Helios Energy Ltd
31 January 2025

ASX Code: HE8

Directors

Philipp Kin
Managing Director

Mark Lochtenberg
Non-Executive Director

John Kenny
Non-Executive Director

Henko Vos
Non-Executive Director &
Company Secretary

Contact Details

Australian Office

Suite 6, 295 Rokeby Road
Subiaco WA 6008, Australia

PO Box 1485
West Perth WA 6872,
Australia

Tel +61 1300 291 195

USA Office

3 Riverway, 17th Floor
Suite 1750, Houston
Texas USA 77056

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

www.heliosenergyltd.com

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Quarterly Activities Report

Quarter Ending 31 December 2024

This is the quarterly report of Helios Energy Ltd (ASX Code: HE8) (**Helios** or **Company**) for its activities for the 3-month period ending on 31 December 2024.

Highlights

- **Appointment in mid-November of Philipp Kin as Managing Director bringing over 18 years of experience in the energy and mining sectors**
- **Managing Director's Presidio site visit in December to engage with key stakeholders, technical teams and assess the Presidio Project**
- **Secured $150,000 in short-term funding agreements from directors, personnel, and Gleneagle Securities to support the completion of the updated resource report for the Presidio Project**
- **Appointed NRW, a leading independent investor and media relations firm specialising in small to mid-cap ASX-listed companies**
- **Subsequent to the quarter end, Helios has:**
  - **Confirmed the scale and quality of Helios' flagship Presidio Project with an Independent Contingent Resource report, highlighting both Helios' and the total basin potential resources**
  - **Engaged W.D. Von Gonten Engineering LLC to provide advanced geological and technical expertise**
  - **Began a significant cost reduction exercise**

Managing Director Philipp Kin commented:

"*The past 3 months marked a reset for Helios and its shareholders with the achievement of several significant milestones which are critical to the Company's success.*

Last December I travelled to the US to inspect our assets and evaluate the day to day operations of the Company. Whilst there were significant challenges to put Helios back on track, I came away impressed with some of the steps the Company has already taken. I am strongly convinced that Helios has a significant asset that has the feel of the early Eagle Ford play in the US. Importantly, in addition to my assessment of the potential of the asset we have also had independent verification highlighted by our recent significant contingent resource report and our engagement with W.D. Von Gonten.

As part of our ongoing strategy, we will be providing shareholders with ongoing updates, however with W.D. Von Gonten onboard and working on the asset, we anticipate that the scope of work will not take long, and the Company should be in a position to drill sooner rather than later."

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About the Presidio Project

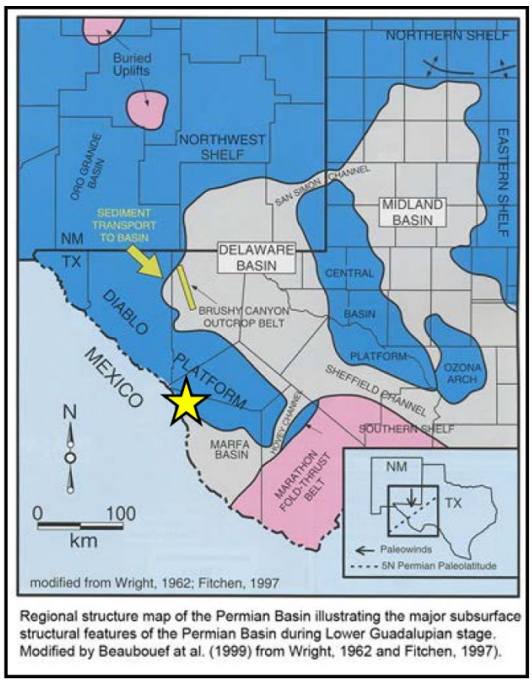
The Presidio Project is Helios Energy's flagship asset, strategically located in the Marfa Sub-Basin in West Texas. Targeting the Cretaceous Lower Ojinaga Formation, the project represents a significant geological discovery with strong analogy to the highly productive Cretaceous Austin Chalk Formation in the Giddings Field in East Texas.

Helios has a 70% Working Interest (WI) in the Presidio Oil & Gas Project, which comprises of:

- 70%WI in a total of 7,877.8 acres
- 70%WI in the 4 wells drilled by Helios in the Presidio Oil & Gas Project, namely, Presidio 52#1, Presidio 141#2, Quinn Creek 141#1 and Quinn Mesa 113.

Presidio County, Texas, USA

Helios Presidio Project's location in the Marfa Sub-Basin, West Texas



Regional structure map of the Permian Basin illustrating the major subsurface structural features of the Permian Basin during Lower Guadalupian stage. Modified by Beaubouef at al. (1999) from Wright, 1962 and Fitchen, 1997).

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Review of Operations

Site Visit

One of the first actions taken by the new Managing Director was to conduct a site visit to inspect the Company's assets.

The following photos were taken on the 21st of December 2024.

Presidio Well 141-1

Presidio Well 113-1 Well head

Birds Eye View of 141-2 from 141-1

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Presidio Well 141 Lease Water and Oil Storage Tanks

Temporary Water Storage Tanks at 141-2

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Well Head, Production Tree and Rental Flowline at 5201

Hydrocarbon Separator at 5201

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Contingent Resource Report

Subsequent to the quarter end, Helios Energy announced an Independent Contingent Resource Report validating the scale and quality of the Presidio Project in West Texas *(refer ASX announcements of 16 and 28 January 2025)*.

Significant Hydrocarbon Potential has been discovered by Helios through drilling, logging, sampling, and testing of four wells. Large quantities of potentially recoverable condensate/wet gas of material value, reservoired just in the Ojinaga (OJ) Formation that overlies the Eagle Ford Formation (EGFD) have been established in the underexplored Presidio Project area.

The report validated Helios' thesis that the Ojinaga formation is analogous to the Austin Chalk formation in the Giddings Field area in East Texas which has produced ~600 million barrels (MMbbl) of oil to date and is the primary target in the Presidio project.

Key highlights of the Contingent Resource Report:

- **Gross (100%) Contingent Resources:**
  - Oil: 9–15 million barrels
  - Natural Gas Liquids (NGL): 5–8 million barrels
  - Gas: 74–118 billion cubic feet
- **Net (75% NRI) Contingent Resources:**
  - Oil: 5–8 million barrels
  - NGL: 2–4 million barrels
  - Gas: 36–57 billion cubic feet

The report confirmed that hydrocarbons are primarily located within the Lower Ojinaga (OJ) Formation, a reservoir that exhibits strong analogies to the highly productive Austin Chalk Formation in East Texas. This underexplored region represents a major opportunity for Helios Energy to capitalise on substantial recoverable resources.

The validation of the Presidio Project's resource potential further underpins the project's strategic importance. It positions Helios Energy to progress with additional technical evaluations and further de-risking activities, setting the stage for future development.

Engagement of W.D. Von Gonten Engineering

Subsequent to the quarter, Helios Energy engaged W.D. Von Gonten Engineering LLC (WDVG), a premier petroleum engineering consultancy based in Houston, Texas, to provide advanced technical expertise for the development of the Presidio Project *(refer ASX announcement of 13 January 2025)*.

Key highlights of the engagement:

- WDVG brings over 30 years of experience in geological, engineering, and laboratory services, having evaluated over 50,000 wells and conducted more than 5,000 logs and 1,000 core studies worldwide.
- The firm will leverage cutting-edge capabilities, including 3D hydraulic fracture modelling, advanced geological analysis, and in-house laboratory testing, to optimise development strategies for the Presidio Project.
- This collaboration underscores the significant hydrocarbon potential of the Presidio Project and demonstrates Helios Energy's commitment to deploying world-class resources to maximize its value.

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The engagement of WDVG marks a critical step in Helios Energy's development strategy, with technical evaluations expected to significantly de-risk the project and support future exploration and production activities.

Leases Acquired or Disposed of During the Quarter

As at 31 December 2024 Helios has a 70%WI in a total of 7,877.8 acres. A total of 60 acres of leases were allowed to expire during the last quarter. All 7,877 acres, the subject of the Presidio Oil and Gas Project, are 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 and mineral rights owners.

Presidio 52#1 Well
The well has producing 47bbl of oil and wet gas during the 26 days it was on test during the quarter. No oil or gas sales were made.

Quinn Creek 141#1 Well
Helios has left this well open producing small amounts of gas from while it waits on a wellhead repair; no gas sales have been made and no barrels of oil were produced during the quarter, the repair is planned to be completed in the first quarter of 2025 returning this well to production

Presidio 141#2 Well
Helios has been waiting until road repairs could be made to allow the removal of produced water. No gas sales have been made and no oil was produced during the quarter. This well is expected to be returned to production in the first quarter of 2025.

Total acreage at 31 December 2024 is set out follows:

Block	Section	Interest	Gr. Ac (acre)	Status	Ac. Leased	WI	Net WI Acreage (acre)
3	113	1	640	LEASED/HBP	640	0.850	544.0
3	115	1	640	LEASED/HBP	640	0.850	544.0
3	123	1	640	LEASED/HBP	640	0.850	544.0
3	129	1	640	LEASED/HBP	640	0.850	544.0
3	135	1	640	LEASED/HBP	640	0.850	544.0
3	136	1	640	LEASED/HBP	640	0.850	544.0
3	141	1	640	LEASED/HBP	640	0.850	544.0
3	147	1	640	LEASED/HBP	640	0.850	544.0
2	52	1	480	LEASED/HBP	480	1.000	480.0
3	146	0.5	640	LEASED	160	1.000	160.0
3	112	1	640	LEASED	640	0.850	544.0
3	114	1	640	LEASED	640	0.850	544.0
G-25	3	1/2	651.6	LEASED	325.80	1.000	325.8
3	143	0.15	640	LEASED	96	1.000	96.0
3	144	1/2	640	LEASED	320	1.000	320.0
3	157	3/20	640	LEASED	96	1.000	96.0
Total Acres			**10,091.6**		**7,877,8**		**6,917.8**

Expired during the Quarter:

Block	Section	Interest	Gr. Ac (acre)	Status	Ac. Leased	WI	Net WI Acreage (acre)
2	95	0.25	240	LEASED	60	1.000	60.0

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Corporate

During the quarter, Helios Energy strengthened its leadership and financial position with several key developments. Philipp Kin was appointed as Managing Director, effective 15 November 2024. With over 18 years of experience in the energy and mining sectors, Philipp brings extensive expertise in driving growth and operational excellence. In December, he visited the Presidio Project site to engage with stakeholders and technical teams, underscoring his commitment to advancing the Company's flagship project.

Additionally, Helios Energy announced the appointment of NWR Communications to enhance its investor relations and shareholder engagement efforts. NWR will work closely with the Company to ensure clear and effective communication of its corporate strategy and operational updates, strengthening ties with the investment community.

Helios also secured $150,000 in short-term funding agreements to support ongoing operations. The funding was provided by directors, personnel, and Gleneagle Securities Pty Ltd, including $50,000 from Gleneagle and $100,000 from directors and management. This additional funding complements the Company's existing $500,000 Gleneagle facility, which remains undrawn, further bolstering Helios' financial position.

Related Party Payments – Item 6 of Appendix 5B
Payments to related parties listed in Item 6 of the Appendix 5B are for Executive Director Salaries.

For more information, contact Helios at:

Australian Office
T:+61 1300 291 195

USA Office
T:+1 713 333 3613

This ASX announcement has been authorized for release by the Board of Helios.

Competent Person's Statement

The information in this ASX announcement is based on information compiled or reviewed by Mr Neville Henry. Mr Henry is a qualified petroleum geologist with over 49 years of Australian, USA and other international technical, operational and executive petroleum experience in both onshore and offshore environments. He has extensive experience of petroleum exploration, appraisal, strategy development and reserve/resource estimation, as well as new oil and gas ventures identification and evaluation. Mr Henry has a BA (Honours) in geology from Macquarie University.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

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Name of entity	
Helios Energy Ltd	
ABN	**Quarter ended ("current quarter")**
61 143 932 110	31 December 2024

	Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	14
1.2	Payments for		
	(a) exploration & evaluation	(18)	(56)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(50)	(50)
	(e) administration and corporate costs	(100)	(208)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(9)	(15)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(177)**	**(315)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	(11)
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) 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)	-	-
81	**Net cash from / (used in) investing activities**	**-**	**(11)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	150	150
3.6	Repayment of borrowings	(19)	(48)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Lease payments	(28)	(55)
3.10	**Net cash from / (used in) financing activities**	**103**	**47**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	247	464
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(177)	(315)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(11)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	103	47

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.5	Effect of movement in exchange rates on cash held	22	10
4.6	**Cash and cash equivalents at end of period**	**195**	**195**

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	195	247
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)**	**195**	**247**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	25
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	500	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	500

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Gleneagle Securities has extended a credit facility to Helios in the amount of $500,000 (all fully undrawn). The facility is unsecured and bears interest at an interest rate of 12% per annum.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(177)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(177)
8.4	Cash and cash equivalents at quarter end (item 4.6)	195
8.5	Unused finance facilities available at quarter end (item 7.5)	500
8.6	Total available funding (item 8.4 + item 8.5)	695
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	3.93

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Not applicable.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Not applicable.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Not applicable.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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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.

Date: 31 January 2025

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow 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 cash flow 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.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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