



## Update on Testing of Quinn Creek 141 Well

### Quinn Creek 141

Helios Energy Ltd (ASX Code: HE8 and HE8OA) (**Helios** or **Company**) plans to commence testing of the Quinn Creek 141 well within the next 7 to 10 days. There has been a delay in commencing the testing due to the contracted rig being occupied by its current work programme for longer than planned.

Quinn Creek 141 was spud by Helios as Operator on 23 April 2017 and was designed to be drilled to a total depth (**TD**) of 6,000 feet. The well was first drilled to 5,000 feet and encountered live oil and gas shows from 3,000 feet to 5,000 feet through a thickened Austin Chalk age sequence of fractured shales and carbonates. Casing was then set to protect these oil and gas shows and the well was then deepened to 6,000 feet and by doing so penetrated the Eagle Ford Shale and Lower Eagle Ford Boquillas organic rich limestone before entering the Buda Carbonate.

Testing is likely to take a minimum of 3 weeks starting at the bottom of the well bore with an open hole test of the Buda Carbonate. Depending on the outcome of that test, testing will then move up hole to an open hole test of the Eagle Ford Boquillas limestone and shale between 5,000 feet to 5,300 feet. As these are tests within the uncased open hole, they are considered indicative tests for further exploitation and regional resource assessment of a large area of Eagle Ford and Buda Formation within the Company's acreage.

Subject to the outcome of these tests, a thick section of the Austin Chalk equivalent formation with fractures and high gas readings, will then be perforated and tested and with success, a single stage fracture stimulation of the entire 250 feet interval is planned. This is the deepest Austin Chalk equivalent bench in an interval of thickened Austin Chalk equivalent section between 3000 feet and 5000 feet encountered while drilling the Quinn Creek 141 well.

### Background

When Quinn Creek 141 was spud by Helios the target was a TD of 6,000 feet in order to test targets in the San Carlos Sandstone, Austin Chalk equivalent, Eagle Ford Shale, Buda Carbonate, Georgetown Limestone and Edwards Limestone formations.

ASX Code: HE8

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From the live oil shows between 3,000 feet and 5,000 feet oil was recovered from the mud pits and subsequent oil analysis indicated that the oil is a very good quality, mature, Eagle Ford type, 33 degrees API oil.

After logging, 5.5 inch casing was run to protect these oil and gas shows. The well was subsequently drilled with slim-hole equipment to TD and then logged and suspended to await completion.

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

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

#### **Expanded Seismic Programme and Geological Surface Work**

Shooting of the Company's additional 13 miles of 2D seismic programme has now been completed and processing is expected to be completed by mid-April 2018. After interpretation of this new seismic the location of the third well will be determined and the drilling of the third well will commence.

Additional geological surface fieldwork has also been recently completed. This geological surface fieldwork has confirmed many aspects of the current seismic interpretation and confirmed that an extensive area of Eagle Ford and Austin Chalk equivalent formations are present throughout Helios' leases.

For further information, please contact:

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**Competent Person's Statement**

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