

ASX ANNOUNCEMENT

31 August 2022

SAMMONS 315310C WELL DRILLING UPDATE

Blue Star Helium Limited (ASX:BNL) (**Blue Star** or the **Company**) provides an update on the Sammons 315310C well currently being drilled by the Company's joint venture partner and AMI operator, Vecta Oil & Gas Ltd, on the Serenity prospect in Las Animas County, Colorado.

Vecta has advised the Company that the well has been drilled to approximately 1,166 feet and intersected the Lyons formation at approximately 1,155 feet.

Upon halting drilling, it was observed that the well was blowing gas. Flow testing was commenced and over a 48 hour period the well was periodically flowed and shut in with gas flowing at rates of between 380 mcf/d and 465 mcf/d through a 1.25 inch orifice. Flowing pressure increased in successive tests over the period.

These flow rates are consistent with those exhibited from the discovery wells recently drilled at the Galactica/Pegasus prospects (see BNL ASX release dated 17 May 2022, *Helium Discoveries at Galactica/Pegasus*) and historical reported data from the nearby Model Dome field.

Based on these flow rates from the upper Lyons sands, Vecta has advised that it intends to drill a further 40 feet into the upper Lyons sand and resume flow testing. During flow testing further pressure and flow data as well as gas samples for compositional analysis will be obtained.

Vecta will advise the planned timetable which currently includes drilling and testing of the lower Lyons sand after evaluation of the upper Lyons sand is complete.

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

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.