



## Frack of Presidio 141#2

### Highlights

- The 1,400 feet horizontal portion of the Presidio 141#2 well has been successfully drilled 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.
- The entire Presidio 141#2 well has been now been cased and the 5 ½ inch casing has been cemented into place and the 1,400 feet horizontal portion of the well now awaits fracking.
- Continuous, good to excellent oil shows were observed throughout the entire 1,400 feet of horizontal drilling.
- The fracking is expected to commence during July 2019.

### 1,400 Feet Horizontal Portion of Presidio 141#2 Well

Helios Energy Ltd (ASX Codes: HE8, HE8OA) (**Helios** or **Company**) is pleased to report the 1,400 feet horizontal portion of the Presidio 141#2 well has been successfully 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. The entire Presidio 141#2 well has been now been cased and the 5 ½ inch casing has been cemented into place and the 1,400 feet horizontal portion now awaits fracking.

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.

### Multi-Stage Fracking of the 1,400 Feet Horizontal Portion of the Presidio 141#2 well

Helios is currently designing a multi-stage hydraulic fracture stimulation program for the 1,400 feet horizontal portion of the Presidio 141#2 well. The final design of the multi-stage fracking program is being selected over the next few weeks using the logs and rotary cores and the assistance of third party hydraulic fracturing stimulation experts.

ASX Code: HE8

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Preparation of the well site for the arrival of hydraulic fracture stimulation equipment is underway along with an expansion of the frack water ponds to a sufficient size to support the fracking operation.

The fracking is expected to commence during July 2019.

### **Vertical Portion of the Presidio 141#2 Well**

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 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.

### **Ojinaga Formation**

Wireline logs and drilling cuttings indicate that the Ojinaga Formation is approximately 1,941 feet thick. Wireline logs and drilling cuttings indicate that the lower bench of the Ojinaga Formation is 359 feet thick and is highly naturally fractured. Good to excellent, continuous oil shows were observed throughout the entire drilling of this 359 feet thick vertical interval. Excellent and continuous oil shows along with a high density of natural fractures were observed whilst drilling throughout a 220 feet subset of this 359 feet thick lower bench of the Ojinaga Formation. It is within this 220 feet subset that the 1,400 feet horizontal portion of the well was drilled.

### **Oil Discovery in the Ojinaga Shale Formation**

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. The Company has previously reported to ASX that the Quinn Creek 141 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) was approximately 35% (3,509 barrels of completion fluid out of 10,187 barrels of completion fluid injected).

### **Easily Mapped with 2D & 3D Seismic**

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

### **Presidio Oil Project – Infrastructure**

Access to the Presidio 141#2 well location 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 Presidio 141#2 well location has 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 approximately 3,800,000 bopd.

For further information, please contact:

**Richard He**  
**Managing Director**

***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.*