**ASX ANNOUNCEMENT**

17 April 2024

# LAS ANIMAS HELIUM PROJECTS UPDATE

**Galactica/Pegasus**

- Maiden helium development well at Galactica/Pegasus on track for drilling this quarter.
- Well site location has been inspected, access ensured with landowner and construction crew engaged for pad and access upgrades which is expected to commence this week.
- Galactica/Pegasus project has been significantly de-risked by:
    i. high-concentration helium gas flows from discoveries at Blue Star's JXSN#1, #2, #3 and #4 exploration wells; and
    ii. third-party commercialisation of the adjoining Red Rocks helium project.
- Ongoing discussions with various parties have determined that there is potential to monetise the $CO_2$ gas that flows from the reservoir in addition to the helium. Further details will be provided to the market on finalisation of a definitive plan of development.

**Voyager**

- Existing development plan no longer expected to be the highest-returning allocation of the Company's capital.
- Other potential commercialisation pathways under consideration for what is a substantial, high concentration, discovered helium resource.

Blue Star Helium Limited (ASX: BNL, OTCQB: BSNLF) (**Blue Star** or **the Company**) provides an update on key project activities across its high-grade helium acreage in Las Animas County, Colorado.

## Galactica / Pegasus project

Drilling of Blue Star's maiden helium development well at the Galactica/Pegasus project, State 16 SWSE 3054, is on track to be undertaken during the current quarter and will be funded from the Company's existing cash reserves.

State 16 SWSE 3054 is located 3 miles southeast from the Red Rocks project that is currently producing from the Lyons Formation being targeted by Blue Star.

The driller is expected to mobilise to site during May. Blue Star's COO was on location with the landowner last week to prepare for access and plan the construction of the drilling pad which is expected to commence later this week.

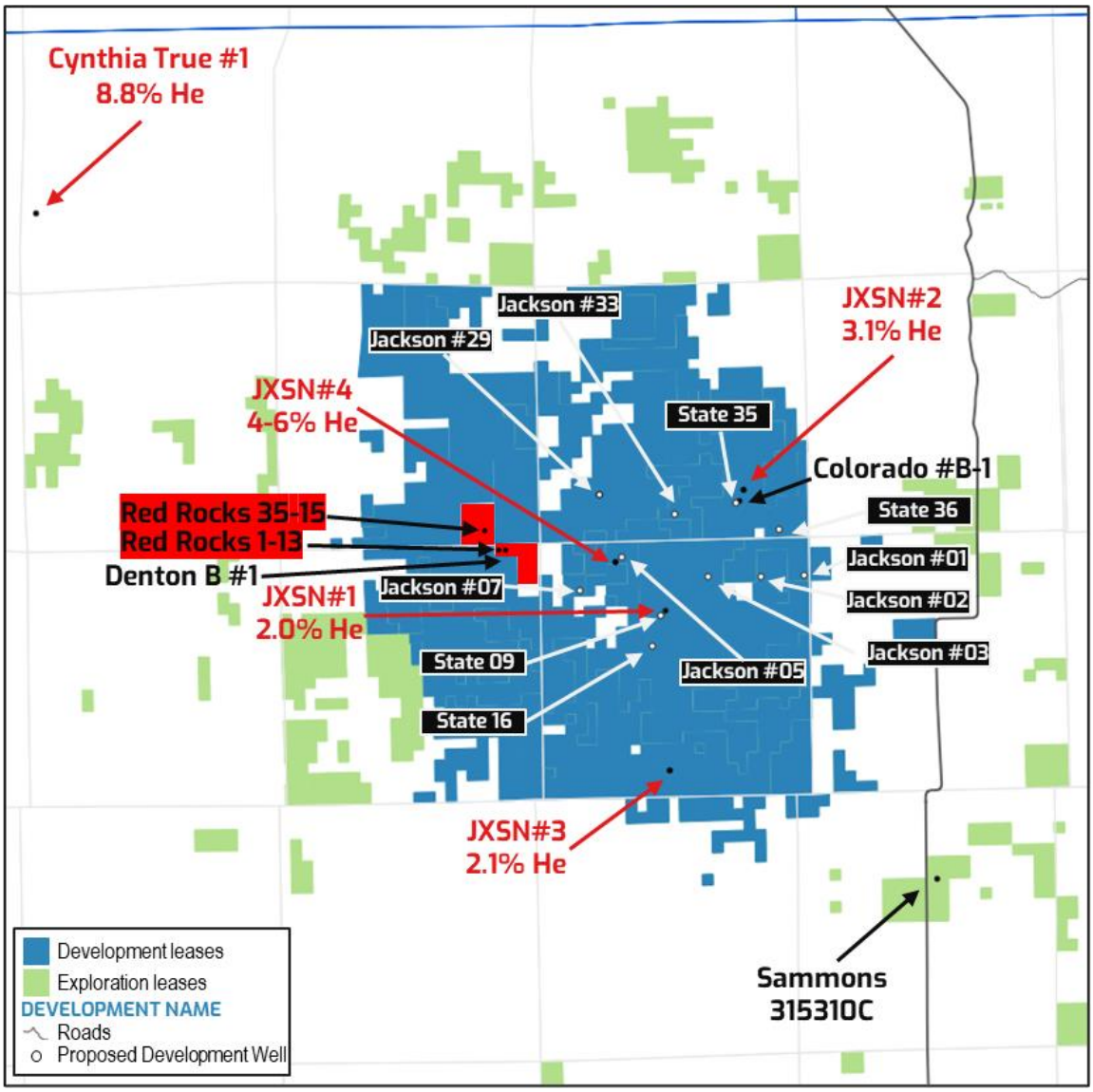
The Galactica/Pegasus project has already been significantly de-risked geologically. Four Blue Star exploration wells, JXSN#1, #2, #3 and JXSN#4, delivered gas flowing at 125 - 412 mcf/d with high air-corrected helium concentrations of 2.0 - 6.1% He. These wells also proved the Company's previous interpretations of gas on logs at historic wells, Denton B #1 and Colorado #B-1, also located on the Galactica and Pegasus structures.

Potential development of the Galactica/Pegasus project has also been de-risked by the successful third-party commercialisation of the adjoining Red Rocks helium project, which is being delivered via an IACX midstream leased process facility arrangement.

***Table 1: Key results from Galactica/Pegasus exploration wells***

| Key parameters | JXSN#1 | JXSN#2 | JXSN#3 | JXSN#4 |
|---|---|---|---|---|
| Helium concentration (%) | 1.98 | 3.14 | 2.14 | 4.20 & 6.06 |
| Gas column in Lyons formation (ft) | 217.5 | 101+ | 230 | 233.5 |
| Net pay in Lyons formation (ft) | 143.5 | 101 | 153.4 | 133.5 |
| Stabilized initial flow rate (Mcfd) | 412 | 202 | 412 | 125 |

***Figure 1: Planned development well locations at the Galactica/Pegasus prospect and the neighbouring Red Rocks Helium Project***




There is a range of development pathways under consideration for the Galactica/Pegasus project, including a leased plant and third party operated option. Engineering and market work continues

to refine the initial planned development configuration, including forecast helium and by-product $CO_2$ output volumes and cost estimates.

## Voyager project

Following the analysis of BBB #33 and Bolling #4 development well results, Blue Star has determined that commercialisation at Voyager should not proceed as originally planned.

Independent engineering reports after applying the revised geological and operating parameters to the current plan of development still forecast multiple scenarios delivering a profitable all-in project. This plan of development was adopted due to the forecasted capital-lite high-margin project for Blue Star. However, development of Voyager via this route is no longer expected to be the highest-returning project in the available well portfolio and Blue Star will now undertake a full review of potential commercialisation pathways for Voyager. This will include evaluating developments that include connection to grid power as well as a variety of gas processing sizes and solutions.

Remapping of Voyager will also be undertaken with data gathered during the recent drilling being incorporated into future models. Consideration is being given to potential pressure leak points (faults or intrusive dykes) while also considering the top seal potential locally. It is expected that this work may result in additional prospective areas on the greater structure for future drilling consideration.

*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.