



# BIG STAR ENERGY

## ASX ANNOUNCEMENT

26 November 2019

### TRANSFORMATIONAL HELIUM ACREAGE ACQUISITION

- Big Star acquires an additional 21,824 gross (21,824 net) acres in Colorado
- 23,294 net acres now leased, an increase of over 1400%
- Enterprise leased acres increase by over 160% to 3,473 net acres
- Significant new leasing over 7 additional highly ranked prospects

**Big Star Energy Ltd (“Big Star” or the “Company”) (ASX:BNL)** is pleased to announce that it has acquired 21,824 gross (21,824 net) acres in 63 new leases in Colorado, USA at the State land auction.

Big Star Managing Director, Joanne Kendrick, commented “This truly is a transformational moment for the Company. These acquisitions at the State land auction, in addition to our existing acreage, bring us to 27,104 gross (23,294 net) acres across 9 prospects, significantly exceeding our targets and making us, by far, the dominant player in this highly prospective area.

“Encouragingly, we now have 3 prospects where our leases include locations sampled during our recent soil gas survey. All samples collected on the land that we have now leased returned positive helium readings of between 10-50% above normal atmospheric levels confirming an active helium system in the area.

“Following our successful helium acreage acquisition, I am excited to make a start on our next objective. We plan to design and permit a 5-well drilling programme early next year whilst we consolidate our acreage over these prospects. With success in our proposed drilling campaign, any discovered high-concentration helium accumulation would potentially be developed using a pressure swing adsorption plant. A standard-size PSA plant can process 2mmcf/day of raw gas (with 5-10% helium) to a saleable product stream with 98%+ helium concentration and requires between 5,000-10,000 acres to fill to capacity.”

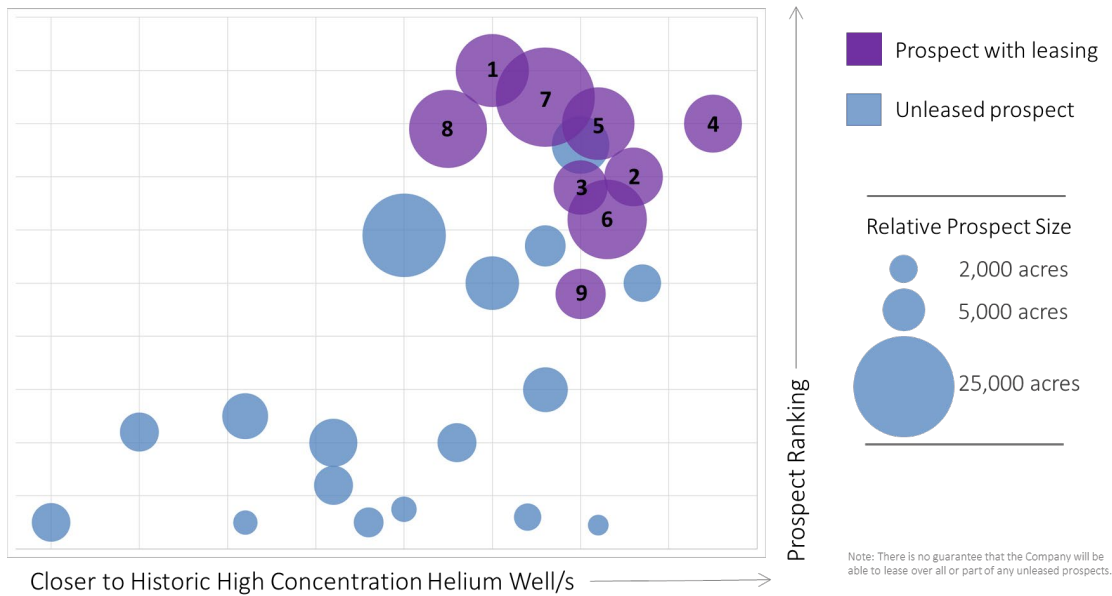


Figure 1 : Prospects and Leads Portfolio in Las Animas, Colorado

Big Star's prospects and leads ranking has been driven by our regional and local structural mapping, proximity to historic high-concentration helium wells and the active helium systems proven by our proprietary regional soil gas survey completed earlier this year. Continued integration of proprietary geophysical and helium soil gas survey data into the geologic model over the last two months has resulted in improved delineation and greater confidence in prospect sizes and ranking. Notably, the areal extent of Enterprise has increased significantly as a result of this latest work.

The current leased acreage position over 9 of Big Star's prospects is described in Table 1 below. Acreage over the previously leased Enterprise has increased by over 160% and 7 new prospects now have substantial leasing as a result of the State auction acquisitions. This includes 2 prospects (in addition to Enterprise) where soil gas samples were collected from currently leased areas and returned positive helium readings.

Prospect #	Prospect Name	Gross Leased Acres	Net Leased Acres	Elevated Helium Readings From Soil Gas Sample
1	Enterprise	7,283	3,473	5
2	Voyager	160	160	No samples collected
3	Prometheus	1,686	1,686	No samples collected
4	Millennium	1,920	1,920	No samples collected
5	Falcon	2,723	2,723	2
6	Red Dwarf	3,283	3,283	No samples collected
7	Galactica	6,360	6,360	2
8	Serenity	3,050	3,050	No samples collected
9	Defiant	640	640	No samples collected
	<b>Total</b>	<b>27,104</b>	<b>23,294</b>	<b>9</b>

Table 1 : Summary of Prospects with Leasing

The new leases are for an initial term of 5 years with the right to request an extension of 1 year and an annual rental payment of US\$2.50/acre payable in advance. In the event that Big Star successfully produces helium or other products from the lease area, a 20% royalty will be payable to the State of Colorado and the lease term will be extended indefinitely until production ceases.

The leases do not include any minimum work commitments. The consideration for the new leases is US\$73,946 comprising the first year's rental of US\$54,560 and lease bonuses, application and other fees of US\$19,386. The Company is the only working interest owner in the leases.

Further details of the new leases are set out in Appendix A. The new leases include 4 samples obtained during the regional gas survey referred to in the Company's announcement of 19 September 2019. These are described in Appendix B.

For further details in relation to oil and gas leases in the US see the Company's announcement of 19 September 2019.

**For further information, please contact:**

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**About Big Star:**

Big Star Energy Ltd (ASX:BNL) is an independent oil and gas exploration and production company, headquartered in Australia, with operations and exploration in North America. Big Star's strategy is to provide its shareholders with exposure to multiple high-value helium projects and conventional oil assets in North America. For further information please visit the Company's website at [www.bigstarenergy.com.au](http://www.bigstarenergy.com.au)

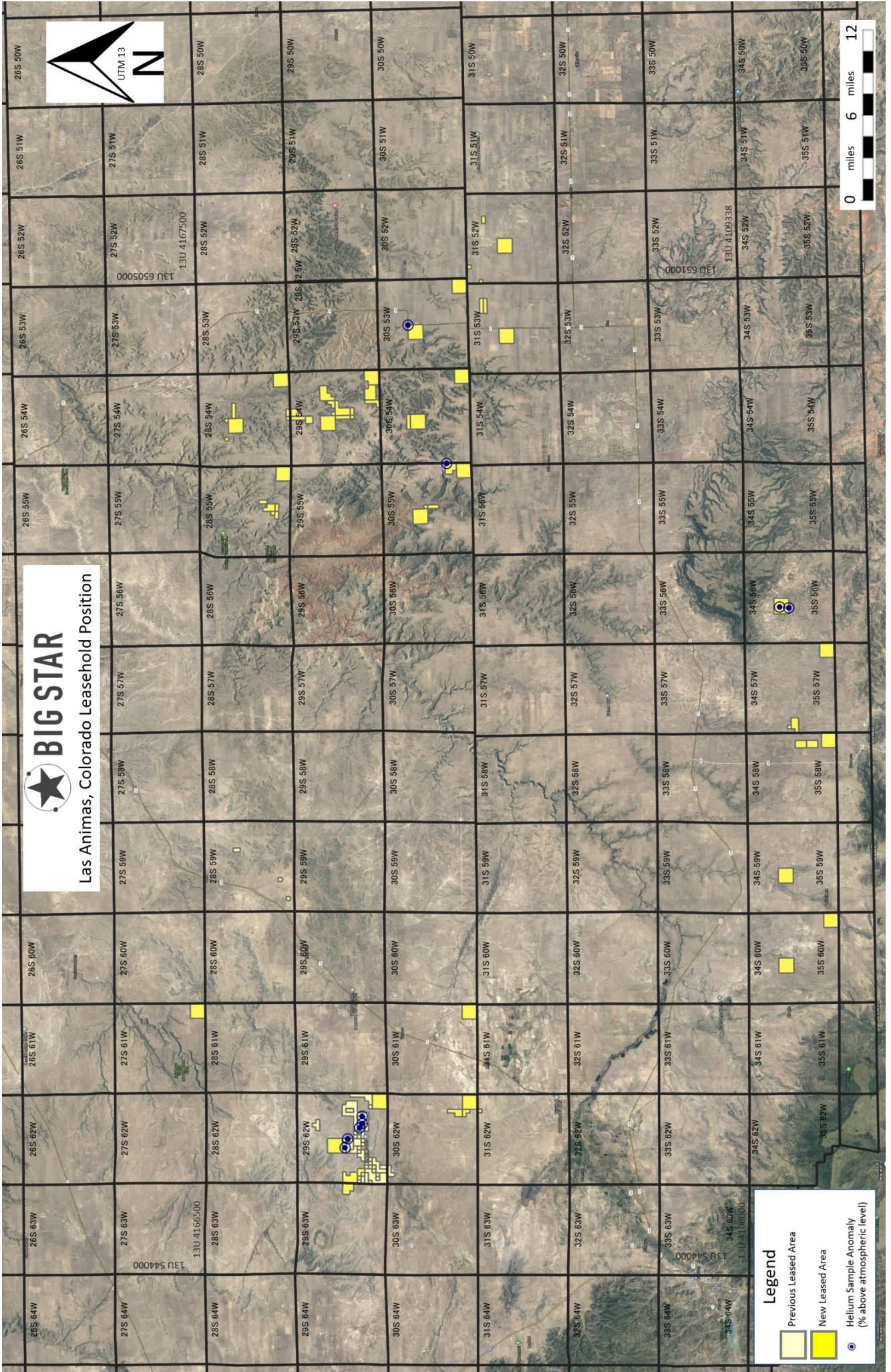
**About Helium:**

Helium is a unique industrial gas that exhibits characteristics both of a bulk, commodity gas and of a high value specialty gas and is considered a "high tech" strategic element. Due to its unique chemical and physical qualities, helium is a vital element in the manufacture of MRIs and semiconductors and is critical for fibre optic cable manufacturing, hard disc manufacture and cooling, space exploration, rocketry, lifting and high-level science. There is no way of manufacturing helium artificially and most of the world's reserves have been derived as a by-product of the extraction of natural hydrocarbon gas.

Lease	Township	Range	Section	Survey	Acreage
1	27S	61W	36	ALL	640
2	29S	62W	16	ALL	640
3	29S	62W	19	LOTS 1-4 (W2W2), NWNE, E2W2, W2SE	442.72
4	29S	62W	30	N2NE, SENE	120
5	29S	62W	36	ALL	640
6	29S	63W	24	NE, E2NW, N2SE	320
7	30S	61W	36	ALL	640
8	30S	62W	26	E2NE, SE	240
9	30S	62W	35	N2NE, SENE	120
10	30S	62W	36	ALL	640
11	34S	56W	16	ALL	640
12	34S	57W	18	SESW	40
13	34S	57W	19	LOT 2 (SWNW), NE, E2NW	282.88
14	34S	57W	36	ALL	640
15	34S	58W	24	S2NW,SW	240
16	34S	58W	25	NW,N2SW	240
17	34S	58W	36	ALL	640
18	34S	59W	16	ALL	640
19	34S	60W	16	ALL	640
20	34S	60W	36	ALL	640
21	28S	54W	8	SWSE	40
22	28S	54W	9	SESE	40
23	28S	54W	15	S2N2	160
24	28S	54W	16	ALL	640
25	28S	55W	36	ALL	640
26	31S	62W	2	LOT 1 (NENE)	45.97
27	30S	55W	25	S2NE,SENW,NESW,SE	320
28	30S	55W	36	ALL	640
29	29S	54W	3	LOTS 3-4 (N2NW), S2NW, NWSW	201.69
30	29S	54W	4	LOT 1; SENE, E2SE (E2E2)	160.87
31	29S	54W	9	NE	160
32	29S	54W	14	N2, N2SW, SWSW	440
33	29S	54W	15	SWSW, NESE, S2SE	160
34	29S	54W	16	ALL	640
35	29S	54W	21	E2E2	160
36	29S	54W	22	N2NE, W2	400
37	29S	54W	27	N2NW	80
38	29S	54W	28	NENE	40
39	29S	54W	34	E2E2, SWSE	200
40	29S	54W	35	NWNE,S2NE,NW,N2S2	440
41	29S	54W	36	NE,E2NW,SWNW,S2	600
42	30S	55W	15	SWSW	40
43	30S	55W	16	ALL	640
44	30S	55W	22	W2NW, NWSW	120
45	30S	54W	9	S2S2	160
46	30S	54W	16	ALL	640
47	30S	54W	36	ALL	640
48	30S	53W	16	ALL	640
49	30S	53W	36	ALL	640

50	28S	54W	33	SESE	40
51	28S	54W	34	S2SW	80
52	28S	54W	36	ALL	640
53	28S	55W	34	N2NW	80
54	28S	55W	27	W2NE, SWNW, SW	280
55	28S	55W	28	SESE	40
56	28S	55W	33	N2NE	80
57	31S	52W	5	LOT 4 (NWNW)	49.81
58	31S	52W	6	LOT 7 (SWSW)	39.89
59	31S	52W	11	N2NW	80
60	31S	52W	16	ALL	640
61	31S	53W	2	S2S2	160
62	31S	53W	11	N2N2	160
63	31S	53W	16	ALL	640







## Appendix B: Soil Gas Survey Samples

Prospect Name	UTM13 eastings (X) and northings (Y)		Helium Concentration (ppmv)	Helium Concentration (% above atmospheric levels)
	X	Y		
Falcon	615689	4103996	6.01	15%
Falcon	615782	4104980	5.82	11%
Galactica	631198	4140744	7.86	50%
Galactica	646039	4144896	7.72	47%

*Table 1, Las Animas Leases Soil Gas Samples*

## Notes

1. Falcon soil gas samples taken from leased areas 27 and 28 in Appendix A.
2. Galactica soil gas samples taken from leased areas 11 and 48 in Appendix A.
3. Enterprise: see the announcement of 19 September 2019.