



BIG STAR ENERGY

ASX ANNOUNCEMENT

19 December 2019

ADDITIONAL NET ACREAGE ACROSS HELIUM PORTFOLIO

- Additional 5,440 net acres leased across portfolio of prospects
- Total Big Star lease position now 92,443 gross (50,692 net) acres

Big Star Energy Ltd (“Big Star” or the “Company”) (ASX:BNL) is pleased to announce that it has leased an additional 5,440 net acres across its existing gross acreage position in Colorado, USA.

Big Star Managing Director, Joanne Kendrick, commented *“As we continue to consolidate our lease position and with a strongly supported capital raise completed I look forward to an active new year’s work program as outlined in our corporate presentation released 9 December 2019”*.

Further details of the new lease are set out in Appendix A.

The Board has authorised for this announcement to be given to ASX.

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

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.

Appendix A

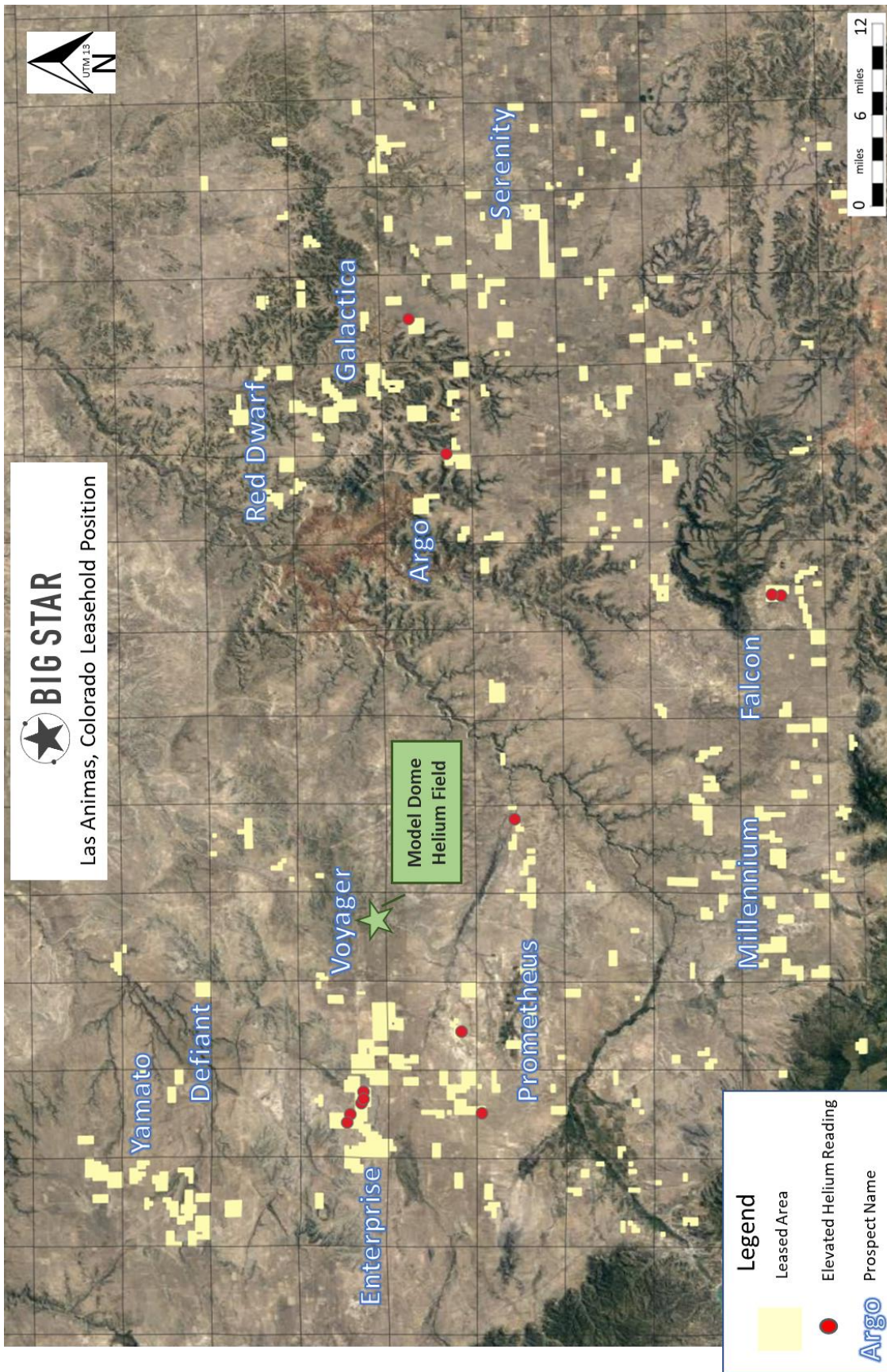


Figure 1 : Big Star Lease Position.

Prospect Name	Gross Leased Acres	Net Leased Acres	Elevated Helium Readings from Soil Gas Samples
Enterprise	12,213	5,167	5
Voyager	1,369	669	No samples leased
Prometheus	9,077	4,573	2
Millennium	11,545	6,026	No samples leased
Falcon	4,625	3,546	2
Red Dwarf	3,927	3,561	No samples leased
Galactica	8,614	7,280	2
Serenity	7,029	4,772	No samples leased
Defiant	1,340	943	No samples leased
Yamato	8,390	3,632	No samples leased
Argo	961	416	No samples leased
Leads	23,354	10,108	1
Total	92,443	50,692	12

Table 1 : Summary of Prospects with Leasing (changes bold)

Summary of new lease

The new lease is for an initial term of 5 years with an option to renew for a further 5 years. In the event that Big Star successfully produces helium or other products from the lease area, a 12.5% royalty will be payable to the lessor and the lease term will be extended indefinitely until production ceases. The lease does not include any minimum work commitments. The Company is the only working interest owner in the lease. The Company has agreed to pay a lease bonus to the lessor on or before 23 April 2020 after concluding customary due diligence. The amount of the lease bonus is not material to the Company.

Note 1: The new lease is in respect of the gross acreage tracts described in the announcement of 28 November 2019.

Note 2: The gross and net acreage the subject of the new lease will be verified in due diligence prior to payment of the lease bonus.