

ASX ANNOUNCEMENT

16 June 2022

FURTHER DRILLING AND OPERATIONS UPDATE

Highlights

- Drilling of a further two new exploratory water wells at Galactica/Pegasus to follow up the helium discoveries in the recent JXSN#1, 2 & 3 program.
- Upcoming field activity:
 - Enterprise 16-1 workover (mobilising).
 - Maiden helium well at Serenity prospect (Sammons 315310C) expected to commence week beginning 27 June 2022.
 - Drill rig to move from Serenity to Galactica/Pegasus to drill the two new exploratory water wells.
 - Four helium wells to be drilled at Galactica/Pegasus (subject to COGCC hearing on 19 July 2022 and final approval) during H2 2022; set to deliver appraisal and development of the helium discoveries announced in JXSN#1, 2 & 3.
 - Further permits and drilling of 2 - 5 helium wells at Voyager expected during H2 2022; set to deliver appraisal and development of the helium discovery announced in BBB#1.
- Resource updates, plan of development and process facilities FEED for Voyager and Galactica/Pegasus advancing; expected completion Q2 and Q3 2022.

Blue Star Helium Limited (ASX:BNL) (**Blue Star** or the **Company**) announces that a further two exploratory water wells are set to be drilled on its Galactica/Pegasus prospects in Las Animas County, Colorado. After completion of the Sammons 315310C well, which is expected to be drilled at the Serenity prospect later this month, the drill rig is set to move to Galactica/Pegasus to drill these two new exploratory water wells.

Following the success of the recent JXSN 1, 2 and 3 wells at Galactica and Pegasus the two new wells are located to further test the extent of the of the gas filled closures ahead of additional appraisal and development helium wells (see BNL ASX announcement dated 7 June 2022 and table 1 below).

Table 1: Key results from recent Galactica/Pegasus exploratory water wells

Key parameter	JXSN#1	JXSN#2	JXSN#3
Helium concentration (%)	1.98	3.14	2.14
Gas column in Lyons formation (ft)	217.5	101+	230
Net pay in Lyons formation (ft)	143.5	101	153.5
Stabilized initial flow rate (mcf/d)	412	202	412

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.

About water wells:

The water wells are drilled by a contractor pursuant to a drilling contract between the contractor and the rancher. Blue Star is not a party to this contract. The well is the property of the rancher and Blue Star does not have a legal or economic interest in it. Water wells are drilled for the sole purpose of producing water for use by the rancher. Water wells may not produce helium and may not be converted into producing helium wells.