

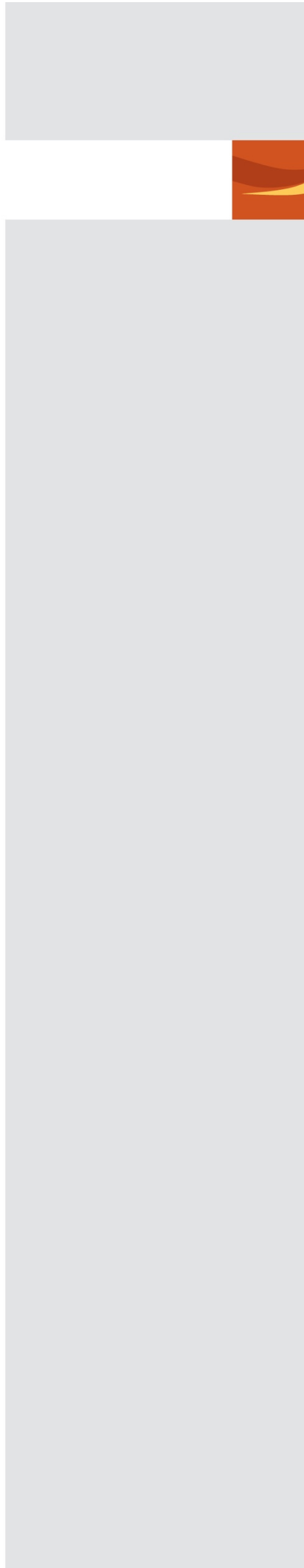


# Helios Energy Limited

Interim Financial Report

31 December 2020

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These interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2020 and any public announcements made by the Company during the period from 1 July 2020 to the date of this report in accordance with the continuous disclosure requirements of the *Corporations Act 2001 (Cth)*.

## **CORPORATE DIRECTORY**

### **Directors**

Hui Ye  
Non-Executive Chairman

Richard He  
Managing Director

Nicholas Ong  
Non-Executive Director

Robert Bearden  
Non-Executive Director

### **Company Secretary**

John Palermo

### **Registered Office**

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Level 3, 18 Richardson Street  
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Level 11, 172 St George's Terrace  
Perth WA 6000 Australia  
Investor enquiries: 1300 557 010  
T:+618 9323 2000  
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### **Auditor**

BDO Audit (WA) Pty Ltd  
38 Station Street  
Subiaco WA 6008 Australia  
T:+618 6382 4600  
F:+618 6382 4601

### **Lawyers**

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000 Australia  
T: +618 9321 4000  
F: +618 9321 4333

### **Stock Exchange**

Australian Securities Exchange (**ASX**)  
ASX Code: HE8 and HE8OA

### **Website**

[www.heliosenergyltd.com](http://www.heliosenergyltd.com)

## **DIRECTORS' REPORT**

Your directors present their report on the consolidated entity consisting of Helios Energy Ltd and the entities it controlled at the end of, or during, the financial period ended 31 December 2020 (**Helios Energy** or the **Company** or the **Group**).

## **DIRECTORS**

The name of each person who has been a director during the reporting period and to the date of this report are:

Hui Ye - appointed 1 December 2017.

Richard He - appointed 20 October 2017.

Nicholas Ong – appointed 4 August 2017.

Robert Bearden – appointed 14 February 2018.

## **COMPANY SECRETARY**

The company secretary is John Palermo who was appointed on 10 September 2018.

## **PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS**

The Company is an oil and gas exploration company whose principal activity is the Presidio Oil Project which is located in Presidio County in the State of Texas in the USA.

### **Presidio Oil Project – Presidio County, Texas, USA**

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#1 and Quinn Mesa 113.

### **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.

### **Testing of Presidio 141#2 Well**

Pressure build up testing of the Presidio 141#2 well continued during the half year ending on 31 December 2020. After the pressure build up testing is fully completed, the Presidio 141#2 well will be returned to oil and gas production by natural unassisted flow. 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 but only after the well has ceased to flow naturally. 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.

### **Reduction in Leasing Activities Due to Continuing 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#1 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 low WTI oil price during the half year period, prudence continued to dictate a material reduction in cash expenditure being deployed upon the purchase of additional oil and gas leases for the Presidio Oil Project until the WTI oil price improves.

### **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.

### **Effect of Covid-19 Upon Operations During the Half Year**

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**

During 2019, the 1,400 feet horizontal portion of the Presidio 141#2 well was drilled to the west towards the Quinn Creek 141#1 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#1 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#1 discovery well.

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

Access to the 3 wells that constitute the Presidio Oil Project (Presidio 141#2, Quinn Creek 141#1 and Quinn Mesa 113) 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 3 oil wells have 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 4,300,000 bopd.

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

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

### **Geological Surface Fieldwork**

Geological surface fieldwork supports the current seismic interpretation and corroborates that a thick presence of Ojinaga Formation exists across Helios' entire acreage position of 85,685 gross acres and across the entire Ojinaga Shale Formation play area, which is now approximately 300,000 acres in size.

### **Porosity and Permeability in Lower Bench of the Ojinaga Shale Formation**

Based on previous petrophysical analysis, the lower bench of the Ojinaga Shale Formation has porosity predominately ranging between 4% to 12.5% and permeability up to 0.75  $\mu$ d (micro darcys). The porosity of sidewall cores taken from the Presidio 141#2 well is 4% to 10% therefore confirming the previous petrophysical analysis. The permeability of the sidewall cores taken from the Presidio 141#2 well is significantly higher than the previous petrophysical analysis, up to 0.06 md (60  $\mu$ d). Analysis of the Quinn Creek 141#1 well and the Presidio 141#2 well as well as surrounding historical wells clearly shows that these porosity and permeability characteristics in Presidio County in the Ojinaga Shale Formation exceed the characteristics present in the Eagle Ford Shale in the Karnes Trough which is the premier sweet spot of the Eagle Ford Shale play.

### **Well Location Identification**

Helios will continue to integrate the geological and geophysical data with the aim of high grading multiple well locations that target the Ojinaga Formation, the Eagle Ford Formation as well as the older Cretaceous units being the Buda, Georgetown and Edwards limestone formations.

### **Presidio Oil Project – 70% WI in 3 Wells and 85,685 Gross Acres**

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#1 and Quinn Mesa 113.

### **Leases Acquired or Disposed of During the Half Year Ending on 31 December 2020**

No additional oil and gas leases were acquired or disposed of during the half year ending 31 December 2020. All 85,685 gross acres the subject of the Presidio Oil Project are located in the south-west portion of Presidio County, Texas and are the subject of oil and gas lease agreements entered into with private oil and gas mineral rights owners.

### **Competent Person's Statement**

The information in report is based on information compiled or reviewed by Eldar Hasanov. Mr Hasanov is a qualified petroleum geologist with over 23 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.

### **Subsequent Events**

Subsequent to the ending of the half year on 31 December 2020, Helios conducted a capital raising of \$11,440,003 by way of the issue of 95,333,357 shares at a price of 12 cents per share (**Placement**). The Placement was made to sophisticated and professional investors under the provisions of section 708 of the Corporations Act 2001 (Cth). The Placement was conducted within the 15% placement capacity available to the Company in accordance with ASX Listing Rule 7.1. The funds raised from the Placement are being used for working capital purposes and to purchase additional oil and gas leases in the Presidio Oil Project located in Presidio County, Texas, USA.

On 16 March 2021, Helios Energy Limited had entered into a trading halt due to the company's inadvertent failure to lodge a cleaning notice pursuant to section 708A(5)(e) of the Corporations Act within the prescribed 5 day period after the issue of 95,333,357 shares in the Company on 4 March 2021 but the Company notes no adverse or material impact on the financials.

### **OPERATING RESULT**

The loss from operations for the half year ended 31 December 2020 after providing for income tax was \$2,162,389 (2019: Loss \$880,232). The total comprehensive loss for the half year ended 31 December 2020 after providing for income tax was \$5,014,731 (2019: \$1,017,051).

Additional information on the operations and financial position of the Group and its business strategies and prospects is set out in this directors' report and the interim financial report.

### **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001 (Cth)* is set out on page 6 of this interim report.

Signed in accordance with a resolution of the board of directors.



**Richard He**  
**Managing Director**  
**16 March 2021**

## DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF HELIOS ENERGY LIMITED

As lead auditor for the review of Helios Energy Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Helios Energy Limited and the entities it controlled during the period.



**Jarrad Prue**

Director

**BDO Audit (WA) Pty Ltd**

Perth, 16 March 2021

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**Helios Energy Ltd**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
Half Year Ended 31 December 2020

	Note	2020 \$	2019 \$
Revenue from operations		24,334	118,800
Interest Revenue		272	3,026
Fair value (loss)/gain on investment	4	(91,350)	830,800
Administration costs		(391,985)	(846,992)
Corporate compliance costs		(44,201)	(69,940)
Corporate management fees		(39,000)	(39,000)
Personnel Cost		(730,798)	(833,176)
Audit fees		(14,640)	(14,868)
Production costs		(1,124)	(5,465)
Lease operating expenses		(22,397)	(23,417)
Share based payment expense	6	(776,325)	-
Foreign exchange (loss)		(75,175)	-
<b>(Loss)/Profit before income tax</b>		<b>(2,162,389)</b>	<b>(880,232)</b>
Income tax expense		-	-
<b>(Loss)/Profit after income tax for the half-year</b>		<b>(2,162,389)</b>	<b>(880,232)</b>
<b>Other Comprehensive Loss</b>			
<b>Items that will be reclassified to profit or loss</b>			
Foreign currency translation difference		(2,852,342)	(136,819)
<b>Total comprehensive loss for the period attributable to the members of Helios Energy Ltd</b>		<b>(5,014,731)</b>	<b>(1,017,051)</b>
		<b>Cents</b>	<b>Cents</b>
Loss per share for the period attributable to the members of the Company:			
<b>Basic and diluted loss per share</b>		<b>(0.140)</b>	<b>(0.059)</b>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**Helios Energy Ltd**  
**Consolidated Statement of Financial Position**  
As At 31 December 2020

<b>ASSETS</b>	<b>Note</b>	<b>31 Dec 2020</b>	<b>30 June 2020</b>
		<b>\$</b>	<b>\$</b>
<b>Current assets</b>			
Cash and cash equivalents		1,610,691	3,048,853
Trade and other receivables		95,488	197,910
<b>Total current assets</b>		<b>1,706,179</b>	<b>3,246,763</b>
<b>Non-current assets</b>			
Exploration and evaluation expenditure	3	24,837,371	27,346,991
Investments	4	669,900	761,250
<b>Total Non-current assets</b>		<b>25,507,271</b>	<b>28,108,241</b>
<b>Total assets</b>		<b>27,213,450</b>	<b>31,355,004</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		376,901	406,687
<b>Total current liabilities</b>		<b>376,901</b>	<b>406,687</b>
<b>Total liabilities</b>		<b>376,901</b>	<b>406,687</b>
<b>NET ASSETS</b>		<b>26,836,549</b>	<b>30,948,317</b>
<b>EQUITY</b>			
Contributed equity	5	63,962,348	63,835,710
Reserves		(332,312)	1,743,705
Accumulated losses		(36,793,487)	(34,631,098)
<b>TOTAL EQUITY</b>		<b>26,836,549</b>	<b>30,948,317</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

**Helios Energy Ltd**  
**Consolidated Statement of Changes in Equity**  
Half Year Ended 31 December 2020

<b>2020</b>	<b>Contributed equity</b>	<b>Option reserve</b>	<b>Foreign currency translation reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Balance 1 July 2020	63,835,710	401,800	1,341,905	(34,631,098)	<b>30,948,317</b>
Loss for the half-year	-	-	-	(2,162,389)	<b>(2,162,389)</b>
Exchange differences on translation of foreign operations	-	-	(2,852,342)	-	<b>(2,852,342)</b>
Total comprehensive gain (loss) for the half year	-	-	<b>(2,852,342)</b>	<b>(2,162,389)</b>	<b>(5,014,731)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Contribution of equity (net of transaction costs)	-	-	-	-	-
Conversion of options to ordinary shares (net of transaction costs)	126,638	-	-	-	<b>126,638</b>
Issue of options	-	776,325	-	-	<b>776,325</b>
<b>Balance 31 December 2020</b>	<b>63,962,348</b>	<b>1,178,125</b>	<b>(1,510,437)</b>	<b>(36,793,487)</b>	<b>26,836,549</b>
<b>2019</b>	<b>Contributed equity</b>	<b>Option reserve</b>	<b>Foreign currency translation reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Balance 1 July 2019	58,606,618	398,800	781,583	(25,813,579)	<b>33,973,422</b>
Loss for the half-year	-	-	-	(880,232)	<b>(880,232)</b>
Exchange differences on translation of foreign operations	-	-	(136,819)	-	<b>(136,819)</b>
Total comprehensive gain (loss) for the half year	-	-	<b>(136,819)</b>	<b>(880,232)</b>	<b>(1,017,051)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Contribution of equity (net of transaction costs)	4,846,843	-	-	-	<b>4,846,843</b>
Conversion of options to ordinary shares	149,174	-	-	-	<b>149,174</b>
Issue of options	-	3,000	-	-	<b>3,000</b>
<b>Balance 31 December 2019</b>	<b>63,602,635</b>	<b>401,800</b>	<b>644,764</b>	<b>(26,693,811)</b>	<b>37,955,388</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**Helios Energy Ltd**  
**Consolidated Statement of Cash Flows**  
Half Year Ended 31 December 2020

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Cash flow from operating activities</b>		
Interest received	272	3,026
Receipts from customers	129,881	8,070
Payments to suppliers and employees	(1,276,285)	(2,638,646)
<b>Net cash outflow from operations</b>	<b>(1,146,132)</b>	<b>(2,627,550)</b>
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation	(343,493)	(5,051,618)
Purchase of financial assets	-	(500,000)
<b>Net cash outflow from investing activities</b>	<b>(343,493)</b>	<b>(5,551,618)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares	-	5,212,800
Proceeds from exercise of options	136,488	149,174
Costs associated with capital raising	(9,850)	(364,990)
<b>Net cash inflow from financing activities</b>	<b>126,638</b>	<b>4,996,984</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,362,987)</b>	<b>(3,182,184)</b>
Cash and cash equivalents at the beginning of the period	3,048,853	8,393,213
Effect of exchange rate changes on cash and cash equivalents	(75,175)	-
<b>Cash and cash equivalents at the end of the period</b>	<b>1,610,691</b>	<b>5,211,029</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## **1 Summary of Significant Accounting Policies**

This general purpose interim financial report includes the financial statements and notes of Helios Energy Ltd, a public limited entity, and its controlled entities for the half-year ended 31 December 2020.

### **(a) Basis of Preparation**

The consolidated interim financial statements have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001 (Cth)*. They do not include all of the information required for full annual financial statements and should be read in conjunction with annual report dated 30 June 2020 any public announcements made by the Company during the period from 1 July 2020 to the date of this report in accordance with the continuous disclosure requirements of the *Corporations Act 2001 (Cth)*.

The accounting policies have been consistently applied by the Group and are consistent with those applied in the previous financial year and those of the corresponding interim reporting period.

In the half year ended 31 December 2020, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2020. Refer to Note 1(b) below.

### **(b) New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

## **2 Segment Information**

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group currently operates in one operating segment being the oil and gas exploration sector.

The chief operating decision makers look at areas of interest when reviewing exploration activities and the allocation of resources to the segment and to assess its performance. For the Period under review, the Group operated as one business.

The Board of Directors review internal management reports on a monthly basis that are consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

**3 Exploration and Evaluation Expenditure**

	<b>31 December 2020</b>	<b>30 June 2020</b>
	\$	\$
Exploration and evaluation assets		
<b>Reconciliation:</b>		
Balance at the beginning of the period	27,346,991	27,139,905
Exploration costs	268,342	5,405,179
Foreign exchange difference on translation	(2,777,962)	570,932
Impairment Expense	-	(5,769,025)
<b>Balance at the end of the period</b>	<b>24,837,371</b>	<b>27,346,991</b>

Exploration costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

**4 Investments**

	<b>31 December 2020</b>	<b>30 June 2020</b>
	\$	\$
Shares in Winchester Energy Limited		
Opening Balance	761,250	313,500
Additions	-	500,000
Fair Value movement	(91,350)	(52,250)
<b>Balance at the end of the period</b>	<b>669,900</b>	<b>761,250</b>

At 31 December 2020 the total shares were valued at \$669,900 resulting in fair value loss of \$91,350. Under AASB 9 Financial Instruments the investment has been classified as fair value through profit and loss.

**5 Contributed Equity**

	<b>Dec 2020 Shares</b>	<b>Dec 2020 \$</b>	<b>June 2020 Shares</b>	<b>June 2020 \$</b>
(a) Share Capital				
Ordinary shares fully paid	1,547,933,919	63,962,348	1,543,349,506	63,835,710

**5 Contributed Equity (continued)**

**(b) Movements in ordinary share capital:**

**Period ended 31 December 2020**

Date	Details	Number of shares	Issue price	\$
01/07/2020	Opening balance	<b>1,543,349,506</b>		<b>63,835,710</b>
31/07/2020	Conversion of options to ordinary shares	1,000,000	0.020	20,000
24/09/2020	Conversion of options to ordinary shares	200,000	0.020	4,000
15/10/2020	Conversion of options to ordinary shares	700,000	0.020	14,000
22/10/2020	Conversion of options to ordinary shares	174,411	0.020	3,488
27/10/2020	Conversion of options to ordinary shares	150,000	0.100	15,000
03/11/2020	Conversion of options to ordinary shares	400,000	0.020	8,000
10/11/2020	Conversion of options to ordinary shares	100,000	0.100	10,000
13/11/2020	Conversion of options to ordinary shares	450,002	0.020	9,000
25/11/2020	Conversion of options to ordinary shares	70,000	0.100	7,000
26/11/2020	Conversion of options to ordinary shares	1,000,000	0.020	20,000
04/12/2020	Conversion of options to ordinary shares	100,000	0.100	10,000
07/12/2020	Conversion of options to ordinary shares	100,000	0.020	2,000
14/12/2020	Conversion of options to ordinary shares	140,000	0.100	14,000
	Less capital raising costs			<b>(9,850)</b>
31/12/2020	Balance at end of period	<b>1,547,933,919</b>		<b>63,962,348</b>

**Period ended 30 June 2020**

Date	Details	Number of shares	Issue price	\$
01/01/2020	Opening balance	1,531,695,729		63,602,635
20/01/2020	Conversion of options to ordinary shares	713,669	0.020	14,273
04/02/2020	Conversion of options to ordinary shares	200,000	0.020	4,000
12/02/2020	Conversion of options to ordinary shares	5,000,000	0.020	100,000
21/02/2020	Conversion of options to ordinary shares	143,000	0.020	2,860
25/02/2020	Conversion of options to ordinary shares	2,218,693	0.020	44,374
19/03/2020	Conversion of options to ordinary shares	100,000	0.020	2,000
07/04/2020	Conversion of options to ordinary shares	3,000,000	0.020	60,000
04/05/2020	Conversion of options to ordinary shares	278,415	0.020	5,568
30/06/2020	Balance at end of period	<b>1,543,349,506</b>		<b>63,835,710</b>

**6 Share Based Payments**

**6.1 Options**

Options granted during the period have been valued using the Black-Scholes Option Valuation Model, which takes account of factors including the option exercise price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying share, current market price of the underlying share and the expected life of the option. See below for the assumptions used for grants during the period.

Date of issue	08/12/2020	08/12/2020
Number of options	5,000,000	10,000,000
Expected volatility (%)	70	70
Risk-free interest rate (%)	0.34	0.34
Expected life of the options (years)	5.07	5.07
Option exercise price (\$)	0.26	0.26
Share price at grant date (\$)	0.16	0.16
Vested	08/12/2021	On issue
Fair value per option (\$)	0.075	0.075
Value at grant date (\$)	23,578	752,747
Expiry date	31/12/2025	31/12/2025

**7 After Reporting Date Events**

On 15 March 2021, Helios Energy Limited advised that it had completed a share placement to raise \$11,440,003 by the issue of 95,333,357 shares at 12 cents per share.

On 16 March 2021, Helios Energy Limited had entered into a trading halt due to the company's inadvertent failure to lodge a cleaning notice pursuant to section 708A(5)(e) of the Corporations Act within the prescribed 5 day period after the issue of 95,333,357 shares in the Company on 4 March 2021 but the Company notes no adverse or material impact on the financials.

There are no other events which have occurred subsequent to the reporting date which would require disclosure in the financial statements.

**8 Contingencies and Commitments**

There are no changes in contingent liabilities or commitments from the year end 30 June 2020.

**9 Related Party Transactions**

Related Party Options were granted to Robert Bearden during the period. Refer Note 6 Share based Payments.



**10 Fair Value Measurement of Financial Instruments**

The Group holds shares in Winchester Energy Limited, which are accounted for at Fair Value through Profit and Loss, please refer to Note 4 for further information about the fair value movement in the year. The instruments are Level 1 on the Fair Value hierarchy as they are derived from quoted prices on an active market (the Australian Securities Exchange). The Company does not have any other financial instruments that are subject to recurring fair value measurements.

Due to its short-term nature, the carrying amount of current trade and other receivables is assumed to approximate its fair value.

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The Directors' of the Group declare that:

- 1 The interim financial statements and notes as set out on pages 7 to 15 are in accordance with the *Corporations Act 2001 (Cth)*, and
  - (i) comply with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) give a true and fair view of the financial position of the Group as at 31 December 2020 and of its performance to the half-year ended on that date.
- 2 In the opinion of the directors' there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



**Richard He**  
**Managing Director**  
**16 March 2021**

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Helios Energy Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Helios Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

#### Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



### **Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**BDO Audit (WA) Pty Ltd**

BDO

A handwritten signature in black ink that reads 'J Prue'.

**Jarrad Prue**

**Director**

Peth, 16 March 2021

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