

ASX ANNOUNCEMENT

7 July 2022

TERMS OF SECURITIES

Blue Star Helium Limited (ASX:BNL, OTCQB:BSNLF) (**Blue Star** or the **Company**) advises that the securities described in the announcement of 7 July 2022 shall be issued pursuant to a plan on terms materially the same as that described in Schedule 2 of the Notice of Annual General Meeting dated 29 April 2022, released 4 May 2022 as amended by the additional clause 17 set out in the appendix to this announcement

(<https://www.asx.com.au/asxpdf/20220504/pdf/458nzdln2snsrb.pdf>).

The securities are being issued under the ASX Listing Rule 7.1 capacity, pursuant to the plan for US employees.

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 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.

APPENDIX

17. TAXPAYERS OF UNITED STATES

17.1 US Tax Provisions

- (a) The Plan terms are modified by the provisions of this Rule 17 in the case of Performance Rights issued to Eligible Participants as a result of their services to a US-based Group Company and in any other case where the provisions of Section 409A of the Internal Revenue Code of 1986, as amended, of the United States of America ("US Tax Code") does or may apply. The provisions of this Rule 17 apply for, and only for, such cases.
- (b) Section 409A of US Tax Code does or may apply to the Plan for Performance Rights issued to Participants, including without limitation as a result of their services to a US-based Group Company. Thus, the Company intends that the Plan, as modified by this Rule 17, is in compliance with the US Tax Code (including Section 409A and Section 280G).
- (c) This Plan as modified by this Rule 17 may be amended by the Board at any time, retroactively if required, to the extent required to conform the Plan including this Rule 17 to Section 280G or 409A of the US Tax Code, and (ii) no provision of the Plan (including any provision of this Rule 17) shall be followed to the extent that following such provision would result in an excess parachute payment under Section 280G of the US Tax Code or a violation of Section 409A of the US Tax Code. Each Participant shall hold harmless the Company, its successors and assigns, and waive any and all claims he or she may have from any and all liabilities which he or she may incur with respect to the Company's non-compliance with Sections 280G and 409A of the US Tax Code.

17.2 No Nominees.

An Eligible Participant may not nominate or designate a Nominee.

17.3 Taxation.

Section 4.10 of the Plan is not applicable. The US Tax Code, including Section 409A thereof, applies.

17.4 No Transfer

A Performance Right may not be transferred, assigned or otherwise Disposed of except as allowed by Section 409A of the US Tax Code.

17.5 Vesting and Exercise.

- (a) Section 7.2 and Section 7.4 of the Plan are not applicable.
- (b) Section 7.3 of the Plan is hereby amended in its entirety to read as follows:

Subject to the terms of the Plan, as modified by this Rule 17 and any Offer, a Participant (or their personal legal representative where applicable) shall be deemed to have exercised any vested Performance Right at the time that the Board notifies that the Performance Right has vested. The Participant (or their personal legal representative where applicable) shall provide the Company with the certificate for the Performance Rights, or If the certificate for the Performance Rights has been lost, mutilated or destroyed, a declaration to that

effect, accompanied by an indemnity in favour of the Company against any loss, costs, or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost, mutilated or destroyed.

17.6 Cash Payment Facility

- (a) The Board notice in Section 8.2(a) of the Plan shall be given within 10 Business Days of giving its notice of vesting.
- (b) The Company rights and obligations under Section 8.4 may be exercised by any applicable Group Company.

17.7 Deferral of Issuance or Cash Payment

The Company may delay the issuance of Shares or payment of the Cash Payment if the Company reasonably anticipates that if the issuance or payment were made as scheduled, the Group Company's tax deduction with respect thereto would not be permitted due to the application of Section 162(m) of the US Tax Code, provided that the issuance or payment is made within the time frames designated by the Treasury Regulations promulgated under Section 409A of the US Tax Code.

17.8 Amendments

The provisions of the Plan and this Rule 17 may only be amended to the extent and as allowed by Section 409A of the US Tax Code.

17.9 Trust.

Rule 15 is not applicable. Notwithstanding the foregoing, an escrow may be used if required by the ASX Listing Rules.