gary Steinepreis	3	3
Carl Coward	-	1

A = Number of meetings attended
B = Number of meetings held during the time the Director held office during the year

The Board approvals for the business operations were conducted via circular resolution.

Remuneration Report (Audited)

The principles adopted by the Board are set out under the following main headings:

(1) Principles used to determine the nature and amount of remuneration

(2) Details of remuneration

(3) Employment contracts of Directors and Senior Executives

(4) Performance based remuneration

(5) Other transactions with Key Management Personnel

The information provided under headings 1 to 4 above includes remuneration disclosures that are required under section 300A of the Corporations Act 2001.

1 Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered.

The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders and conforms to market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

(i) competitiveness and reasonableness;

(ii) acceptability to shareholders;

(iii) performance linkage / alignment of executive compensation;

(iv) transparency; and

(v) capital management.

The Group has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Alignment to shareholders' and program participants' interests:

(i) focuses on sustained growth in shareholder wealth;

(ii) attracts and retains high calibre executives;

(iii) rewards capability and experience; and

(iv) provides a clear structure for earning rewards.

Remuneration Governance

Fees and payments to directors and key management personnel reflect the demands and responsibilities of the positions and are in line with the general market and the financial condition of the Group. There are no minimum or maximum amounts. There is no remuneration committee. Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which will be periodically recommended for approval by shareholders. The maximum currently stands at $250,000 per annum as per the Group's constitution and may be varied by ordinary resolution of the shareholders in general meeting. The entire board which comprises four directors are responsible for remuneration packages. The Directors believe this is satisfactory given the size and complexity of Company operations.

Use of Remuneration Consultants

Remuneration consultants were not used in the establishment of remuneration packages in 2018.

Company Performance, Shareholder Wealth and Directors' and Executives' Remuneration

No relationship exists between the Company performance, earnings, shareholder wealth and Directors' and Executive Remuneration for this financial period and the previous 4 financial periods. The remuneration for the period is detailed below. No remuneration is currently performance related.

Comments and Voting at Annual General Meeting

There were no comments or questions arising at the 2017 annual general meeting regarding remuneration. The Company remuneration report was passed by the requisite majority of shareholders (100% by a show of hands).

2 Details of Remuneration

The key management personnel of the Group, during the year, were:

Directors:	Position:	Date Appointed	Date Ceased
Hui Ye	Non-Executive Chairman	1 December 2017	-
Richard He	Managing Director	20 October 2017	-
Nicholas Ong	Non-Executive Director	4 August 2017	-
Robert Bearden	Non-Executive Director	14 February 2018	-
Gary Steinepreis	Non-Executive Director / Secretary	4 June 2010	31 August 2018
Carl Coward	Non-Executive Director	2 December 2011	20 October 2017
Anthony Brennan	Non-Executive Chairman	2 July 2014	31 October 2017

The amount of remuneration of the key management personnel is set out below:

2018 Name	Salary $	Fees $	Super $	Share Based $	Total $
Executive Directors:					
R He	-	309,640	-	-	309,640
Non-Executive Directors					
H Ye	-	-	-	-	-
G Steinepreis	-	153,000	-	-	153,000
N Ong	-	20,000	-	-	20,000
R Bearden	-	22,929	-	-	22,929
A Brennan	-	21,900	-	-	21,900
C Coward	-	10,000	-	-	10,000
TOTAL	**-**	**537,469**	**-**	**-**	**537,469**

2017 Name	Salary $	Fees $	Super $	Share Based $	Total $
Non-Executive Directors					
A Brennan	40,000	-	3,800	-	43,800
G Steinepreis	-	24,000	-	-	24,000
M Placha	-	-	-	-	-
C Coward	21,918	-	2,082	-	24,000
TOTAL	**61,918**	**24,000**	**5,882**	**-**	**91,800**

3 Employment Contracts of Directors and Senior Executives

The directors each have an appointment letter which details the non-executive director fees and it is acknowledged that any work undertaken on additional executive duties will be paid at a commercial rate and will not form part of the Non-Executive Director fees.

4 Performance-based Remuneration

There has been no performance based remuneration paid to directors and key management personnel in the current or previous period.

5 Other Transactions with Directors and Key Management Personnel

(a) Options holdings

Details of options held directly, indirectly or beneficially by directors and key management personnel and their related parties at 30 June 2018 are as follows:

2018 Name	Held at 1/7/2017	Options acquired	Other movements (option expiry)	Held at 30/6/2018	Vested and exercisable at 30/6/2018
Directors:					
Hui Ye	-	131,578,162	-	131,578,162	131,578,162
Richard He	-	329,750,000		329,750,000	329,750,000
Nicholas Ong	-	-	-	-	-
Robert Bearden	-	-	-	-	-
Anthony Brennan	-	-	-	-	-
Gary Steinepreis	1,253,000	-	-	1,253,000	1,253,000
Carl Coward	-	-	-	-	-
TOTAL	**1,253,000**	**461,328,162**	**-**	**462,581,162**	**462,581,162**

(b) Ordinary shareholdings

Details of equity instruments (other than options and performance shares) held directly, indirectly, or beneficially by directors and key management personnel and their related parties are as follows:

2018 Name	Held at 1/7/2017	Shares acquired	Other changes	Balance 30/6/2018
Directors:				
Hui Ye	-	473,998,197	-	473,998,197
Richard He	-	75,138,072	-	75,138,072
Nicholas Ong	-	-	-	-
Robert Bearden	-	1,000,000	-	1,000,000
Anthony Brennan	13,225,760	-	(13,225,760)	-
Gary Steinepreis	13,800,000	-	-	13,800,000
Carl Coward	7,983,363	-	(7,983,363)	-
TOTAL	**35,009,123**	**550,136,269**	**(21,209,123)**	**563,936,26 9**

Gary Steinepreis holds his interests in shares directly in his own name and indirectly through: Jacqueline Steinepreis his spouse; LeisureWest Consulting Pty Ltd as trustee of the LeisureWest Trust of which he is sole director and potential beneficiary; Oakhurst Enterprises Pty Ltd of which he is sole director and 50% shareholder; Ascent Capital Holdings Pty Ltd (ACH), of which he is sole director and Oakhurst Enterprises Pty Ltd is a 50% shareholder; Ascent Capital Pty Ltd, of which he is sole director and is a subsidiary of ACH; and Ascent Minerals Pty Ltd, of which he is sole director and is a subsidiary of ACH.

Hui Ye holds his interests in shares indirectly through Notable Pioneer Ltd of which he is a director and 50% shareholder.

Richard He holds his interests in shares through PAA Energy LLC of which he is sole director and is a 100% shareholder and Antlers Energy Corporation of which he is a director and 70% shareholder.

(c) Performance Rights

Details of equity instruments (other than ordinary shares and options) held directly, indirectly, or beneficially by directors and key management personnel and their related parties are as follows:

2018 Name	Held at 1/7/2017	Performance rights allotted	Performance rights expired	Balance 30/6/2018
Directors:				
Hui Ye	-	-	-	-
Richard He	-	50,100,000	-	50,100,000
Nicholas Ong	-	-	-	-
Robert Bearden	-	-	-	-
Anthony Brennan	-	-	-	-
Gary Steinepreis	-	-	-	-
Carl Coward	-	-	-	-
TOTAL	**-**	**50,100,000**	**-**	**50,100,000**

Loans to key management personnel

No loans were made to any director or other key management personnel of the Group, including their personally related parties during the financial year.

End of the audited remuneration report.

Options

At the date of this report, there are 954,251,210 share options on issue which are exercisable at 2 cents each on or before 31 December 2021 and a further 10,000,000 share options which are exercisable at 10 cents each on or before 31 December 2021.

The names of persons who currently hold options are entered in a register kept by the Company pursuant to Section 170 of the Corporations Act 2001, which may be inspected free of charge. No person entitled to exercise any option has or had, by virtue of the option, a right to participate in any share issue of the Company or any other corporation.

Indemnifying of Officers or Auditor

The Company does not have directors and officers insurance. The Company does not have auditor insurance. The Directors believe this is reasonable given the size and complexity of the Company operations.

Proceedings on Behalf of the Company

No person has applied to the court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the court under section 237 of the *Corporations Act 2001*.

Corporate Governance

The directors of the Company support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. Please refer to the corporate governance statement included with this report.

Auditor

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001.*

Non-Audit Services

During the reporting period $25,092 (2017: $8,296) was paid or is payable for non-audit services provided by BDO.

The Board of Directors are satisfied that the provision of any non-audit services during the current or future periods is / will be compatible with the general standard of independence for auditors imposed by APES 110 code of ethics for professional accountants.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 15 of this financial report.

Signed in accordance with a resolution of the board of directors

Nicholas Ong
Non-Executive Director

28 September 2018

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF HELIOS ENERGY LIMITED

As lead auditor of Helios Energy Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Helios Energy Limited and the entities it controlled during the period.

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 28 September 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - For the year ended 30 June 2018

	Note	2018 $	2017 $
Revenue from operations	5	49,119	16,438
Administration costs	6	(1,864,933)	(535,386)
Corporate compliance costs		(194,458)	(56,702)
Corporate management fees		(204,900)	(24,000)
Salaries and superannuation paid		-	(67,800)
Audit and non-audit service fees		(43,090)	(34,200)
Net gain on disposal of subsidiary	7	-	1,681,417
Profit / (Loss) before income tax		**(2,258,262)**	**979,768**
Income tax expense	8	-	-
Profit / (Loss) after tax from operations		**(2,258,262)**	**979,768**
Other Comprehensive Income			
Items that may be reclassified to profit or loss			
Exchange difference on translation		457,267	(2,065,722)
Total comprehensive loss for the year attributable to the members of Helios Energy Ltd		**(1,800,995)**	**(1,085,954)**
		Cents	**Cents**
Gain/(Loss) per share for loss from continuing operations attributable to the ordinary equity holders of the Company:			
Basic gain/(loss) per share	19(a)	(0.17)	0.22
Diluted earnings per share	19(b)	N/A	0.07

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

ASSETS	Note	30 June 2018 $	30 June 2017 $
Current assets			
Cash and cash equivalents	9	11,425,522	8,617,443
Trade and other receivables		29,607	62,835
Total current assets		**11,455,129**	**8,680,278**
Non-current assets			
Exploration and Evaluation Expenditure	10	16,221,270	9,533,522
Total Non-current assets		**16,221,270**	**9,533,522**
Total assets		**27,676,399**	**18,213,800**
LIABILITIES			
Current liabilities			
Trade and other payables	12	888,872	1,269,297
Total current liabilities		**888,872**	**1,269,297**
Total liabilities		**888,872**	**1,269,297**
NET ASSETS		**26,787,527**	**16,944,504**
EQUITY			
Contributed equity	13	49,097,486	37,644,468
Reserves	13	672,653	24,386
Accumulated losses	14	(22,982,612)	(20,724,350)
TOTAL EQUITY		**26,787,527**	**16,944,504**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

2018	Equity	Option reserve	Foreign Currency Reserve	Accumulated losses	Total
	$	$	$	$	$
Balance 1 July 2017	**37,644,468**	**198,800**	**(174,414)**	**(20,724,350)**	**16,944,504**
Income/(Loss) for the year	-	-	-	(2,258,262)	**(2,258,262)**
Exchange differences on translation of foreign operations	-	-	457,267	-	**457,267**
Total comprehensive income / (loss) for year	**-**	**-**	**457,267**	**(2,258,262)**	**(1,800,995)**
Transactions with owners in their capacity as owners:					
Contribution of equity (net of transaction costs	11,453,018	-	-	-	11,453,018
Options issued	-	191,000	-	-	191,000
Balance 30 June 2018	**49,097,486**	**389,800**	**282,853**	**(22,982,612)**	**26,787,527**

2017	Equity	Option reserve	Foreign Currency Reserve	Accumulated losses	Total
	$	$	$	$	$
Balance 1 July 2016	**20,372,705**	**276,021**	**1,890,083**	**(21,978,914)**	**559,895**
Income/(Loss) for the year	-	-	-	979,768	**979,768**
Exchange differences on translation of foreign operations	-	-	(383,080)	-	**(383,080)**
Effect of translation of foreign currency operations to group presentation currency upon loss of control of subsidiary	-	-	(1,681,417)	(1,225)	**(1,682,642)**
Total comprehensive income / (loss) for year	**-**	**-**	**(2,064,497)**	**978,543**	**(1,085,954)**
Transactions with owners in their capacity as owners:					
Contribution of equity (net of transaction costs	11,971,763	-	-	-	**11,971,763**
Shares issued as consideration for asset acquisitions	4,800,000	-	-	-	**4,800,000**
Shares issued for broker services	500,000	-	-	-	**500,000**
Options issued	-	198,800	-	-	**198,800**
Transfers to accumulated losses on expiry of share based payment	-	(276,021)	-	276,021	-
Balance 30 June 2017	**37,644,468**	**198,800**	**(174,414)**	**(20,724,350)**	**16,944,504**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2018

	Note	2018 $	2017 $
Cash flow from operating activities			
Interest received		49,119	16,438
Payments to suppliers and employees		(1,615,084)	(798,876)
Net cash outflow from operations	18	**(1,565,965)**	**(782,438)**
Cash flows from investing activities			
Payments for exploration and evaluation		(7,291,983)	(3,907,542)
Net cash outflow from investing activities		**(7,291,983)**	**(3,907,542)**
Cash flows from financing activities			
Proceeds from the issue of shares		13,397,831	13,000,000
Costs associated with capital raising		(1,731,804)	(270,424)
Net cash inflow from financing activities		**11,666,027**	**12,729,576**
Net increase/(decrease) in cash and cash equivalents		**2,808,079**	**8,039,596**
Foreign currency movement		-	-
Cash and cash equivalents at the beginning of the period		8,617,443	577,847
Cash and cash equivalents at the end of the period	9	**11,425,522**	**8,617,443**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 Summary of significant accounting policies

(a) Basis of preparation

The financial statements include the financial statements and notes of Helios Energy Ltd, a public limited entity, and its controlled entities for the year ended 30 June 2018. The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Helios Energy Limited is a for profit entity for the purposes of preparing the financial statements. The financial statements have been approved for issue by the Board of Directors on 28 September 2018.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in the financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. The financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below. They have been consistently applied unless otherwise stated. The financial statements have been prepared on an accruals basis and are based on historical costs.

(b) New and Amended Standards Adopted by the Group

None of the new Standards and amendments to Standards that are mandatory for the first time for the financial year beginning 1 July 2017 affected any of the amounts recognised in the current period or any prior period and is not likely to affect future periods. Additionally, they did not significantly affect the Group's accounting policies or any of the disclosures.

Adoption of new and revised accounting standards
In the year ended 30 June 2018, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2017. It has been determined by the Company that, there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to Company accounting policies. No retrospective change in accounting policy or material reclassification has occurred requiring the inclusion of a third Statement of Financial Position as at the beginning of the comparative financial period, as required under AASB 101.

(c) Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Helios Energy Ltd as at 30 June 2018 and the results of all subsidiaries for the period then ended. Helios Energy Ltd and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity. Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction proves evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Subsidiaries are accounted for in the parent entity financial statements at cost.

1 Summary of significant accounting policies (continued)

(d) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction.

The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability.

No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(e) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired.

If such an indication exists, the recoverable amount of the asset being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit and loss statement.

(f) Cash and Cash Equivalents

For statement of cash flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the period which are unpaid. They are recognised initially at fair value and subsequently at amortised cost. The amounts are unsecured and are usually paid within 30 days of recognition.

1 Summary of significant accounting policies (continued)

(h) Contributed Equity

Ordinary shares are classified as equity. Costs associated with capital raisings (exclusive of GST) directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. If the entity reacquires its own equity instruments, eg as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable costs associated with capital raisings (net of income taxes) is recognised directly in equity.

(i) Earnings per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit / (loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(j) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated exclusive of the amount of GST receivable or payable.

The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(k) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

1 Summary of significant accounting policies (continued)

(k) Exploration and Evaluation Expenditure (continued)

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis. Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(l) Share Based Payment Transactions

The Group may provide benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (‘equity-settled transactions’). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted.

The fair value of these payments is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The fair value of the options granted is adjusted to reflect market conditions, but excludes the impact of any non-market vesting conditions. Non-market vesting conditions, if any, are included in assumptions about the number of options likely to be exercisable.

The grant date fair value of performance shares granted under asset acquisition agreements is recognised as an increase in the cost of the investment with a corresponding increase in equity. The Group issued performance shares rights as part of the acquisition of the Presidio Oil Project as outline in Note 13(h). The Group follows the guidelines of AASB 2 ‘Share based payments’ and takes into account the probability of achieving these performance conditions.

(m) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(n) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm’s length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in profit and loss.

1 Summary of significant accounting policies (continued)

(o) Foreign Currency Translation

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities for each statement of financial position are translated at the closing rate at the date of the statement of financial position;
(ii) Income and expenses for each Statement of Profit or Loss and Other Comprehensive Income are translated at the average exchange rate for the period being reported on; and
(iii) All resulting exchange differences are recognised in the forging currency translation reserve in equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in the foreign currency translation reserve. When a foreign operation is sold the associated exchange differences are reclassified to the Statement of Profit or Loss and Other Comprehensive Income as part of the gain or loss on sale.

(p) New Accounting Standards and Australian Accounting Interpretations

The following new accounting standards and interpretations have been issued, but are not mandatory for financial year ended 30 June 2018. They have not been adopted in preparing the financial statements for the year ended 30 June 2018 and are expected to impact the entity in the period of initial application. The Group's assessment of the impact of these new standards and interpretations is set out below.

- *AASB 9 Financial Instruments*

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2018 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The consolidated entity will adopt this standard and the amendments from 1 July 2018. As the entity does not have any financial liabilities measured at fair value through profit or loss, the amendments will not require any changes in fair value attributable to liabilities.

(p) New Accounting Standards and Australian Accounting Interpretations

- *AASB 15 Revenue from Contracts with Customers*

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The nature of the change is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

1 Summary of significant accounting policies (continued)

(p) New Accounting Standards and Australian Accounting Interpretations (continued)

This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of AASB 15 and due to the replacement of AASB 111, it is expected to have an impact on the presentation and disclosure of construction contracts that are in place when application of the standard becomes mandatory. As the company has only interest income as revenue, there is not expected to be any material impact on the financial statements.

- *AASB 2015-1 Amendments to Australian Accounting Standards*

Annual Improvements to Australian Accounting Standards 2012-2014 Cycle (issued January 2015) – Effective for periods beginning on or after 1 January 2016. These amendments are applicable to annual periods beginning on or after 1 January 2016. The changes affect two standards as follows: AASB 5 Non-current Assets Held for Sale and Discontinued Operations. The update clarifies that if assets/disposal groups are reclassified from being held for sale to being held for distribution to owner or vice versa, this is considered to be a continuation of the original plan for disposal. It also clarifies that if assets cease to be held for distribution to owners, the usual AASB 5 requirements for assets that cease to be held for sale will apply. The update also affects AASB 119: Employee benefits by clarifying that high quality corporate bonds or national government bonds used to determine the discount rate for long service leave and defined benefit liabilities must be denominated in the same currency as the benefits that will be paid to the employee.

- AASB 16 Leases.

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2019. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. The consolidated entity will adopt this standard and the amendments from 1 July 2019. The group is still assessing the impact of this new standard on the reported results and financial position.

2 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks and accounts receivable and payable. The Group's activities expose it to a variety of financial risks; market risk (including fair value and interest rate risk), credit risk, liquidity risk, foreign exchange fluctuations, cash flow and interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Risk management is carried out by the board of directors under policies approved by the Board. The board identifies and evaluates financial risks for overall risk management.

Interest Rate Risk

As the Group has no significant interest-bearing assets other than cash at bank, the Group's income and operating cash flows are not materially exposed to changes in market interest rates.

The risk arises due to changes in interest rates offered by the bank. The risk is managed by seeking alternative quotes from competing banks.

2 Financial Risk Management (continued)

2018 **Financial Instruments**	**Floating interest rate** **$**	**Non-interest bearing** **$**	**Total** **$**	**Weighted average effective interest rate** **%**
(i) Financial assets				
Cash assets	10,494,852	930,670	11,425,522	0.517
Trade & other receivables	29,607	-	29,607	-
Total financial assets	**10,524,459**	**930,670**	**11,455,129**	

2017 **Financial Instruments**	**Floating interest rate** **$**	**Non-interest bearing** **$**	**Total** **$**	**Weighted average effective interest rate** **%**
(i) Financial assets				
Cash assets	8,453,485	163,959	8,617,443	0.364
Trade & other receivables	62,835	-	62,835	-
Total financial assets	**8,516,319**	**163,959**	**8,680,278**	

The net fair value of financial assets and liabilities are materially in line with their carrying values.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Group has no long term or short term debt and its risk with regard to liquidity relates to its ability to maintain its current operations prior to the generation of future income streams. The Group's ability to raise equity funding in the market is paramount in this regard. The Group manages liquidity by ensuring that it has at least sufficient cash to meet its budgeted commitments for at least 12 months.

As at 30 June 2018	Less than 6 months $	6-12 months $	1-5 years $	Over 5 years $	Total contractual $	Carrying amount $
Trade and other payables	888,872	-	-	-	916,872	916,872

As at 30 June 2017	Less than 6 months $	6-12 months $	1-5 years $	Over 5 years $	Total contractual $	Carrying amount $
Trade and other payables	1,269,297	-	-	-	1,269,297	1,269,297

Credit Risk

The Group has no significant concentrations of credit risk. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings.

2 Financial Risk Management (continued)

Cash at bank and short term bank deposits	2018 $	2017 $
Westpac Banking Corporation - AA	10,519,980	8,460,169
JPMorgan Chase Bank - A-	905,542	157,274
	11,425,522	8,617,443

Fair Value Measurement

(a) Net fair value

The carrying value and net fair values of financial assets and liabilities at balance date are:

Consolidated	2018 Carrying Amount $	2018 Net fair Value $	2017 Carrying Amount $	2017 Net fair Value $
Financial assets				
Cash and cash equivalents	11,425,522	11,425,522	8,617,443	8,617,443
Trade & other receivables - current	29,607	29,607	62,835	62,835
	11,455,129	11,455,129	8,680,278	8,680,278
Financial Liabilities				
Trade and other payables - current	888,872	888,872	1,269,297	1,269,297
	888,872	888,872	1,269,297	1,269,297

3 Critical Accounting Estimates, Judgements and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial period are discussed below.

Share-based payments

The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using valuation methods including the Black Scholes valuation model and the Binomial – barrier up and in model taking into account the terms and conditions upon which the instruments were granted. Management are required to make judgements and estimates in respect of the inputs in the models used to value the various equity instruments. If these judgements changed, the valuation, and therefore the figures in the financial statements, would change as well.

3 Critical Accounting Estimates, Judgements and Assumptions (continued)

Impairment of deferred exploration and evaluation expenditure
Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at balance date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Capitalisation of expenditure requires the consolidated group to make a judgement on the extent that expenditure on exploration and evaluation assets will likely be recovered in the future, through mineral extraction or some other form of commercialisation of the exploration and evaluation stage assets. The Board and Management have assessed the carrying value of the Exploration and Evaluation Expenditure to be impaired. Refer to the accounting policy stated in note 1(k) and to note 10 for movements in the exploration and evaluation expenditure balance.

Deferred tax assets
The Group expects to have carried forward tax losses, which have not been recognised as deferred tax assets. The utilisation of tax losses is subject to the Group passing the required Continuity of Ownership and Same Business Test rules at the time the losses are expected to be utilised. Deferred tax assets are only recognised to the extent that it is probable that future maintainable profits will utilise the carry forward losses, which requires judgements relating to the ability of the company to generate future surplus taxable income.

Asset acquisition not constituting a business
When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

In determining when an acquisition is determined to be an asset acquisition and not a business, significant judgement is required to assess whether the assets acquired constitute a business in accordance with AASB 3. Under AASB 3 a business is an integrated set of activities and assets that is capable of being conducted or managed for the purpose of providing a return, and consists of inputs and processes, which when applied to those inputs has the ability to create outputs.

The Directors determined that the acquisition of Trinity and Presidio Projects are an asset acquisition. During the financial year cash of US$1,450,000, 240,000,000 shares, and 240,000,000 performance rights were issued to the vendors for the acquisition. The fair value of the shares issued was determined by reference to the share price disclosed in the prospectus dated 16 February 2017 of $0.02 per share given there was not an active market at that date.

4 Segment Information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group currently operates in one operating segment being the oil and gas exploration sector and two geographic locations, those being, Australia and the United States of America. The chief operating decision makers look at areas of interest when reviewing exploration activities and the allocation of resources. The areas of interest are contained within separate operating entities and geographic locations and are reported on accordingly.

4 Segment Information (continued)

The directors are of the opinion that the current financial position and performance of the Group is equivalent to the operating segments identified. The segment information provided to the board of directors for reportable segments for the year ended 30 June 2018 is as follows:

30 June 2018	**Helios Energy - Australia**	**Trinity & Presidio – USA**	**Total**
	$	**$**	**$**
Income	49,119	-	49,119
Expenses	(694,221)	(1,613,160)	(2,307,381)
Income tax expense	-	-	-
Foreign exchange gain/(loss)	-	-	-
Operating loss	**(645,102)**	**(1,613,160)**	**(2,258,262)**
Other significant items:			
Impairment of exploration costs	-	-	-
Net loss before tax	**(645,102)**	**(1,613,159)**	**(2,258,261)**

Assets	**Helios Energy - Australia**	**Trinity & Presidio – USA**	**Total**
	$	**$**	**$**
Cash & cash equivalents	10,519,980	905,542	11,425,522
Other receivables	29,607	-	29,607
Exploration and evaluation expenditure	6,691,127	9,530,143	16,221,270
	17,240,714	10,435,685	27,676,399
Liabilities			
Trade and other payables	37,884	850,988	888,872
	17,202,830	**9,584,697**	**26,787,527**

4 Segment Information (continued)

30 June 2017	**Helios Energy - Australia**	**Trinity & Presidio – USA**	**Kinney Coal Project – USA**	**Total**
	$	**$**	**$**	**$**
Income	16,438	-	-	16,438
Expenses	(266,707)	(440,416)	(10,964)	(718,087)
Income tax expense	-	-	-	-
Foreign exchange gain/(loss)	1,681,417	-	-	1,681,417
Operating loss	**1,431,148**	**(440,416)**	**(10,964)**	**979,768**
Other significant items:				
Impairment of exploration costs	-	-	-	-
Net loss before tax	**1,431,148**	**(440,416)**	**(10,964)**	**979,768**

Assets	**Helios Energy - Australia**	**Trinity & Presidio – USA**	**Kinney Coal Project – USA**	**Total**
	$	**$**	**$**	**$**
Cash & cash equivalents	8,460,169	157,274	-	8,617,443
Other receivables	62,835	-	-	62,835
Exploration and evaluation expenditure	6,689,690	2,843,832	-	9,533,522
	15,212,694	3,001,106	-	18,213,800
Liabilities				
Other payables	115,138	1,154,159	-	1,269,297
	15,097,556	1,846,948	-	16,944,504

5 Revenue from operations

	2018	**2017**
	$	**$**
Interest received	49,119	16,438
	49,119	**16,438**

6 Administration Costs

	2018	**2017**
	$	**$**
Administration & accounting consultancy fees	(270,565)	(44,586)
General legal fees	(45,639)	(26,958)
Advertising & marketing costs	(120,005)	(6,040)
Contract Labour	(38,705)	(13,410)
Personnel – USA based	(1,204,996)	(382,215)
Telecommunication costs	-	-
Tax consulting and payroll	-	(4,300)
Travel costs	(126,140)	(25,986)
Meetings & conferences	-	-
Depreciation expense	(436)	
General insurance costs	(40,788)	(24,837)
Other	(17,659)	(7,054)
Administration Costs	**(1,864,933)**	**(535,386)**

7 Net gain on disposal of foreign subsidiary

On 22 December 2016, the Company deconsolidated its 100% interest in its subsidiary, Wasatch Natural Resources LLC, via voluntary cancellation and deregistration. The Company recognised a net gain on disposal of $1,890,084 for the half year, and the subsidiary was deconsolidated from the Group at 31 December 2016. This gain takes into account the foreign currency translation gain of $1,890,084, which has been realised and transferred from the foreign currency translation reserve to profit and loss.

		2018	2017
8	**Income Tax Expense**	**$**	**$**
a.	**The components of tax expense comprise:**		
	Current tax	-	-
	Deferred tax	-	-
	Under provision from prior year	-	-
		-	-
b.	**The prima facie tax benefit on profit / (loss) from ordinary activities before income tax is reconciled to income tax as follows:**		
	Prima facie tax benefit on profit / (loss) from ordinary activities before income tax at 30% (2017:27.5%)	(677,478)	269,436
	Add tax effect of:		
	- Revenue losses not recognised	229,329	66,064
	- Other non-allowable items	475,548	131,276
		27,399	466,776
	Less tax effect of:		
	- Other deferred tax balances not recognised	27,399	4,386
	- Reversal of share based payment reserve	-	462,390
	Income tax	-	-
c.	**Unrecognised deferred tax assets:**		
	Carry forward revenue losses	667,585	413,045
	Carry forward capital losses	4,265,958	1,046
	Capital raising costs	94,236	6,772
	Provisions and accruals	5,361	4,538
	Other	997	
	Net deferred tax	**5,034,137**	**425,401**

The tax benefits of the above deferred tax assets will only be obtained if:

(a) The company derives future assessable income of a nature and amount sufficient to enable the benefits to be utilised;

(b) The company continues to comply with the conditions for deductibility imposed by law; and

(c) No changes in income tax legislation which adversely affect utilising benefits.

9 Current assets – Cash and cash equivalents	2018 $	2017 $
Cash at bank and in hand	11,425,522	8,617,443
Closing balance cash at bank and in hand	**11,425,522**	**8,617,443**

The Group's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of cash at bank and in hand. The Group does not have any restrictions on its bank accounts recognised as cash.

Refer to note 2 for the risk management policy of the Group. As at 30 June 2018, no trade receivables were past due or impaired.

10 Exploration and Evaluation Expenditure	2018 $	2017 $
Exploration and Evaluation Phase		
Opening balance	9,533,522	-
Acquisitions (refer Note 11)	-	6,742,658
Exploration costs	6,614,508	2,843,832
Foreign exchange difference on translation	73,240	(52,968)
Closing balance	**16,221,270**	**9,533,522**

Exploration costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

11 Asset Acquisition — 2018 $ / 2017 $

Trinity & Presidio Project

On 5 January 2017, the Company entered into an agreement to acquire 2 Texas, USA Oil and Gas projects being 100% working interest in the Trinity Oil Project and 70% working interest in the Presidio Oil Project. The acquisition was completed through the:

	2018 $	2017 $
Purchase consideration		
Cash payments	-	1,942,658
Equity considerations (240m shares x $0.02)	-	4,800,000
Closing balance	**-**	**6,742,658**
Net assets acquired		
Exploration and evaluation assets	**-**	**6,742,658**

There are commitments and contingencies related to the asset acquisition. Refer to note 20 for details.

12 Trade and other payables	2018 $	2017 $
Trade and other payables – current and unsecured	888,872	1,269,297
	888,872	**1,269,297**

Refer to note 2 for the risk management policy of the Group.

13 Contributed Equity

(a) Share Capital

	2018 Shares	2018 $	2017 Shares	2017 $
Ordinary shares fully paid	1,414,580,348	49,097,486	1,033,000,025	37,644,468

(b) Movement in Ordinary Share Capital

2018 Date	Details	Number of shares	Issue price	Amount $
01/07/2017	Opening balance	1,033,000,025		37,644,468
12/07/2017	Share Issue	222,142,938	0.02	4,442,859
04/08/2017	Share Issue	28,450,000	0.02	569,000
21/09/2017	Conversion of options to ordinary shares	80,001	0.02	1,600
05/01/2018	Share Issue	36,018,672	0.064	2,305,195
27/02/2018	Share Issue	15,625,000	0.064	1,000,000
05/04/2018	Vendor Share Issue	79,263,712	0.064	5,072,878
	Less Capital Raising Costs			(1,938,514)
30/06/2018	**Balance**	**1,414,580,348**		**49,097,486**

2017 Date	Details	Number of shares	Issue price	Amount $
01/07/2016	Opening balance	236,000,000		20,372,705
10/02/2017	Consolidation (2:1)	(117,999,975)	-	-
07/04/2017	Entitlement offer	650,000,000	0.02	13,000,000
07/04/2017	Vendor Share Issue	240,000,000	0.02	4,800,000
07/04/2017	Broker Share Issue	25,000,000	0.02	500,000
	Less Capital Raising Costs			(1,028,237)
30/06/2017	**Balance**	**1,033,000,025**		**37,644,468**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

13 Contributed Equity (continued)

(c) Option Premium Reserve

	2018 Number	2018 $	2017 Number	2017 $
Option Premium Reserve	965,117,877	389,800	871,666,675	198,800

(d) Movement in Option Premium Reserve

2018 Date	Details	Number of options	Amount $
01/07/2017	Opening balance	**871,666,675**	**198,800**
12/07/2017	Issue of free attaching options exercisable @ $0.02 on or before 31/12/2021	74,047,737	-
04/08/2017	Issue of free attaching options exercisable @ $0.02 on or before 31/12/2021	9,483,466	-
21/09/2017	Conversion of options to ordinary shares - #80,001	(80,001)	-
05/04/2018	Broker options exercisable at 0.1 @31/12/2021 issue at 05/04/2018 value 0.0191	10,000,000	191,000
30/06/2018	**Balance**	**965,117,877**	**389,800**

2017 Date	Details	Number of options	Amount $
01/07/2016	Opening balance	5,000,000	276,021
31/12/2016	Expiry of listed options	(5,000,000)	(92,209)
31/12/2016	Impairment of Reserve	-	(183,812)
7/04/2017	Issue of free attaching options exercisable @ $0.02 on or before 31/12/2021	216,666,675	-
19/06/2017	Issue of Options exercisable @ $0.02 on or before 31/12/2021	630,000,000	6,300
19/06/2017	Issue of Options exercisable @ $0.02 on or before 31/12/2021	25,000,000	192,500
30/06/2017	**Balance**	**871,666,675**	**198,800**

Major Terms and Conditions of Options

	Number of options	Issue date	Vesting condition / date	Expiry date	Exercise price
Listed	216,586,674	07/04/2017	-	31/12/2021	$0.02
Unlisted	655,000,000	19/06/2017	-	31/12/2021	$0.02
Listed	74,047,737	12/07/2017	-	31/12/2021	$0.02
Listed	9,483,466	04/08/2017	-	31/12/2021	$0.02
Listed	10,000,000	05/04/2018	-	31/12/2021	$0.10

13 Contributed Equity (continued)

(d) Movement in Option Premium Reserve (continued)

Options were issued to brokers as part of the capital raising.

In calculating the value of the options issued the following inputs were used:

	Options
Number of options	10,000,000
Expected volatility (%)	100
Rick-free interest rate (%)	1.5
Expected life of options (years)	3.74
Option exercise price	10 cents
Share price at grant date	3.8 cents
Value of option ($)	0.0191

(e) Options

At the date of this report, share options on issue to take up fully paid Ordinary Shares in the capital of the Company are as follows:

2018 Options	No. of Options Outstanding	Expiry Date	Exercise Price
	955,117,877	31/12/2021	$0.02
	10,000,000	31/12/2021	$0.10
TOTAL	**965,117,877**		

(f) Performance Rights Reserve

Performance rights were issued as part of the purchase price of the Presidio Oil Project.

	2018 Shares	2018 $	2017 Shares	2017 $
Performance Rights	-	-	240,000,000	-
Performance Rights	**-**	**-**	**240,000,000**	**-**

In calculating the value of the performance shares issued the following inputs were used:

	Performance Rights
Number of shares	240,000,000
Underlying share price	2 cents
Probability of achieving milestone	0%
Value of performance share	nil
Calculated value	$nil

Every one (1) performance right will vest into one (1) ordinary share in Helios Energy Ltd on achievement of the following milestone:

- The average daily production (net to the Company) (pre-royalty) from the leases that comprise the Presidio Oil Project in excess of 1,200 barrels of oil equivalent (boe).

As at reporting date, the milestone has not been assessed as probable, hence no value has been attributed to the performance rights.

13 Contributed Equity (continued)

(g) Movement in Performance Rights Reserve

2018		**Number of**	**Issue**	**Amount**
Date	**Details**	**rights**	**price**	**$**
01/07/2017	Opening balance	240,000,000		-
30/06/2018	**Closing Balance**	**240,000,000**		**-**

2017		**Number of**	**Issue**	**Amount**
Date	**Details**	**rights**	**price**	**$**
01/07/2016	Opening balance	-		-
07/04/2017	Performance Rights	240,000,000	-	-
30/06/2017	**Closing Balance**	**240,000,000**		**-**

(h) Nature and Purpose of Reserves

Option Reserve

The option reserve is used to recognise funds received from options issued to shareholders. The reserve is recognised in contributed equity when the options are exercised and converted to ordinary share capital.

Share Based Payment Reserve

The share based payment reserve is used to recognise the fair value of unlisted options issued to employees but not converted into ordinary shares. The reserve is recognised in contributed equity when and if the relevant milestone is attained within the specified period and as a result the unlisted options concerned convert to ordinary shares.

Performance Share Reserve

The performance share reserve is used to recognise the fair value of performance shares issued to the vendors of the Presidio Oil Project but not converted into ordinary shares. The reserve is recognised in contributed equity when and if the relevant milestone is attained within the specified period and as a result the performance rights convert to ordinary shares.

Foreign Currency Translation Reserve

The foreign currency translation reserve is used to record exchange differences arising on consolidation of subsidiaries with different functional currencies from that of the parent entity.

(i) Capital Risk Management

The Group's objective when managing capital is to safeguard the ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the return of capital to shareholders, issue new shares or sell assets to reduce debt. The Group defines capital as cash and cash equivalents plus equity.

The board of directors monitors capital on an ad-hoc basis. No formal targets are in place for return on capital. There are no gearing ratios as the Group has not derived any income from their oil and gas exploration and currently has no debt facilities in place.

14 Accumulated Losses	2018 $	2017 $
Movements in accumulated losses:		
Balance at the beginning of the period	(20,724,350)	(21,978,914)
Net gain/(loss) from continuing operations	(2,258,262)	979,768
Impairment of reserves	-	276,021
Foreign exchange gain/(loss)	-	(1,225)
Balance at the end of the year	**(22,982,612)**	**(20,724,350)**

15 Dividends

There were no dividends recommended or paid during the financial year (2017: nil).

16 Related Party Transactions

The amount of remuneration paid to related parties during the financial year is set out below and in the *Audited Remuneration* section of the *Directors' Report*.

There are no outstanding loans to or from related parties and no outstanding balances arising from sales / purchases of goods and services to or from related parties.

Helios Operating LLC and Helios Energy USA Ltd are wholly owned subsidiaries (100%) of Helios Energy Limited. Transactions between the entities are eliminated upon consolidation.

(a) The total payments made to directors and key management personnel during the year are set out below:

Services provided by directors and key management personnel and recognised as an expense	**2018 $**	**2017 $**
Short term employee benefits	537,469	91,800
Post-employment benefits	-	-
Share based payments	-	-
	537,469	**91,800**

Detailed remuneration disclosures with regard to amounts paid to directors are provided in the audited remuneration report in the directors' report.

(b) Other Transactions with Directors and Key Management Personnel

There were no other transactions with Directors and Key Management Personnel during the year (2017:$Nil).

17 Remuneration of Auditors

Assurance Services	**2018**	**2017**
Audit Services	**$**	**$**
Amounts paid/payable to BDO Audit (WA) Pty Ltd for audit and review of the financial reports	43,090	28,300
Non-Audit Services		
Amounts paid/payable to BDO Audit (WA) Pty Ltd for non-audit services	25,092	8,296

18 Reconciliation of Loss After Income Tax to Net Cash Outflow from Operating Activities	2018 $	2017 $
Profit / (Loss) for the year	(2,286,262)	979,768
Non-cash operating items		
Depreciation	436	-
Gain from disposal of subsidiary	-	(1,681,419)
Changes in operating assets and liabilities:		
Net movement in trade receivables and payables		
(Increase) / decrease in trade and other receivables	33,228	(60,989)
Increase / (decrease) in trade and other payables	686,633	(19,798)
Net cash outflow from operating activities	**(1,565,965)**	**(782,438)**
Non-cash investing and financing activities		
Issue of ordinary shares as consideration for asset acquisition	-	4,800,000
Issue of ordinary shares for capital raising services	-	500,000
Issue of listed options for capital raising services	-	192,500
	-	**5,492,500**

Refer to note 13 for shares based payments.

19 Earnings Per Share

(a) Reconciliation of earnings to loss	2018 $	2017 $
(Loss)/Profit after tax	(2,258,261)	979,768
Earnings used to calculate earnings per share	(2,258,261)	979,768

(b) Weighted Average Number of Shares	2018 Number	2017 Number
Weighted average number of ordinary shares used as the denominator in calculating basic profit / (loss) per share	1,312,102,375	437,931,507
Adjustments for calculation of diluted profit / (loss) per share:		
Options	965,117,877	871,666,675
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted profit / (loss) per share	2,277,220,252	1,309,598,182

The effect of the potential ordinary shares is anti-dilutive in the calculation of Earnings per Share in the year ending 30 June 2018, and therefore are not included in the calculation of diluted earnings per share. The options could potentially dilute earnings per share in the future.

20 Commitments and Contingent Liabilities

As part of the acquisition of the Trinity Oil Project and Presidio Oil Project there are contingent royalty payments as mentioned below:

Trinity Oil Project

If Helios purchases or acquires, whether directly or indirectly, an interest in any further leases of oil and gas mineral rights within a 50 kilometre radius of the Trinity Leases (**Additional Leases**), such purchased Additional Leases will be made subject to and be burdened by an overriding 5% gross revenue royalty (**5% ORRI**) on industry standard terms in favour of the vendors (and/or their nominees).

Presidio Oil Project

Further Leases and Oil Wells to those acquired at acquisition date will be on a ‘heads up’ basis being 70% to the cost of Helios and 30% to the cost of the vendors (and/or their nominee/s). Helios will earn a NRI of 52.50% of 8/8ths (being 70% of a NRI of 75%) in all additional oil and gas leases or drilling of oil wells acquired by the joint venture. The mineral rights owners and vendors in aggregate will retain a gross revenue royalty, on industry standard terms, equal to 25% of the oil and gas produced or won from the Presidio Leases and any Further Leases and Oil Wells acquired by the joint venture within a 50 kilometre radius of the Presidio Leases.

In addition, Helios must drill, as operator, a third well on the Presidio Oil Project, by 31 December 2018 (or such later date as agreed between the parties), in order to acquire or earn from the vendors all right, title and interest in and to the initial 6,400 acres which comprise Presidio Oil Project.

21 Events Occurring After Reporting Date

There has been no matter or circumstance that has arisen that has significantly affected, or may significantly affect:

1. the Group’s operations in future financial years, or
2. the results of those operations in future financial years, or
3. the Group’s state of affairs in future financial years.

22 Helios Energy Ltd Parent Company Information

Statement of financial position	2018 $	2017 $
Assets		
Total current assets	28,804,658	17,882,997
Total assets	28,804,658	**17,882,997**
Liabilities		
Current Liabilities	37,884	115,138
Total liabilities	**37,884**	**115,138**
Net Assets	**28,766,775**	**17,767,859**
Equity		
Contributed equity	49,097,486	37,644,468
Option premium reserve	389,800	198,800
Share based payment reserve	-	-
Accumulated losses	(20,720,511)	(20,075,409)
Total Equity	**28,766,775**	**17,767,859**

23. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

Name of entity	Country of Incorporation	Class of shares	Equity holding 2018	Equity holding 2017
Helios Energy USA, Ltd[1]	USA	Ordinary	100%	100%
Helios Operating, LLC	USA	Ordinary	100%	100%
Delta Coal Fund Pty Ltd[2]	Australia	Ordinary	100%	100%

[1] Holding company for Helios Operating, LLC
[2] Dormant subsidiary

The Directors' of the Company declare that:

1 The financial statements and notes as set out on pages 15 to 40 are in accordance with the *Corporations Act 2001*, and

(i) comply with Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) give a true and fair view of the financial position of the Group as at 30 June 2017 and of its performance for the year ended on that date.

2 The Managing Director has given the declarations required by S295A of the Corporations Act 2001.

3 The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

4 In the opinion of the directors' there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Nicholas Ong
Non-Executive Director
28 September 2018

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Helios Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Helios Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(a) Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and

(b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying Value of Exploration and Evaluation Assets

Key audit matter	*How the matter was addressed in our audit*
At 30 June 2018 the Group held a significant carrying value of Exploration and Expenditure Assets as disclosed in Note 10. As the carrying value of these Exploration and Evaluation Assets represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount. Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources. In particular: Whether the conditions for capitalisation are satisfied; Which elements of exploration and evaluation expenditures qualify for recognition; and Whether facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment.	Our procedures included, but were not limited to: • Obtaining from management a schedule of areas of interest held by the Group and assessing whether rights to tenure of those areas of interest remained current at balance date; • Holding discussions with management as to the status of ongoing exploration programmes in the respective areas of interest; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 10 to the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information contained in the director's report and audited financial statements for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_files/ar2.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 12 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Helios Energy Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth, 28 September 2018

Corporate Governance Statement

Helios Energy Ltd, its wholly owned subsidiaries (the Group) and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders.

The disclosure of corporate governance practices can be viewed on the Company website at http://www.heliosenergyltd.com/

The directors are responsible to the shareholders for the performance of the Group in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Group as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed.

Day to day management of the Group's affairs and the implementation of the corporate strategy and policy initiatives are undertaken by the Board.

Corporate Governance Compliance

A description of the Group's main corporate governance practices are set out below. The Group has considered the ASX Corporate Governance Principles and Recommendations (3rd edition) to determine an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines.

Disclosure of Corporate Governance Practices
Summary Statement

	ASX Principles and Recommendations	"If not, why not"
Recommendation 1.1	✓	
Recommendation 1.2	✓	
Recommendation 1.3	✓	
Recommendation 1.4	✓	
Recommendation 1.5		✓
Recommendation 1.6		✓
Recommendation 1.7		✓
Recommendation 2.1		✓
Recommendation 2.2	✓	
Recommendation 2.3	✓	
Recommendation 2.4		✓
Recommendation 2.5		✓
Recommendation 2.6	✓	
Recommendation 3.1	✓	
Recommendation 4.1		✓
Recommendation 4.2	✓	
Recommendation 4.3	✓	
Recommendation 5.1	✓	
Recommendation 6.1	✓	
Recommendation 6.2	✓	
Recommendation 6.3	✓	
Recommendation 6.4		✓
Recommendation 7.1		✓
Recommendation 7.2	✓	
Recommendation 7.3		✓
Recommendation 7.4	✓	
Recommendation 8.1		✓
Recommendation 8.2	✓	
Recommendation 8.3	✓	

Disclosure – Principles & Recommendations - financial year 2017/2018

Principle 1 – Lay solid foundations for management and oversight

Recommendation 1.1:

A listed entity should disclose the respective roles and responsibilities of its board and management and those matters expressly reserved to the Board and those delegated to management and disclose those functions.

Disclosure:

The Directors are responsible to the shareholders for the performance of the Group in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Group as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed.

Day to day management of the Group's affairs and the implementation of the corporate strategy and policy initiatives are undertaken by the Managing Director (who acts in the capacity as CEO).

The matters that the Board has specifically reserved for its decision are:

- the appointment and management of the CEO;
- approval of the overall strategy and annual budgets of the business;
- overseeing the accounting and corporate reporting systems, including the external audit; and
- compliance with constitutional documents.

The CEO is delegated the authority to ensure the effective day-to-day management of the business and the Board monitors the exercise of these powers. The CEO is required to report regularly to the Board on the performance of the Business.

Recommendation 1.2:

A listed entity should undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director and provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Disclosure:

The Company undertakes checks on any person who is being considered as a director. These checks may include character, experience, education and financial history and background.

All security holder releases will contain material information following the guidance contained in the ASX Corporate Governance Principles and Recommendations (3rd edition) about any candidate to be elected for the first time or re-elected to enable an informed decision to be made.

Recommendation 1.3:

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

Disclosure:

Each senior executive and executive director has a formal employment contract and the non-executive directors have a letter of appointment including a director's interest agreement with respect to disclosure of security interests.

Recommendation 1.4:

The Company Secretary should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

Disclosure:

The Company Secretary has a direct reporting line to the Board, through the Chair.

Recommendation 1.5:

A listed entity should establish a policy concerning diversity and disclose the policy or summary of the policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.

Disclosure:

The Board supports diversity but the Group has not yet developed a policy. It is the Board's intention to develop a policy at a time when the size of the Group and its activities warrants such a structure.

There are currently no women employees in the organization.

Recommendation 1.6:

A listed entity should have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors and whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Disclosure:

The Chairman is responsible for evaluating the performance of the Board, its committees and individual directors. This is generally done through a meeting with the Chair.

The review is currently informal but is based on a review of goals for the Board and individual Directors. The goals are based on corporate requirements and any areas for improvement that may be identified. The Chairman will provide each Director with confidential feedback on his or her performance. There was no formal performance evaluation during the financial year.

Recommendation 1.7:

A listed entity should have and disclose a process for periodically evaluating the performance of senior executives and whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Disclosure:

The Board is responsible for evaluating the senior executives. Induction procedures are in place and senior executives have formal job descriptions which includes the process for evaluating their performance.

There was no formal performance evaluation of the senior executives during the financial year.

Principle 2 – Structure the board to add value

Recommendation 2.1:

The Board of a listed entity should establish a Nomination Committee which the majority should be independent directors (including the Chair).

Disclosure:

A nomination committee has not been established. The role of the Nomination Committee has been assumed by the full Board operating under the Nomination Committee Charter adopted by the Board.

Recommendation 2.2:

A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

Disclosure:

The Board Charter provides that the Board will review capabilities, technical skills and personal attributes of its directors. It will normally review the Board's composition against those attributes and recommend any changes in Board composition that may be required.

	Non-executive chairman	Managing director	Non-executive directors	Company Secretary
Leadership	X	X	X	X
Strategy / Risk	X	X	X	X
Communication	X	X	X	X
Fundraising	X	X	X	X
Mining Industry	X	X	X	X
Governance	X	X	X	X
Health, safety and environment		X		X
Financial acumen	X	X	X	X

Recommendation 2.3:
A listed entity should disclose the names of the directors considered to be independent directors and length of service of each director.

Disclosure:
There are two members of the Board which are considered to be classified as an independent directors. They are Robert Bearden and Nicholas Ong. The dates of appointment as a director are contained in the Directors' Report.

Recommendation 2.4:
A majority of the Board of a listed entity should be independent directors.

Disclosure:
The Group does not have a majority of independent directors.

Consistent with the size of the Group and its activities, the Board is comprised of four directors, two of whom are currently considered to be an independent directors.

The Board's policy is that the majority of directors shall be independent, non-executive directors. The composition of the Board does not currently conform to its policy. It is the Board's intention to comply with its policy at a time when the size of the Group and its activities warrants such a structure.

Recommendation 2.5:
The Chair of the Board of a listed entity should be an independent director.

Disclosure:
Hui Ye acts as Chair of the Board. He is not independent. It is the Board's intention to comply with its policy at a time when the size of the Group and its activities warrants such a structure.

Recommendation 2.6:
A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

Disclosure:
The Board Charter provides for induction and professional development for the Board.

Principle 3 – Act ethically and responsibly
Recommendation 3.1:
A listed entity should have a Code of Conduct for its directors, senior executives and employees.

Disclosure:

The Company has a Code of Conduct that applies to all Directors, senior executives, employees and contractors.

Principle 4 – Safeguard integrity in corporate reporting

Recommendation 4.1

The Board of a listed entity should have an Audit Committee.

Disclosure:

An audit committee has not been established. The role of the Audit Committee has been assumed by the full Board operating under the Audit Committee Charter adopted by the Board.

Recommendation 4.2

The Board of a listed entity should, before it approves the Company's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Disclosure:

This recommendation is included as part of the Audit Committee Charter adopted by the Board.

Recommendation 4.3

A listed entity should ensure that the external auditor is present at the AGM and be available to answer questions from security holders relevant to the audit.

Disclosure:

The Company invites the auditor or representative of the auditor to the AGM.

Principle 5 – Make timely and balanced disclosure

Recommendation 5.1:

A listed entity should have a written policy for complying with its continuous disclosure obligations under the Listing Rules.

Disclosure:

The Board Charter contains the policies designed to ensure compliance with ASX Listing Rule disclosure.

Principle 6 – Respect the rights of security holders

Recommendation 6.1:

A listed entity should provide information about itself and its governance to investors via its website.

Disclosure:

The Company has a website for making this information available to shareholders and investors.

Recommendation 6.2:

A listed entity should design and implement an investor relations program to facilitate two-way communication with investors.

Disclosure:

The Company encourages shareholders to attend and participate in general meetings and will makes itself available to meet shareholders and regularly responds to enquiries made via telephone and in writing.

Recommendation 6.3:

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

Disclosure:

The Company encourages shareholders to attend and participate in general meetings. As a junior company the shareholder attendance numbers are low however, if a shareholder wishes to provide a comment or question and is not able to attend the meeting, the Company will address this as part of the meeting.

Recommendation 6.4:

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Disclosure:

The Company is currently reviewing and implementing a strategy to receive communications from, and send communications, to its shareholders.

Principle 7 – Recognise and manage risk

Recommendation 7.1:

The Board of a listed entity should have a committee or committees to oversee risk.

Disclosure:

The Board has adopted a Risk Management Policy. There is no risk management committee and this role is undertaken by the Board who consider this at Board meetings. The overall basis for risk management is to provide recommendations about:

1. Assessing the internal processes for determining and managing key risk areas, particularly:
   - non-compliance with laws, regulations, standards and best practice guidelines, including environmental and industrial relations laws;
   - litigation and claims; and
   - relevant business risks other than those that are dealt with by other specific Board Committees.
2. Ensuring that the Group has an effective risk management system and that major risks to the Group are reported at least annually to the Board.
3. Receiving from management reports on all suspected and actual frauds, thefts and breaches of laws.
4. Evaluating the process the Group has in place for assessing and continuously improving internal controls, particularly those related to areas of significant risk.
5. Assessing whether management has controls in place for unusual types of transactions and/or any potential transactions that may carry more than an acceptable degree of risk.
6. Meeting periodically with key management, internal and external auditors and compliance staff to understand and discuss the Group's control environment.

Recommendation 7.2:

The Board of a listed entity should review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and disclose whether such a review has taken place.

Disclosure:

The Board meets to discuss the operating activities and risk assessment is part of this process. Risks are considered including but not limited to strategic, operational, legal, reputation and financial risks. This is an on-going process rather than an annual formal review.

Recommendation 7.3:

A listed entity should disclose if it has an internal audit function.

Disclosure:

The Company does not have an internal audit function but reviews its risk management and internal control processes on a regular basis.

Recommendation 7.4:

The Company should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

The Company is of the view that it has adequately disclosed the nature of its operations and relevant information on exposure to economic, environmental and social sustainability risks. Other than general risks associated with the oil and gas exploration industry, the Company does not currently have material exposure to environmental and social sustainability risks.

Principle 8 – Remunerate fairly and responsibly

Recommendation 8.1:

The Board of a listed entity should have a Remuneration Committee.

Disclosure:

A Remuneration Committee has not been established. The role of the Remuneration Committee has been assumed by the full Board operating under the Remuneration Committee Charter adopted by the Board.

Recommendation 8.2:

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Disclosure:

The Company provides disclosure of all Directors and executives remuneration in its annual report.

Non-executive directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to the performance of the Group. There are no documented agreements providing for termination or retirement benefits to non-executive directors (other than for superannuation).

Executive directors and senior executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness. Long term performance incentives may include performance and production bonus payments, shares and / or options granted at the discretion of the Board and subject to obtaining the relevant approvals.

Recommendation 8.3:

A listed entity which has an equity based remuneration scheme should have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme and disclose that policy or summary of it.

Disclosure:

The Company does not have an equity based remuneration scheme which is affected by this recommendation.

The shareholder information set out below was applicable as at 24 September 2018.

1 Distribution of Equity Securities

Analysis of numbers of security holders by size of holding:

			Number
1	-	1,000	25
1,001	-	5,000	96
5,001	-	10,000	89
10,001	-	100,000	422
100,001	-	and over	373
			1,005

There were 196 holders of less than a marketable parcel of ordinary shares.

2 Substantial Holders

Substantial holders of equity securities, ordinary shares, in the Company are set out below:

Ordinary Shares (Holders with 5% or more)

Name	**Number held**	**Percentage of issued shares**
Notable Pioneer Limited	473,998,197	33.49
Mr Zhiqiang Shan	81,975,528	5.79
Loyal Express International Limited	79,299,220	5.60
PAA Energy LLC	75,138,072	5.31

3 Listed Option Holders

Options expiring 31/12/2021 @ $0.02
(Holders with 5% or more)

Name	**Number held**	**Percentage of listed options**
Notable Pioneer Limited	131,578,162	43.97
Loyal Express International Limited	26,433,074	8.83
Mr Zhiqiang Shan	22,116,844	7.39
Ichi Investment Inc	21,666,667	7.24

4 Unlisted Option Holders

Unlisted Options expiring 31/12/2021 @ $0.02 (Holders with 5% or more)

Name	Number held	Percentage of unlisted options
Antlers Energy Corporation	168,000,000	25.65
PAA Energy LLC	161,750,000	24.69
RPM Texas LLC	80,000,000	12.21
JDK Nominees Pty Ltd	41,750,000	6.37
PF Petroleum Pty Ltd	41,750,000	6.37
Mr Junwei Chen	40,000,000	6.11

Unlisted Options expiring 31/12/2021 @ $0.10 (Holders with 5% or more)

Name	Number held	Percentage of unlisted options
Exit Out Pty Ltd	1,844,935	18.45
Gleneagle Securities (Aust) Pty Ltd	1,844,935	18.45
Pillaiyar Pty Ltd	1,844,935	18.45
JB Toro Pty Ltd	1,500,000	15.00
Mr Tolly Sakellariou + Mrs Lilla Sakellariou	1,090,195	10.90
Mr Jason Lal	950,000	9.50

5 Restricted Securities

The following securities are classified as Restricted Securities:

Number	Class	Date that the escrow period ends
265,000,000	Ordinary	11 August 2019
240,000,000	Performance rights	11 August 2019
655,000,000	Options Expiring 31/12/2021 @ $0.02	11 August 2019

6 Voting Rights

The voting rights attaching to each class of equity securities are set out below:

Ordinary Shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

These securities have no voting rights.

Performance rights

These securities have no voting rights

7 Equity Security Holders

The names of the twenty largest holders of ordinary shares are listed below:

Rank	Name	Number of shares	%
1	Notable Pioneer Limited	473,998,197	33.49
2	Mr Zhiqiang Shan	81,975,528	5.79
3	Loyal Express International Limited	79,299,220	5.60
4	PAA Energy LLC	75,138,072	5.31
5	Ichi Investment Inc	65,000,000	4.59
6	CS Fourth Nominees Pty Limited	52,470,809	3.71
7	JDK Nominees Pty Ltd	51,521,084	3.64
8	PF Petroleum Pty Ltd	50,569,278	3.57
9	Mr Jidong Zhang	33,010,720	2.33
10	Trend E&P LLC	29,007,831	2.05
11	Lugano Holdings LLC	26,983,735	1.91
12	BNP Paribas Nominees Pty Ltd	22,892,728	1.62
13	Rigi Investments Pty Limited	20,462,385	1.45
14	Mr James Joseph Camilleri	19,235,000	1.36
15	Leon Fink Holdings Pty Ltd	13,000,000	0.92
16	Chatsworth Stirling Pty Ltd	12,500,000	0.88
17	Exit Out Pty Ltd	10,650,000	0.75
18	Ligon 205 Pty Ltd	10,394,171	0.73
19	UBS Nominees Pty Ltd	9,953,864	0.70
20	Celtic Capital Pty Ltd	8,750,000	0.62

8 On-Market Buy-Back

There is no current on-market buy-back.

This page left blank intentionally

Helios Energy Ltd

ABN 61 143 932 110
ASX CODE: HE8

www.heliosenergyltd.com

Australian Office

Level 3, 18 Richardson Street
West Perth WA 6005 Australia

PO Box 1485 West Perth
WA Australia 6872

Tel +61 1300 291 195
Fax +618 6298 6191

USA Office

2 Riverway, 17th Floor
Suite 1710, Houston
Texas USA 77056

Tel +1 713 333 3613
Fax +1 713 583 0965