



Presidio 141#2 Well Update

Presidio 141#2 Well Cleaning Up

Helios Energy Ltd (ASX Codes: HE8, HE8OA) (**Helios** or **Company**) is pleased to report that the Presidio 141#2 well has flowed, in the past 168 hours, approximately 6,097 barrels of fluid at the rate therefore of approximately 871 barrels of fluid per day (**bfpd**). The fluid flowback rate has materially exceeded expectations.

The Presidio 141#2 well is a shallow well as it has a total measured depth of only 5,846 feet and this includes the fracked 1,400 feet horizontal portion which was drilled into the primary target zone within the lower bench of the Ojinaga Formation. As the well is shallow, with normal formation pressure, the well will require a pump for commercial oil production.

The Presidio 141#2 well has now been flowing back for 22 days. 19,509 barrels of completion fluid have been recovered from the 64,000 barrels of completion fluid (only 30.48% recovery to date) that were injected into the well as part of the frack. Flow rate tends to naturally slow as the supercharged pressure from fracking is bled off. After the completion fluid is recovered from the Presidio 141#2 well, which could take several more weeks, primarily oil should be entering the well bore.

Helios is currently preparing to transit the well to production. Production tubing will be installed and the well will be placed on pump. This will occur once the majority of the completion fluid has been recovered, the natural flow rate has sufficiently slowed and the casing pressure has sufficiently declined.

The placement of a variable rate pump on the well will provide the necessary artificial lift (due to the normal pressure environment) and enable Helios to determine the optimal flow rate from the lower Ojinaga Formation which is the connected to the well bore by the induced fractures. Reservoir pressure is around 2,000 psi and the current calculated bottom hole flowing pressure is around 1,800 psi. The pressure differential is therefore only 200 psi.

In the past 168 hours, approximately 820 barrels of oil have been produced, at the rate therefore of approximately 117 barrels of oil per day (**bopd**) along with an average production rate of 621 mcf of gas per day (mcfpd). 621 mcfpd of gas per day is the energy equivalent of 103 bopd. The well is currently flowing on a 46/64ths choke size with 185 psi on the casing.

ASX Code: HE8

Directors

Hui Ye
Non-Executive Chairman

Richard He
Managing Director

Robert Bearden
Non-Executive Director

Nicholas Ong
Non-Executive Director

John Palermo
Company Secretary

Contact Details

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 +61 8 6298 6191

USA Office

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

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

www.heliosenergyld.com

For personal use only



For further information, please contact:

Richard He
Managing Director

For personal use only