

## ASX ANNOUNCEMENT

4 August 2022

### SAMMONS 315310C WELL SPUDED

#### Highlights

- Sammons 315310C helium exploration well spudded.
- Maiden well to test Blue Star's Serenity prospect.
- Drilling expected to take approximately ten days to reach total depth and a further approximately seven days for evaluation and testing.

Blue Star Helium Limited (ASX:BNL) (**Blue Star** or the **Company**) provides an update on planned drilling to test the Serenity prospect. The operator has advised the Company that the helium exploration well, Sammons 315310C (50% Blue Star), located in Las Animas County, Colorado, has spudded.

The well is expected to take approximately ten days to reach a Total Depth (TD) of approximately 1,400 feet and a further approximately seven days for evaluation and testing. Gas samples taken during testing will be sent for laboratory analysis with results expected to be returned within approximately two weeks of arrival.

#### Serenity drilling (Sammons 315310C well)

The Sammons 315310C well is the maiden Serenity helium exploration well and will target the Lyons formation.

The top Lyons formation at the well location is expected to be structurally similar to recent wells drilled at Galactica and Pegasus to the north and is estimated pre-drill to be at around 1,285 feet (measured depth). The well is planned to TD in gas bearing Lyons reservoir to maximise production upon success.

Three follow-up appraisal and development locations at Serenity have been approved (see BNL ASX release dated 25 February 2022) with final permits to drill (Form 2) to be submitted upon success at Sammons 315310C well.

Budgeted dry-hole costs for drilling of the Sammons well remain in the order of US\$150,000 net to Blue Star.

Sammons 315310C is located on a private mineral lease in Section 10 of Township 31 South Range 53 West in Las Animas County, Colorado.

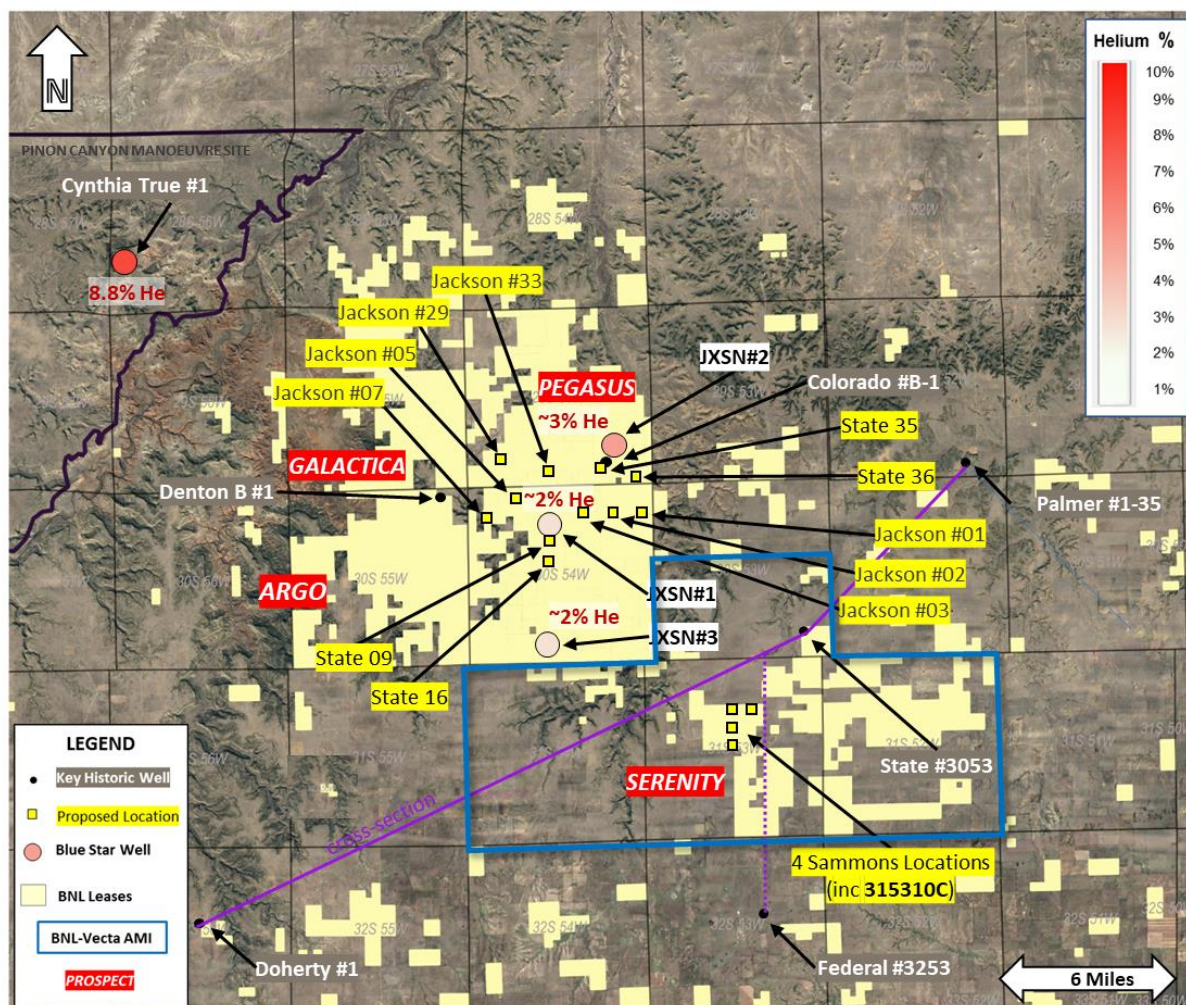
#### Serenity prospect

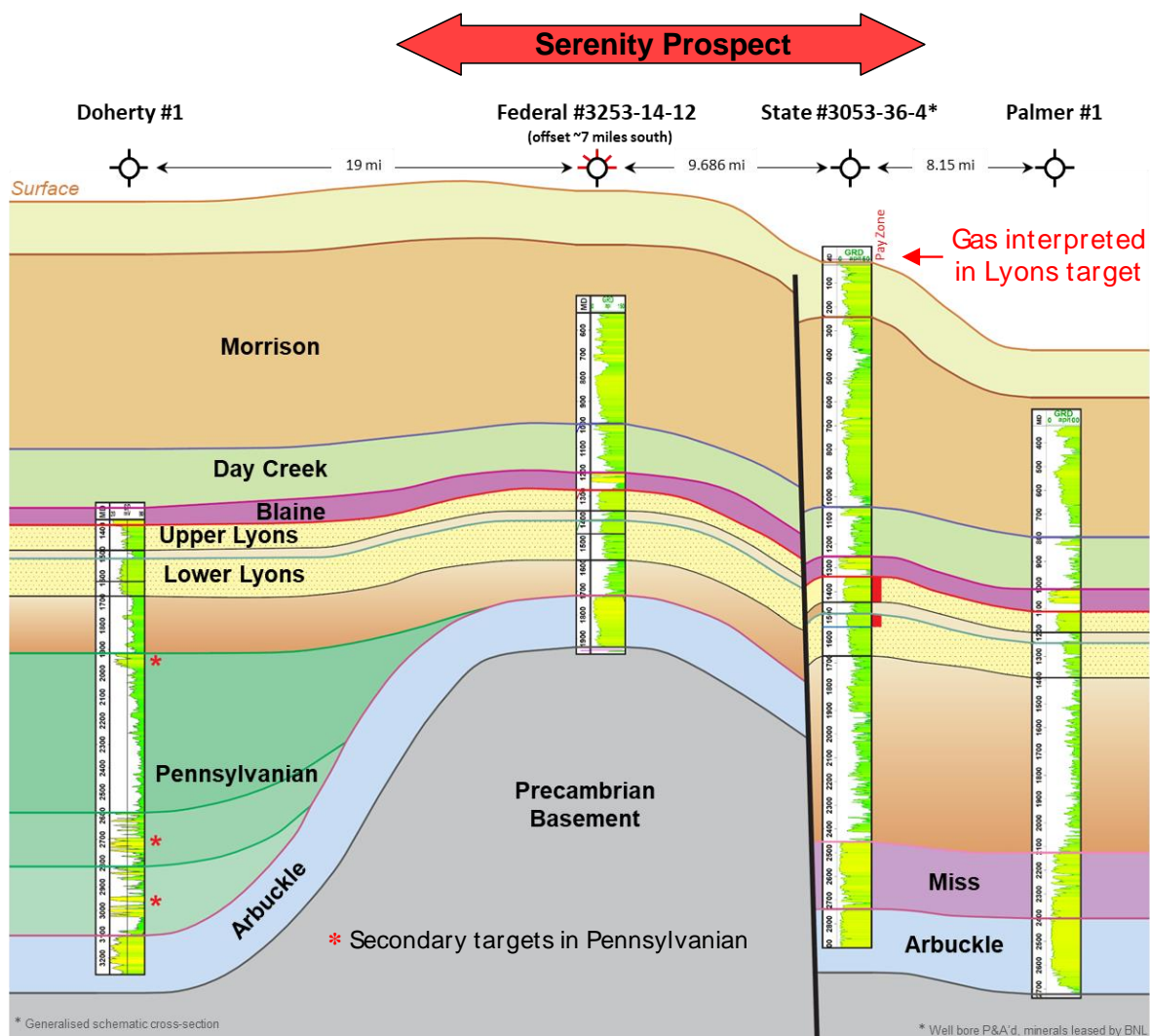
Blue Star's re-interpretation of offset logs showing gas in the Lyons formation, surface mapping and proprietary gravity and magnetics interpretation highlights the significant potential of Serenity.

The Serenity Area of Mutual Interest (**AMI**) contains the historic State #3053-36-4 well where Blue Star has performed wireline log interpretation highlighting gas on logs in both the upper and lower Lyons. The part of the Serenity prospect being tested by the Sammons 315310C well is interpreted to be up-dip and fault separated from the State #3053-36-4 well where gas has been interpreted.

Blue Star also interpreted gas in the Lyons formation on historic logs in the Denton B#1 and Colorado #B-1 wells on the Galactica and Pegasus prospects where recent discoveries confirmed, and significantly extended, the gas interpretation across these prospects (see BNL ASX release dated 17 May 2022).

Drilling success at the Serenity prospect has the potential to significantly increase the Company's resource base. Blue Star's current Las Animas P50 net unrisks prospective helium resource of 13.4 Bcf does not include an estimate for the Serenity prospect (see BNL ASX releases dated 16 November 2020 and 10 June 2021). Upon success and integration of the well data into Blue Star's geologic model, it is planned to engage Sproule to prepare the first independent resource assessment for the Serenity prospect.





The Sammons 315310C well is one of four (4) approved helium wells located in the AMI agreed between Blue Star (50%, non-operated interest), Prospero Oil and Gas LLC (25%, non-operated interest) and Vecta Oil & Gas Ltd (25% operating interest) (refer BNL ASX release dated 22 December 2021).

*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) 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](http://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.