



BIG STAR ENERGY

ASX ANNOUNCEMENT

25 February 2020

HELIUM LEASING ACQUISITION AND UPDATE

- Additional 17,612 gross (12,912 net) acres leased across portfolio of prospects and leads
- Big Star's total lease position now 110,055 gross acres
- Big Star now has a total of 15 elevated helium readings recorded across its leased acreage, including a sample at 100% above atmospheric concentrations

Big Star Energy Ltd ("Big Star" or the "Company") (ASX:BNL) is pleased to announce that it has acquired an additional 17,612 gross (12,912 net) acres in Colorado, USA. The additional acreage was secured by 22 new leases won at the February State land auction and 8 new leases from private mineral owners.

Big Star Managing Director, Joanne Kendrick, commented *"I'm delighted by our success at the recent state auction where we saw an increase in competition for leases, supporting our opinion of the prospectivity in the area and specifically at the Enterprise location."*

"Our leasing program will continue this quarter with a focus on increasing net acreage over key prospects. At the same time we are working on well location selection, drilling planning and prospective resource estimation."

The Company has leased acreage covering a total of 15 soil gas sample locations which returned helium readings significantly above atmospheric concentrations. All samples were obtained during the regional gas survey referred to in the Company's announcement of 19 September 2019 and are described in the Appendix.

Further details of the new leases and an update on the verification process referred to in previous announcements are set out in the Appendix.

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

For further information, please contact:

Joanne Kendrick

Managing Director

info@bigstarenergy.com.au

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 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

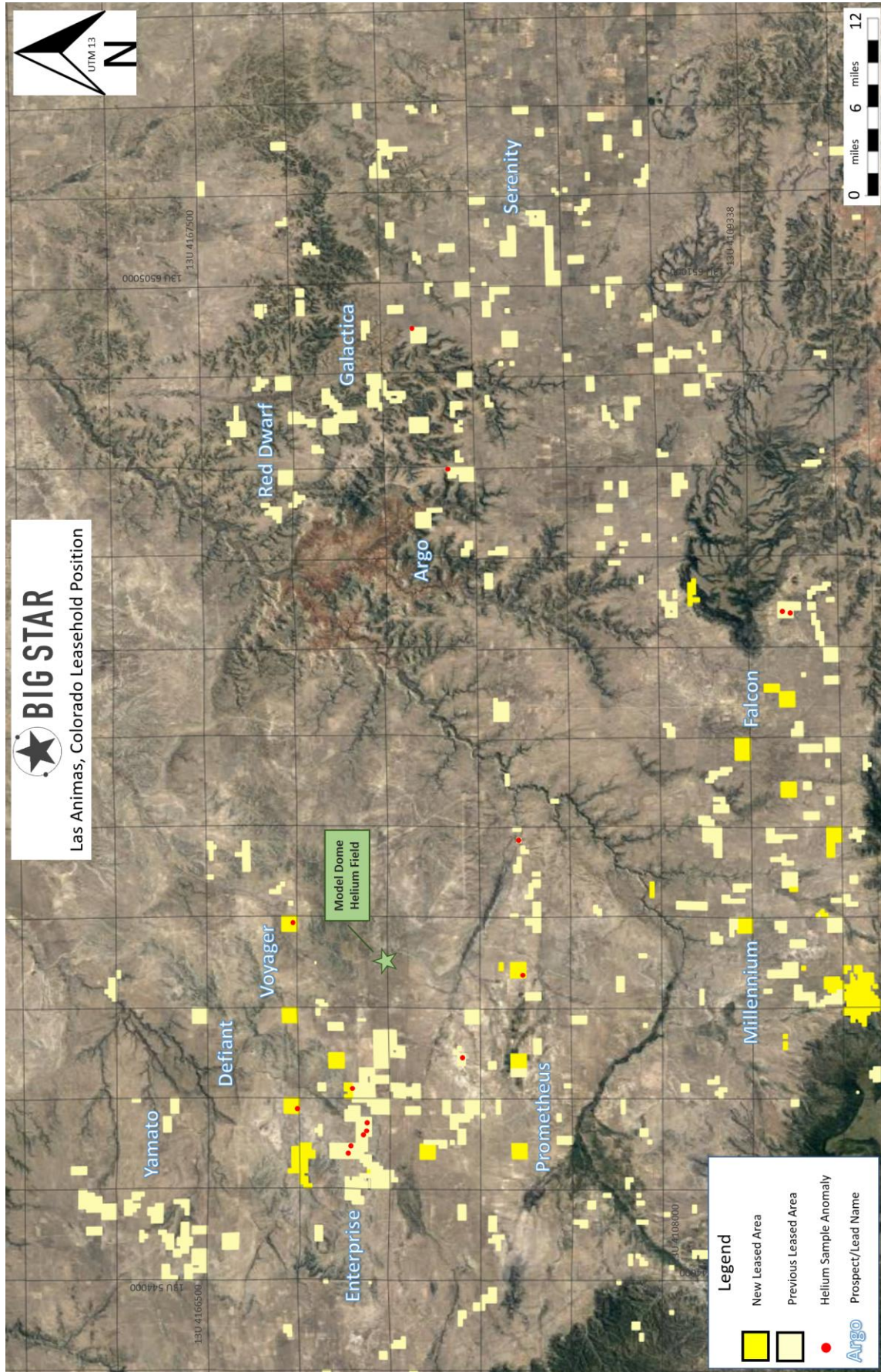


Figure 1 : Big Star Current Lease Position.

Summary of new leases

The new leases from the State of Colorado are for 11,129 gross (11,129 net) acres, 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 annually in advance. If 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\$31,772 comprising the first year's rental, lease bonuses, application and other fees. The Company is the only working interest owner in the leases.

The new leases from the private mineral owners are for 6,483 gross (1,783 net) acres, for an initial term of 5 years with an option to renew for a further 5 years. If 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 leases do not include any minimum work commitments. The Company is the only working interest owner in the leases. The Company has agreed to pay lease bonuses to the lessors after concluding customary due diligence. The total amount of the lease bonuses payable in respect of these new leases is not material to the Company.

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

Summary of Soil Gas Survey Results

Soil Gas Survey Locations Captured by Current Leasing			
UTM13 eastings (X) and northings (Y)		Helium Concentration (ppmv)	Helium Concentration (above atmospheric levels)
X	Y		
582119	4157576	5.81	11%
576510	4132606	5.91	13%
562130	4157221	10.77	106%
564706	4151311	6.48	24%
561119	4149827	5.87	12%
558696	4151376	5.78	10%
559886	4150090	5.82	11%
557747	4151660	6.36	21%
560325	4149824	5.89	12%
615689	4103996	6.01	15%
615782	4104980	5.82	11%
631198	4140744	7.86	50%
567792	4139074	5.83	11%
646039	4144896	7.72	47%
591050	4133234	5.88	12%

Update on Leasing Verification Process

The current status of the lease verification process is as follows.

Announcement Date	Net Leased Acres	Subject to Verification	Provisional Adjustments	Verified Adjustments	Verified	Expected Net Acres Post Verification
31-Oct-2019 (and prior)	1,470				1,470	1,470
26/11/2019	21,824				21,824	21,824
28/11/2019	14,877	11,156	- 11,000		3,721	3,877
5/12/2019	1,640			177	1,817	1,817
12/12/2019	5,440			- 35	5,406	5,406
19/12/2019	5,440			- 35	5,406	5,406
25/02/2019	12,912	1,658			11,254	12,912
Total/s	63,603	12,814	- 11,000	108	50,897	52,711

The confirmed net acres include the leases the subject of the 5, 12 and 19 December 2019 announcements where verification has resulted in a non-material increase in the net acreage position and the exclusion of one soil gas sample from the Company's leased acreage.

Verification of the lease the subject of the 28 November 2019 announcement is on-going and it appears likely that the net acreage will be adjusted downwards by approximately 11,000 net acres resulting in the lease bonus also being adjusted downwards by approximately US\$55,000. The final position in relation to this lease will be confirmed after the conclusion of the verification process including discussions with the lessor regarding their understanding of their mineral interests.

These adjustments will not affect the Company's exploration programme as the bulk of the excluded acreage is outside the Company's current priority prospects. The Company welcomes the opportunity to divert additional cash resources into the prospects where it is focused on well location selection, drilling planning and prospective resource estimation.

At this stage, the Company does not expect the Company's gross acreage position of 110,055 gross acres to materially change as a result of the verification process.