



Quarterly Activities Report

Quarter Ending 30 September 2017

Helios Energy Ltd (ASX Code: HE8) (**Helios** or **Company**) is pleased to report its activities for the quarter ended 30 September 2017.

In the preceding quarter the Company drilled two wells, Quinn Creek 141 and Quinn Mesa 113, as part of its obligations to drill three wells in the Presidio Oil Project by 31 December 2017 to earn a 70% working interest (**WI**) in the Presidio Oil Project in Presidio County, Texas, USA.

Quinn Creek 141 Well

Quinn Creek 141 well was spud by Helios as Operator on 23 April 2017 and was planned to be drilled to a total depth (**TD**) of 6,000 feet to test a large faulted anticline with targets in the Olmos, Eagle Ford and Edwards formations.

The well was initially drilled to 5,000 feet. After logging, 5.5 inch well casing was run to protect oil and gas shows encountered between 3,000 and 4,500 feet and a zone where oil to surface was recorded in mud pits.

The well was subsequently drilled with slim-hole equipment to TD and then logged and suspended to await completion.

Helios decided not to drill beyond the current depth and has preserved the ability to re-enter the well and drill deeper at a later stage, if warranted, as the depth of the Edwards Limestone is deeper than anticipated. The Company notes that the Edwards Limestone remains a primary target for the Company in the Presidio Oil Project.

Quinn Mesa 113 Well

The Company's Quinn Mesa 113 vertical well was spud by Helios, as Operator, on 16 June 2017, approximately 2 miles due east of the Quinn

ASX Code: HE8

Directors

Tony Brennan
Non-Executive Chairman

Richard He
Managing Director

Nicholas Ong
Non-Executive Director

Gary Steinepreis
Non-Executive Director and
Company Secretary

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Creek 141 surface location.

Quinn Mesa 113 was drilled to a TD of 4,000 feet. Several oil and gas shows were recorded during drilling between 2,400 and TD. Logs have been run and interpretation of the logs indicates zones worthy of testing. Casing has now been run and cemented into place in order to protect the oil and gas shows encountered.

Helios continues to assess data collected from the well and will return to test the Quinn Mesa 113 well at a future date yet to be determined.

Presidio Oil Project

The Quinn Creek 141 and Quinn Mesa 113 wells form part of the Presidio Oil Project which is situated in Presidio County, Texas, USA. The Presidio Oil Project is prospective for oil in the Olmos, Eagle Ford, Buda and Edwards formations and drilling these two wells provides Helios with the opportunity to evaluate the oil and gas potential of these formations.

Upon completing the drilling of three wells in the Presidio Oil Project by 31 December 2017, Helios Energy Ltd, through its wholly owned subsidiary Helios Energy USA, Ltd, will earn a 70% WI in the Presidio Oil Project.

During the quarter ending 30 September 2017, the Company continued its leasing programme targeting potentially prospective areas in the Presidio Oil Project area.

Corporate

The shares (ASX Code: HE8) and options (ASX Code: HE8OA) of the Company (formerly New Horizon Coal Limited) were reinstated to Official Quotation from the commencement of trading on Friday 11 August 2017 following a successful capital raising of \$18,011,858.

Subsequent to the end of the September 2017 quarter, the Company announced the appointment of Richard He as the new Managing Director of the Company. He is based at the Company's Houston office.

Richard He is an entrepreneur and venture capitalist in natural resources with a particular focus on oil and gas. Mr He 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. Mr 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.

On 20 October 2017 Carl Coward resigned as a Director of the Company. The Board wishes to thank him for his contribution since his appointment in 2011.

Oil and Gas Leases Held as at 30 September 2017

The Company's has a lease holding in the Trinity Oil Project at the end of the September 2017 quarter of 3,128 net acres (100%WI). 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. During the quarter Helios acquired a 70%WI in a further 7,409 gross acres (5,186 net acres) in the Presidio Oil Project. During the quarter Helios also placed under call option a 70%WI in a further 6,760 gross acres (4,732 net acres) in the Presidio Oil Project. The Company continues its leasing programme targeting potentially prospective areas in the Presidio Oil Project area.

	Interest %	Project	Area of Interest	Location
Held at end of quarter				
	100%	Trinity Oil Project	3,128 acres	Trinity County, Texas
	70%*	Presidio Oil Project	20,569 acres ^A	Presidio County, Texas
Acquired during the quarter	70%*	Presidio Oil Project	7,409 acres ^A	Presidio County, Texas
Placed under option to acquire	70%*	Presidio Oil Project	6,760 acres ^A	Presidio County, Texas
Disposed during the quarter	-	-	-	-

Note A: Helios must drill 3 wells to earn a 70%WI in 6,400 acres (4,480 net acres). During the quarter Helios acquired a 70%WI in a further 7,409 gross acres (5,186 net acres). During the quarter Helios placed under call option a 70%WI in a further 6,760 gross acres (4,732 net acres).



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.

For further information, please contact:

Gary Steinepreis
Non-Executive Director and Company Secretary

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Helios Energy Ltd

ABN

61 143 932 110

Quarter ended ("current quarter")

30 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(1,899)	(1,899)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(434)	(434)
1.3 Dividends received (see note 3)		
1.4 Interest received	14	14
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (Net GST Activity-BAS)	(55)	(55)
1.9 Net cash from / (used in) operating activities	(2,374)	(2,374)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (including maintaining interests) (see item 10)	(352)	(352)
(c) investments		

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) other non-current assets		
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	(352)	(352)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	5,020	5,020
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options	(1,150)	(1,150)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	3,870	3,870

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	8,617	8,617
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,374)	(2,374)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(352)	(352)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	3,870	3,870

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(11)	(11)
4.6	Cash and cash equivalents at end of period	9,750	9,750

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	9,750	8,617
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,750	8,617

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

245

-

Consulting fees and director fees \$215,400
Director Related Salary and Super \$29,091
These fees include all accrued consulting fees, director fees and additional fees related to services for the prospectus and reinstatement to trading on ASX.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

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Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	2,000
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	450
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	2,450

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Trinity Oil Project, Texas	Direct – 100% working interest	3,118 acres	3,128 acres
	Presidio Oil Project, Texas	Drilling 3 wells in earn a 70% working interest	6,280 acres	20,569 acres

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: *(lodged electronically)* Date: 31 October 2017
 (Director/Company secretary)

Print name: Gary Steinepreis

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.