

ASX ANNOUNCEMENT

2 September 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 upper Lyons sand has now been fully penetrated between 1,155 feet and 1,238 feet, representing an 83 ft gas column of high-quality reservoir. The upper Lyons is completely gas filled with no water being encountered during drilling or testing. Flow testing was conducted at various stages throughout the upper Lyons drilling with gas rates (as high as 500 mcf/d through a 1.25 inch orifice) and flowing pressure increasing since the tests announced on 31 August as the well was drilled deeper.

Casing has now been set at 1,270 feet in the shale that separates the upper and lower Lyons sands. This allows the upper Lyons to be preserved for future completion while allowing the lower Lyons to be tested in isolation for more accurate pressure, flow and compositional analysis.

The immediate forward plan is to drill 20 feet into the lower Lyons sand for initial flow testing of the well for pressure and rate analysis and to collect gas samples to determine composition.

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.