



## **ASX ANNOUNCEMENT**

4 May 2020

### **CORPORATE AND OPERATIONS UPDATE FROM THE MD**

Blue Star Helium Limited (Blue Star or the Company) (ASX: BNL) would like to provide shareholders with the following corporate update.

Blue Star Helium's strategy is to discover and develop new, high-margin helium supplies in North America. This strategy continues to gain momentum in 2020. Our current focus is targeting world-class helium resources near the historical Model Dome helium field in Colorado. To align with our strategy, the Company changed its name to Blue Star Helium.

We have been very successful at recent government auctions, securing 28,643 additional net acres over our preferred prospects to the end of the March quarter, bringing our total lease position to 121,086 gross (64,924 net) acres. The Company has also recently commissioned an independent prospective resource evaluation over the Enterprise and Galileo prospects and engaged drilling engineering and permitting groups as the primary contractors required to support its drilling program preparation.

The Company remains fully functional despite COVID-19 adapting easily to more isolated working conditions.

#### **Helium Market Outlook**

It's a challenging time for all of us but it's also one of opportunity with the helium market itself being relatively resilient to COVID-19 related effects. After a sustained period of 10-15% critical shortage in helium supply prior to COVID-19, there has been reduced short-term demand in sectors such as party balloons and diving gas. However, demand still continues in critical applications including health (MRI, Heliox), military, computing and communications.

Conversely, there is also some helium supply disruption resulting from low natural gas prices and a worldwide LNG glut. Demand and pricing of natural gas and LNG is a key factor in helium supply – the vast majority of both current helium supply and forecast new helium supplies are byproducts of hydrocarbon production.

A post-COVID world is difficult to predict with certainty, however, it is likely that major new LNG projects with associated helium will see delays as well as a lack of further investment and this will have a more lasting and significant effect than any short term impacts to demand. This would, in turn, have natural consequences to upward helium pricing in 2021 and beyond.



## **Blue Star Helium's Near-term Objectives**

Over the balance of 2020 we are focused on delivering key milestones that we believe will provide tangible share value for the Company.

In the short-term, we will conclude our independent prospective resources report which will estimate the recoverable helium resource and support the investment case for the Company's Enterprise and Galileo prospects.

During the June quarter, the Company will also progress the permitting, drilling engineering, planning and development concept work ahead of our planned drilling program. It is expected that drilling costs will reduce from previous estimates due to lower demand for oilfield services further strengthening the value proposition.

Thank you for your continuing support and my best wishes to you and your families through this difficult time.

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

### **For further information, please contact:**

Joanne Kendrick  
Managing Director  
[info@bluestarhelium.com](mailto:info@bluestarhelium.com)

### **About Blue Star Helium:**

Blue Star Helium Ltd (ASX:BNL) is an independent helium 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](http://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.