

**ASX ANNOUNCEMENT**

22 June 2020

**CORPORATE AND LEASING UPDATE**

**Blue Star Helium Ltd (“Blue Star” or the “Company”) (ASX:BNL)** is pleased to provide the following corporate and leasing update.

The Company has delivered on significant milestones over the last month including the following:

- 3 BCF P50 Prospective Helium Resource at Enterprise and Galileo
- Drilling engineering estimates confirming US\$300k per well dry hole costs
- Successful capital raising of \$2.3 million before costs (\$1.32 million subject to shareholder approval)
- 2.25 million options have also been exercised generating further funds of \$22,500 at \$0.01 per issued share
- Increase in leased helium acreage to 128,787 gross (68,130 net) acres

Blue Star is now strongly positioned to execute on the balance of our 2020 plans:

- **Drilling program planned for Q4 2020**
  - o Planning is well underway with several potential well locations being reviewed at site. Final location selection will be made with input from the State of Colorado considering site works and surface access requirements.
- **Maturing key prospects**
  - o The Company is currently seeking to negotiate agreements with several third parties in relation to both fee and Federal leases. The Company is confident it will continue to add further leases across a number of its mapped prospects with the aim of increasing its net exposure. However, there can be no guarantee that these negotiations will result in binding agreements.
  - o When appropriate, Blue Star will undertake prospective resource assessments on additional prospects and potentially add them to the drilling program.
- **Development concept selection**
  - o In the event that a helium discovery is made in the drilling program, Blue Star intends to use a modular approach to the development concept. The first helium processing skid is likely to be rented and service up to 5 development wells. Further wells and processing skids will be added as necessary to fully develop the helium resource. Discussions are ongoing with a number of suppliers.
  - o Blue Star has a number of discussions ongoing with potential helium purchasers. The Company will seek to sell the majority of any helium produced from the first modular processing unit at the plant gate under long term contract.



Blue Star’s Managing Director, Joanne Kendrick, commented “By delivering on our strategy to date we have set strong foundations for low capex exploration and development targeting long-term, high-margin helium production. Our dominant land position and prospective resources focusing on premium-grade helium in the Model Dome fairway along with the Company’s strong financial position provide an excellent base from which to launch into the second half of 2020.”

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

**For further information, please contact:**

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**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.



## Appendix

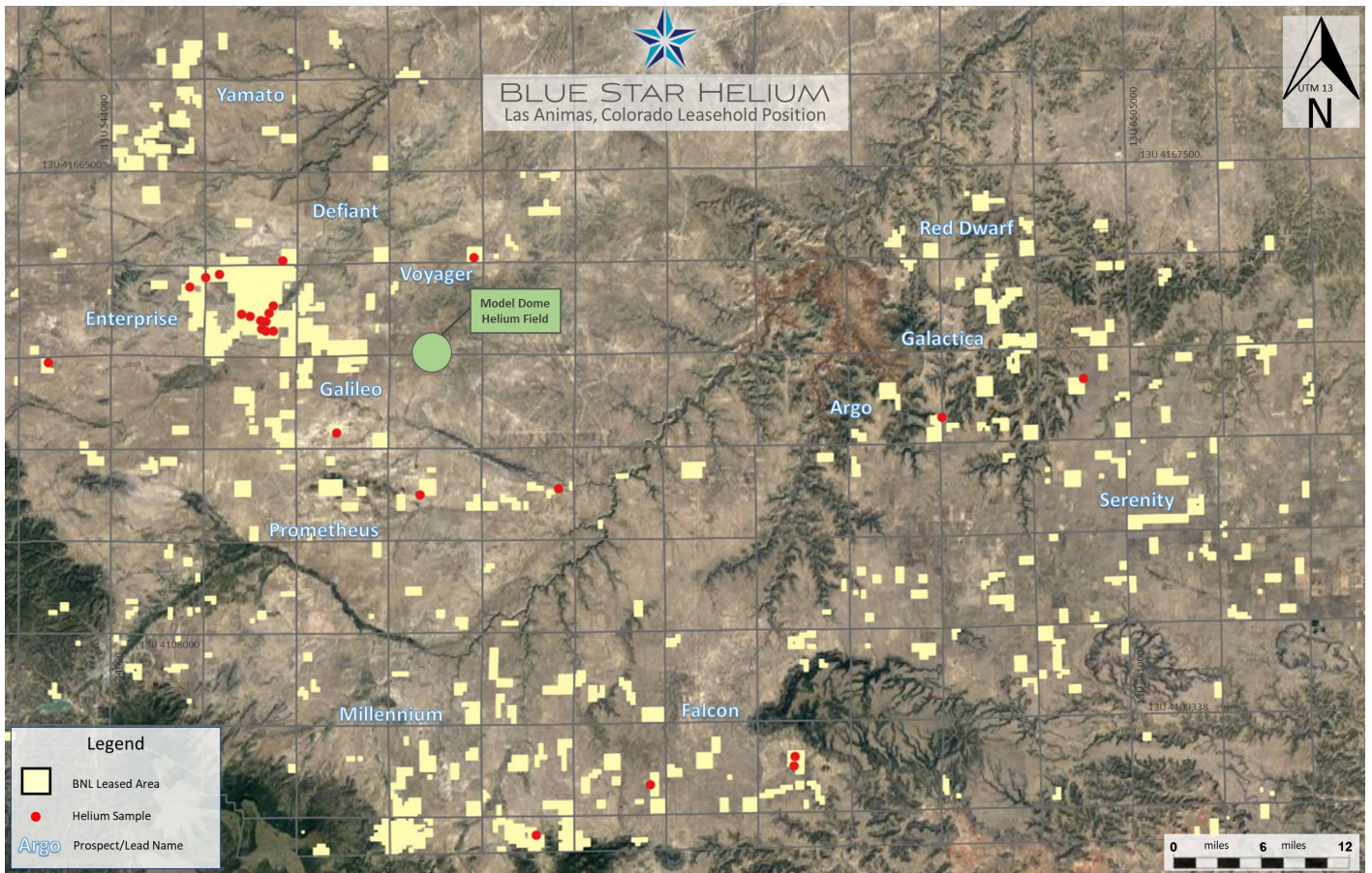


Figure 1 : Blue Star Helium Current Lease Position.

### Summary of new leases

The new leases from private mineral owners are for 2,230 net acres, for an initial term of 5 years with an option to renew for a further 5 years. If Blue 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 verification. The total amount of the lease bonuses payable in respect of these new leases is not material to the Company.

Blue Star's current lease position is 128,787 gross (68,130 net) acres. Included within this total are 65,930 net acres which have been verified and 2,200 net acres which are subject to verification.

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