

ASX ANNOUNCEMENT

29 October 2021

A\$15M EQUITY RAISING SUCCESSFULLY COMPLETED

Blue Star Helium Limited (ASX:BNL) (**Blue Star** or the **Company**) is pleased to advise that it has received firm commitments to raise A\$15 million in gross proceeds via an institutional placement of 267,857,143 new ordinary shares (**New Shares**) to institutional and sophisticated investors at an issue price of A\$0.056 per share (**Placement**).

The Placement was strongly supported by existing shareholders and new Australian and international institutional investors. The funds raised from the Placement enable Blue Star to accelerate helium exploration and development evaluation activities across its world-class Las Animas County acreage in Colorado.

Raised funds are to be directed towards:

- Expanding helium exploration well and water well drilling activities;
- Further key acreage leasing initiatives;
- Production development studies (surface, subsurface, resources, facilities); and
- Working capital.

Blue Star's Managing Director and Chief Executive Officer, Trent Spry, commented:

"The strong support for this raising evidences the large-scale extent and expected high-grade helium content of our Las Animas landholding in Colorado. We are especially pleased to welcome a number of new institutional investors onto the Blue Star register. We believe that this shows a growing market recognition of the tightening fundamentals within the global helium market, and most particularly within the world's largest helium market, the United States.

"Following the grant of our Form 2A OGD approval for the Enterprise 16#1 well, we are excited to be in the final phase of approval to commence drilling of our maiden helium exploration well. We expect to commence drilling of this well promptly upon receipt of the approved final permit to drill (Form 2), which is typically received within 30 days of submission which will happen shortly.

"Blue Star continues to progress multiple further exploration well permits through the Colorado approvals process. The adoption of a rolling permitting strategy is designed to provide the business with significant flexibility around well selection and allow a sustained drilling program with a substantial degree of embedded responsiveness to respective drilling outcomes.

"Drilling of the next water well (BBB#1) is also expected to commence in November. This well is located close to Blue Star's Voyager prospect, which is positioned approximately six miles north from the Model Dome field. Our water well drilling program not only offers significant community relationship benefits but is also a source of valuable additional data with respect to helium prospectivity across our acreage."

Placement

The Placement price of A\$0.056 per New Share represents:

- a 15.2% discount to the Blue Star last close price on 27 October 2021 (A\$0.066 per share); and
- a 11.7% discount to the 10-day VWAP of Blue Star shares up to close on 27 October 2021 (A\$0.0634 per share).

The Placement will be completed in a single tranche pursuant to the Company's existing issuance capacity with 141,800,853 shares issued under ASX Listing Rule 7.1 and 126,056,290 shares issued under ASX Listing Rule 7.1A. New Shares will rank equally in all respects with the existing fully paid ordinary shares in the Company.

Settlement is expected to occur on Thursday 4 November 2021, with quotation of the new shares expected on Friday 5 November 2021.

Canaccord Genuity (Australia) Limited acted as Sole Lead Manager and Book Runner to the Placement with Pamplona Capital Pty Ltd acting as Co-Manager.

This ASX Announcement has been authorised for release by the Board of Blue Star Helium Limited.

For further information, please contact:

Trent Spry
Managing Director & CEO
info@bluestarhelium.com
+61 8 9481 0389

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 find and develop new supplies of low cost, high grade helium 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.

