

ASX ANNOUNCEMENT

10 May 2022

PLAN OF DEVELOPMENT AND FACILITY FEED STUDY COMMENCED

Highlights

- Consulting engineers, SIGIT, engaged to prepare a plan of development for Blue Star's Las Animas helium portfolio, expected completion during Q3 CY2022.
- Plan of development to include Front-End Engineering and Design (**FEED**) for an initial processing facility at the Voyager prospect.
- Sproule appointed to prepare the Company's first independent helium resource assessment for Voyager with expected completion this quarter.
- Applications for permits to drill the initial two Voyager appraisal and development wells expected to be submitted this week (currently in permit preparation phase) and remaining three to follow shortly thereafter.

Blue Star Helium Limited (ASX:BNL, OTCQB:BSNLF) (**Blue Star** or the **Company**) provides an update on the advancement of its Voyager prospect and broader helium portfolio in Las Animas County, Colorado.

The Voyager prospect is being fast tracked for development after the breakthrough success of BBB#1 exploratory water well which returned a 134 ft gas column in the Lyons formation with a calculated air-free helium concentration of 8.8% (see BNL ASX announcements of 17 November 2021, 21 December 2021 and 5 April 2022).

Blue Star has appointed consulting engineers, SIGIT Operating Company LLC, to prepare a plan of development for its Las Animas portfolio, including an initial FEED study for a processing facility at the Voyager prospect.

The plan of development is set to include:

- Plant asset optimisation including an assessment of power options;
- Gathering system design; and
- FEED for the processing plant including an evaluation of technology providers and other long lead suppliers, scheduling and total installed cost for the facilities.

The FEED study is also expected to include consideration of a joint development of Voyager with the nearby Enterprise prospect.

Blue Star has been working with SIGIT since Q3 CY2021 when it prepared an initial high level engineering study and capital investment analysis of a standardised facility. Completion of the plan of development is expected during Q3 CY2022.

As part of the plan of development Blue Star also expects to commence a FEED study this quarter for a facility located in the east for the Galactica, Pegasus and Serenity prospects.

The Company has appointed Sproule to prepare the first independent resource assessment for the Voyager prospect. Blue Star's current Las Animas P50 net unrisked prospective helium resource of 13.4 Bcf does not include an estimate for the Voyager prospect (see announcements of 16 November 2020 and 10 June 2021).

Applications to drill the initial two Voyager appraisal and development wells are expected to be submitted this week with the remaining three to follow shortly thereafter. These well locations are all currently in the "Permit Preparation" phase as previously announced.

Blue Star is also currently in discussions with a rancher in respect of the potential drilling of an additional water well at Voyager in the coming months.

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

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About Blue Star Helium:

Blue Star Helium Ltd (ASX:BNL OTCQB:BSNLF) 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.