

ASX ANNOUNCEMENT

3 March 2025

JACKSON 31 WELL DRILLED TO TD WITH GAS CONFIRMED GALACTICA PROJECT

Highlights

- Jackson 31 well successfully drilled to total depth (TD) with gas confirmed by wireline logs.
- Well flowed naturally during drilling and at TD, demonstrating strong reservoir communication.
- 57 feet of high-quality, gas-saturated Lyons Sandstone was encountered.
- Samples sent to laboratory for analysis of helium and CO2 concentrations.
- Well head configuration being finalised ahead of surface pressure readings and flow testing.

Blue Star Helium Limited (ASX:BNL, OTC:BSNLF) (**Blue Star** or the **Company**) is pleased to announce that the Jackson 31 SENW 3054 development well at its Galactica helium project in Las Animas County, Colorado has been successfully drilled to its final total depth (TD).



All smiles at the end of a successful first well in the campaign with Helium One CEO Lorna Blaisse and Blue Star's Trent Spry on site

Blue Star Managing Director & CEO, Trent Spry, said

"This is a fantastic start to our development campaign at Galactica. The successful drilling of Jackson 31, with confirmed gas flows and no water encountered in the target zone, validates our geological model and significantly de-risks the project. The natural flow during drilling and at TD demonstrates the excellent reservoir communication we anticipated. We are now eagerly awaiting the results of the gas sample analysis and the upcoming flow testing. This achievement marks a major milestone for Blue Star, and we are confident in the potential of Galactica to become a significant helium producer."

Jackson 31 Well Drilling and Initial Flow Testing Results

The well encountered the Lyons Formation at a depth of 1,153 feet and was completed deliberately 57 feet into the upper sand of the Lyons Formation at 1,210 feet (TD).

Significantly, no water was encountered during drilling of the Lyons Formation. Wireline logs confirmed this. Based on offset wells we expect the entire upper Lyons to be gas saturated as well as a significant portion of the lower Lyons sand. This well targeted the highest quality sandstone at the top of the upper Lyons Formation which is well connected to the entire gas column.

The well flowed naturally during drilling and at TD, demonstrating strong reservoir communication. The well head installation is being completed ahead of surface pressure readings and flow testing.

Gas samples have been acquired and are being delivered for laboratory analysis of helium and CO₂ concentrations.

It is anticipated that, upon successful testing at Jackson 31, the well will be completed, ready to be tied-in to production facilities.

The rig is being mobilised to the Jackson 4 L4 3154 well location.

Galactica/Pegasus Development

The Galactica project forms part of the broader Galactica/Pegasus development, discovered by Blue Star in 2022. This large-scale project offers multiple potential product streams. Four existing discoveries at Galactica/Pegasus (JXSN#1 to JXSN#4) have delivered gas flows of 125 - 412 mcf/d with high helium concentrations (2.0 - 6.1% He).

The Company further appraised the discovery with the State 16 well drilled in June 2024. Independent engineering consultants advised the company that State 16 is capable of a maximum rate of 441 Mscfd with more stabilised rates constrained for production optimisation projected to be between 250 Mscfd and 350 Mscfd. The well tested 1.9% helium and logs identified 96+ feet of gas column in the Lyons Sandstone.

The third-party owned Red Rocks helium project adjoins Blue Star's Galactica project (see map below). Development of Red Rocks further supports the successful commercialization of the Galactica project.

Blue Star has been advancing engineering work on Galactica related to CO₂ removal, purification and sale prior to helium processing via the IACX helium recovery unit. Engineering and market analysis continues to optimize development configurations, production forecasts, and cost estimates.

Blue Star is advancing the Galactica project in joint venture with Helium One Global Ltd. Under the farm-in agreement, Helium One will fund the first US\$450,000 of this well.

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, OTC:BSNLF) is an independent helium exploration company with operations and exploration in North America. Blue Star's strategy is to find and develop new supplies of low-cost, high-grade helium.

About Helium:

Helium is a unique industrial gas with applications in various high-tech industries, including MRI and semiconductor manufacturing, fiber optics, and space exploration. Helium is primarily sourced as a by-product of natural gas extraction.