

ASX ANNOUNCEMENT

16 February 2022

ENTERPRISE 16#1 WELL SPUDED

Highlights

- Enterprise 16#1 helium exploration well (100% Blue Star) spudded.
- Well location interpreted to be up-dip of the Hill#2 water well drilled in October 2021.
- Drilling expected to take approximately six days to reach total depth and a further approximately six days for evaluation and testing.
- Enterprise 16#1 is the first in a series of 10 wells planned to be permitted and drilled across the portfolio this year.



Drill rig preparing for spud at Enterprise

Blue Star Helium Limited (ASX:BNL) (**Blue Star** or the **Company**) is pleased to announce its maiden helium exploration well, Enterprise 16#1 (100% Blue Star), located in Las Animas County, Colorado, has spudded.

Blue Star Helium Limited | ASX:BNL | OTCQB:BSNLF
194 Hay Street, Subiaco, WA, 6008

ACN 009 230 835 | info@bluestarhelium.com | www.bluestarhelium.com

The well is expected to take approximately six days to reach a Total Depth (TD) of approximately 980 feet.

The well is set to test an interpreted structural high within the Enterprise prospect targeting a helium pay zone in the Lyons formation.

The location is interpreted to be up-dip of the Hill#2 water well drilled in October 2021 which exhibited 29 feet of gas in the Lyons formation with a Gas Water Contact interpreted at 838 feet on wireline logs (see BNL ASX releases dated 21 December 2021 and 20 October 2021). The Enterprise 16#1 location is approximately 1.5 miles northeast from the Hill#2 water well.

Once drilling is completed, the evaluation and testing program will commence. Open hole wireline logging across the Lyons formation is planned, followed by flow testing. Gas sampling for compositional analysis will be conducted throughout the well testing program.

The well evaluation and testing phase is expected to take approximately six days. Interim results from wireline logging and initial flow-back can be expected prior to the completion of flow testing.

Blue Star Managing Director and CEO, Trent Spry, commented:

“The spudding of our maiden helium exploration well is a significant milestone for the Company.

“To have worked-up a portfolio of prospects from first principles, assembled the acreage, undertaken the comprehensive COGCC requirements to permit the initial well – including being the first operator to successfully permit a helium exploration well in Colorado since January 2021 – and now to have commenced drilling is an achievement that makes the entire team incredibly proud.

“We have built an industry-leading helium exploration and development business with a premier holding of prospective lands that we are now looking to rapidly advance.

“The drilling of Enterprise 16#1 represents just the first in a series of ten wells planned to be permitted and drilled across the portfolio this year.

“The helium market is currently experiencing severe and protracted supply restrictions, particularly in the US, making our 2022 exploration program of critical interest to market participants.”

Enterprise 16#1 is located on a 100%-owned State lease in Section 16 of Township 29 South Range 62 West in Las Animas County, Colorado.

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.

