



Presidio Oil Project Update

Continuing Natural Flow of the Presidio 141#2 Well

After the conclusion of the recent pressure build up test, the Presidio 141#2 well was returned to oil and gas production by natural unassisted flow.

After the well has ceased to flow naturally, production tubing will be run to the toe of the lateral portion of the well and the well will then be placed on artificial lift. As the well is shallow with normal formation pressure, the well will require artificial lift for commercial oil production.

The Presidio 141#2 well is a shallow well with a total measured depth of 5,846 feet including the fracked 1,400 feet horizontal portion which was drilled into the primary target zone within the lower bench of the Ojinaga Formation.

50% Increase in Play Area – Now 300,000 Acres in Total

Helios has completed 88 miles of 2D seismic which has established a thick presence of Austin Chalk age equivalent Ojinaga Formation across Helios' entire acreage position of 85,685 gross acres.

The thickness of the Ojinaga Formation ranges from 1,000 feet in the eastern section of Helios' acreage to 2,000 feet in the western section. In addition, these 88 miles of 2D seismic has established a thick presence of Ojinaga Formation across the entire Ojinaga Shale Formation play area which has now increased by 50% from approximately 200,000 acres to approximately 300,000 acres in size.

Reduction in Leasing Activities Due to Low Oil Price

Upon the completion of the third well in the Presidio Oil Project, being the Presidio 141#2 well, Helios will have a 70%WI in a total of 85,685 gross acres (59,980 net acres) and a 70%WI in the 3 wells drilled by Helios in the Presidio Oil Project, namely, Presidio 141#2, Quinn Creek 141 and Quinn Mesa 113. Even though the play area has increased to 300,000 gross acres as a result of the Company's recent activities, due to the recent significant decline in the WTI oil price, prudence dictates a material reduction in cash expenditure upon the purchase of additional oil and gas leases for the Presidio Oil Project until the WTI oil price improves.

ASX Code: HE8

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Gravity and Magnetic Data

Helios has acquired gravity and magnetic data over the entire Presidio Oil Project. Interpretation of that data was then compared with the entire seismic programme, along with data from the 3 new wells and the existing old well data. The data sets, when compared, evidence a high degree of 'matching' or 'fit'. The presence therefore of the Ojinaga Formation across the entire Ojinaga Shale Formation play area can be easily mapped. This gravity and magnetic data analysis have played an important part in increasing the Presidio Oil Project play area to 300,000 acres.

Additional 2020 Oil Wells Deferred Due to Low Oil Price

The recent significant decline in the WTI oil price also means that plans for additional oil wells in the Presidio Oil Project in the latter half of the 2020 calendar year have had to be curtailed. Prudence dictates a material reduction in cash expenditure upon additional oil wells whilst this low WTI oil price persists, even though the play area has increased to 300,000 gross acres as a result of the Company's recent work.

Effect of Covid-19 Upon Operations

Like all other oil and gas companies operating in Texas, Helios has complied with all the local ordinances which have been declared in Texas to minimize the negatives health effects and outcomes of the Covid-19 pandemic.

Presidio 141#2 Well Recap

During 2019, the 1,400 feet horizontal portion of the Presidio 141#2 well was drilled to the west towards the Quinn Creek 141 discovery well entirely within the zone of the best oil shows and highest natural fracturing that occurs within the 359 feet lower bench of the Ojinaga Formation present in the Presidio 141#2 well.

The 1,400 feet horizontal was drilled into rock which has uniform geological characteristics. The entire 1,400 feet is predominantly black shale with micro laminations of siltstone and fine carbonates and is highly naturally fractured. Continuous, good to excellent oil shows were observed throughout the entire 1,400 feet of horizontal drilling. Oil was present in fractures and micro-fractures and oil shows with fast fluorescence cut and bright bluish white residual ring were recorded throughout the entire 1,400 feet of horizontal drilling.

The 1,400 feet horizontal portion of the Presidio 141#2 well was fracked across 7 stages. Each stage is approximately 200 feet in length. The frack successfully injected approximately 3,313,000 pounds of proppant and approximately 64,000 barrels of completion fluid. The frack successfully injected approximately 2,366 pounds of proppant per lateral foot.

The Presidio 141#2 well is located 2,300 feet to the east of the existing Quinn Creek 141 discovery well. The total measured depth of the Presidio 141#2 well is 5,846 feet and this includes the 1,400 feet horizontal portion drilled into the primary target zone within the lower bench of the Ojinaga Formation. The well is located structurally updip of the existing Quinn Creek 141 discovery well.



Helios Energy Ltd

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For further information, please contact:

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Competent Person's Statement

The information in this ASX announcement is based on information compiled or reviewed by Eldar Hasanov. Mr Hasanov is a qualified petroleum geologist with over 21 years of experience in the USA, Russia, Azerbaijan, Kazakhstan, the Middle East, Turkey, Indonesia and other international areas involving technical, operational and executive aspects of petroleum exploration and production, in both onshore and offshore environments. He has extensive experience in petroleum exploration, appraisal and reserve and resource estimation, as well as in identifying and evaluating new oil and gas ventures. Mr Hasanov has a Masters degree in Petroleum Geology. He is a member of the American Association of Petroleum Geologists.