

ASX ANNOUNCEMENT

25 March 2021

DRILLING PROGRAM UPDATE

Blue Star Helium Ltd (“Blue Star” or the “Company”) (ASX:BNL) provides an update to the Company’s planned drilling program at its targeted prospects in Las Animas County, Colorado.

Blue Star Managing Director, Joanne Kendrick, said: “I am pleased to advise the Company has had numerous positive discussions with the Colorado Oil and Gas Conservation Commission (COGCC) and I am very confident the Enterprise drilling permit will be granted in accordance with the COGCC’s newly implemented rules.

“It is anticipated the Company will submit its first permit application at Enterprise in the coming few weeks.

“Blue Star is also preparing drilling permit applications for Galactica and Pegasus. I believe these and other future applications will benefit from the current constructive discussions with the COGCC due to their similarities in objective, location and design of the wells.”

Permitting

Blue Star has been actively engaging with the COGCC in pre-vetting several documents that must be submitted to comply with the COGCC’s newly implemented rules.

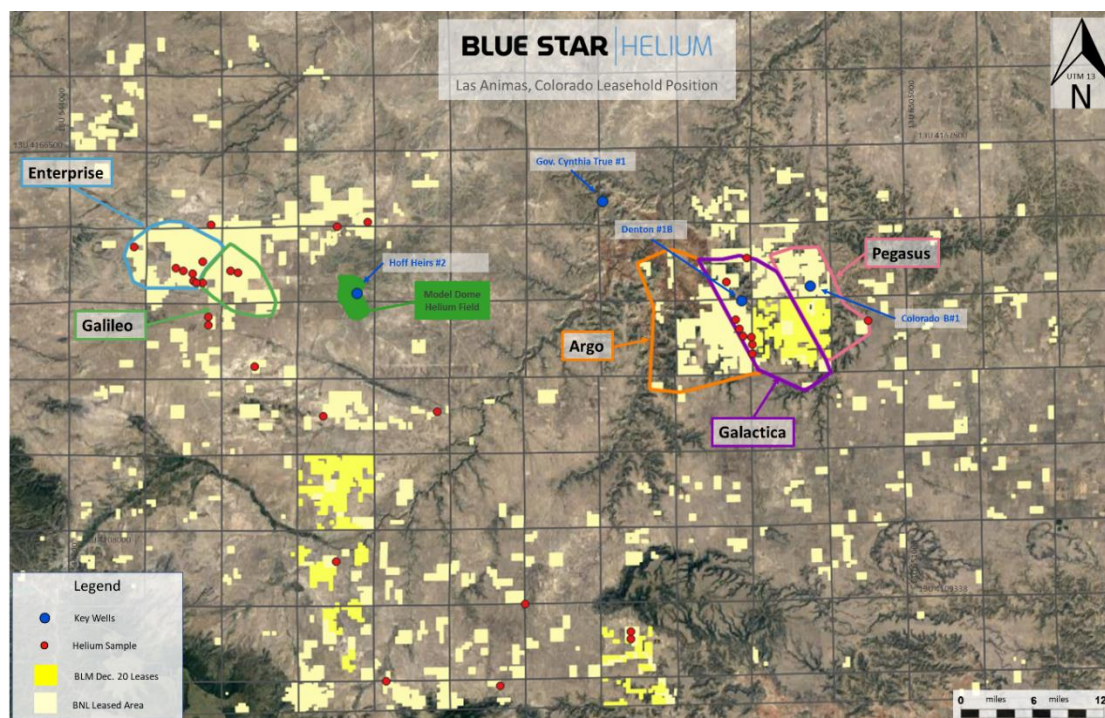
Blue Star recently presented by video conference to key decision makers within the COGCC in connection with the Company’s broader drilling program in Las Animas County, Colorado.

Blue Star’s Board of Directors believes the Company’s plans were favourably received by the COGCC and the COGCC raised no specific issues.

Galactica and Pegasus

The Company recently announced prospective resources over Galactica and Pegasus (see announcement 8 February 2021). The prospective resources were supported by historic well data showing interpreted gas columns associated with each prospect. No flow test or gas samples were taken from these historic wells and therefore helium content is undetermined. A third historical well, the Government Cynthia True #1 located on the same greater structural high as Galactica and Pegasus, was tested at a helium concentration of 8.8%.

The Company is preparing permit applications over these prospects. The Company will provide further updates to the market in due course.



The Board of Directors has authorised this announcement for release 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

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.

