

BLUE STAR HELIUM LIMITED

30 April 2020

Activities Report Quarter Ended 31 March 2020

The Board is pleased to provide an update on activities in what was an active and successful quarter to 31 March 2020.

KEY HIGHLIGHTS

Colorado Helium Project

- Leased acreage grew significantly to 121,086 gross (64,924 net) acres across 11 helium prospects and additional leads.
- 18 soil gas samples within leased acreage contain elevated helium readings.
- Independent helium resources assessment commissioned.
- Offtake discussions with mid-stream suppliers.
- Engaged permitting and drilling engineering groups for the drilling campaign

Corporate

- Cash on hand at the end of the quarter was \$0.50 million

OPERATIONS

Helium Project – Colorado, USA

The Company continued to lease aggressively during the quarter reaching a total land position of 121,086 gross (64,924 net) acres across 11 prospects and additional leads in Las Animas, Colorado. Blue Star now holds a dominant land position in Las Animas County, Colorado including some leases within 6 miles of the historical Model Dome helium field.

The Model Dome helium field was discovered in the 1920s and produced for a short period before being strategically acquired by the US Government. It produced gas containing 8% helium and is included in the top 4 highest concentration helium fields produced in the USA. Model Dome's shallow, vertical wells initially produced between 500 and 1,000 mcf/day of raw gas per well.

Blue Star's geological modelling has extended the proven play elements of helium source, reservoir and seal presence from the Model Dome field across the Enterprise and Galileo prospects. The Enterprise and Galileo prospects represent individual, unproven structural traps mapped by Blue Star within the broader proven play fairway.

The Company commissioned Sproule/MHA to undertake an independent resources assessment of the Enterprise and Galileo prospects. This assessment will be concluded in the June quarter.

During the quarter, the Company carried on discussions with potential helium offtakers and these discussions are on-going.

During the quarter, the Company engaged drilling engineering and permitting groups as the primary contractors required to support its drilling program preparation.

Customary due diligence continues with respect to the lease position secured in the March quarter prior to payment of the lease bonus amounts to each lessor.

Blue Star will continue to add to both its gross and net position over preferred prospects in Las Animas County whilst we complete the technical and permitting work necessary to progress prospects to drill-ready status.

New Ventures - Helium

The Company continues to actively pursue upstream helium opportunities in accordance with its stated strategy.

Big Star Project – Texas, USA

During the quarter, production continued from the Simmons well. As at the report date, this asset is held for sale. The Stuart, Esmond and Cline wells did not produce in the quarter and remain shutin.

CORPORATE

Blue Star's cash at the end of the March 2020 quarter was approximately \$0.50 million.

Michael Pollak resigned as Non-Executive Director on 26 March 2020 for personal reasons.

Subsequent to the end of the quarter, the Company held a general meeting on 24 April 2020 at which all resolutions put to the meeting were approved.

TENEMENT TABLE

Tenements held at the end of the quarter and changes thereof:

Project Name	Acreage held at the beginning of the Quarter	Acreage held at the end of the Quarter	Acreage acquired (disposed/lapsed)
Held By Production Acreage, Big Star Project, USA	80 acres	80 acres	-
Helium Project, Las Animas, Colorado, USA*	92,443 gross (50,692 net) acres	121,086 gross (64,924 net) acres	28,643 gross (14,232 net) acres

*As announced 30 March 2020

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

For further information, please contact:

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About Blue Star:

Blue Star Helium Ltd (ASX:BNL) is an independent oil and gas exploration and production company, headquartered in Australia, with operations and exploration in North America. Blue 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.bluestarhelium.com

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.